



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, JANUARY 12, 2016 - 6:30 P.M.

As a courtesy to those in attendance, the City of Stanton respectfully requests that all cell phones, pagers and/or electronic devices be turned off or placed on silent mode while the meeting is in session. Thank you for your cooperation.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, CONTACT THE CITY CLERK AT (714) 379-9222. NOTIFICATION BY 9:00 A.M. ON MONDAY, JANUARY 11, 2016 WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

Supporting, descriptive documentation for agenda items, including staff reports, is available for review in the City Clerk's Office and on the City web site at www.ci.stanton.ca.us.

1. **CLOSED SESSION** None.

2. **CALL TO ORDER REGULAR CITY COUNCIL / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING**

3. **PLEDGE OF ALLEGIANCE**

4. **ROLL CALL** Council/Agency/Authority Member Ethans
 Council/Agency/Authority Member Ramirez
 Council/Agency/Authority Member Shawver
 Mayor Pro Tem/Vice Chairman Warren
 Mayor/Chairman Donahue

5. SPECIAL PRESENTATIONS AND AWARDS

- 60th Anniversary presentation of proclamation & kick-off celebration
- Presentation of Certificate of Recognition honoring CR&R Waste and Recycling Services as Business of the Month for the month of January 2016.
- Presentation of Certificate of Recognition honoring Mr. David J. Hennek as Volunteer of the Month for the month of January 2016.

6. CONSENT CALENDAR

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

CONSENT CALENDAR

6A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

RECOMMENDED ACTION:

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

6B. APPROVAL OF WARRANTS

City Council approve demand warrants dated December 3, December 9, December 16, December 17, and December 23, 2015, in the amount of \$3,295,171.98.

6C. APPROVAL OF MINUTES

City Council/Agency/Authority Board approve Minutes of Regular Joint Meeting – December 8, 2015.

6D. NOVEMBER 2015 INVESTMENT REPORT

The Investment Report as of November 30, 2015 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of November 2015.

6E. NOVEMBER 2015 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of November 30, 2015 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of November 2015.

6F. MAYOR'S APPOINTMENTS OF COUNCIL MEMBERS AS REPRESENTATIVES TO VARIOUS BOARDS, COMMISSIONS, COMMITTEES AND AGENCIES

Traditionally, Council Members have been appointed by the Mayor to serve on numerous outside committees, boards, commissions and agencies. Each appointee is responsible for representing the City and voting on behalf of the City Council. The Mayor has conducted a review and has selected appointees, as detailed in Attachment 1. With the exception of the Orange County Fire Authority ("OCFA") appointment, which is required to be made by Resolution, the Mayor may otherwise make appointments to each committee, board, commission or agency by nomination and Minute Order confirmation. In addition, the Fair Political Practices Commission ("FPPC") regulations require the adoption and posting of Form 806, Agency Report of Public Official Appointments, in order for individual Council Members to participate in a City Council vote that would result in him or her serving in a position that provides compensation of \$250 or more in any 12-month period.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Confirm the Mayor's appointments; and
3. Approve FPPC Form 806 and authorize the City Clerk to post the form on the City's website.

6G. CONSIDERATION OF A REQUEST TO THE STANTON SUCCESSOR AGENCY TO ADD A LINE ITEM TO ROPS 16-17 A FOR APPROVAL TO EXPEND 2011 LOW/MOD HOUSING BOND PROCEEDS (HOUSING AUTHORITY)

Senate Bill 107 approved by the State Legislature in 2015, permits successor agencies to gain access to previously restricted 2011 bond proceeds. This agenda item would request that the expenditure of \$4,727,355.87 plus any accrued interest in unspent 2011 Low/Mod Bond Proceeds be placed on ROPS 2016-17 A for expenditure on the Tina/Pacific revitalization project.

RECOMMENDED ACTION:

1. Authority Board declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. Approve the request for expenditure of \$4,727,355.87 plus any accrued interest in unspent 2011 Low/Mod Bond Proceeds be placed on ROPS 2016-17 A for expenditure on the Tina/Pacific revitalization project.

END OF CONSENT CALENDAR

7. PUBLIC HEARINGS None.

8. UNFINISHED BUSINESS

8A. ISSUANCE OF REFUNDING TAX ALLOCATION BONDS (SUCCESSOR AGENCY)

When the Stanton Redevelopment Agency was dissolved there were five series of tax allocation bonds previously issued and outstanding. The Dissolution Act permits successor agencies to refinance outstanding bonds or other obligations of a former redevelopment agency under certain circumstances.

If approved, the resolution would complete the authorization begun in June 2015 for the refunding of two series of outstanding bonds issued by the former Stanton Redevelopment Agency, with an expected total savings of \$4.2 million over 20 years.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a director reasonably foreseeable indirect physical change in the environment) and 15060 (c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and
2. Adopt Resolution No. SA 2016-01 entitled "A Resolution of the Successor Agency to the Stanton Redevelopment Agency Confirming the Issuance of Tax Allocation Refunding Bonds Pursuant to an Indenture of Trust, Approving Preliminary and Final Official Statements, Bond Purchase Agreement and Continuing Disclosure Certificate and Providing Other Matters Relating Thereto".

9. NEW BUSINESS

9A. CONSIDERATION OF AN URGENCY ORDINANCE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY AS AN URGENCY ORDINANCE

The California legislature recently adopted legislation identified as the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643)(MMRSA) to comprehensively regulate medical marijuana (medical cannabis). The MMRSA recognizes and preserves local control to regulate or ban medical cannabis cultivation, transportation, and distribution. At present, the Stanton Municipal Code does not contain regulations of marijuana manufacturers, cultivation, and delivery. The MMRSA provides that if a city has not banned or regulated cannabis cultivation by March 1, 2016, then cultivation in that city will be subject only to state law on this issue. As such it is necessary for the City to immediately establish a marijuana cultivation ban or regulations in order to preserve the City's control of this use.

State law authorizes cities to adopt urgency ordinances that are effective immediately if the ordinance is for the "immediate preservation of the public peace, health or safety" and is approved by four-fifths vote of the City Council. (Gov. Code § 36937.) This ordinance is also being presented to the City Council as a regular, non-urgency item. The City Attorney's Office advises the City to adopt this ordinance as a non-urgency item as a best practice against any future legal challenges.

RECOMMENDED ACTION:

1. City Council declare that the project is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) (the activities are not "projects" as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because they have no potential for resulting in physical change to the environment, directly or indirectly and 15061(b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it can be seen with certainty that it will not have a significant effect or physical change to the environment; and
2. Adopt Urgency Ordinance No. 1046, entitled:

"AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AMENDING CHAPTER 9.38 OF THE STANTON MUNICIPAL CODE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY."

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Any writings or documents provided to a majority of the City Council/Successor Agency/Stanton Housing Authority regarding any item on this agenda will be made available for public inspection at the Public Counter at City Hall located at 7800 Katella Avenue, Stanton CA, during normal business hours.

ROLL CALL VOTE: Council Member Ethans
Council Member Ramirez
Council Member Shawver
Mayor Pro Tem Warren
Mayor Donahue

9B. CONSIDERATION OF AN ORDINANCE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY

The California legislature recently adopted legislation identified as the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643) (MMRSA) to comprehensively regulate medical marijuana (medical cannabis). The MMRSA recognizes and preserves local control to regulate or ban medical cannabis cultivation, transportation, and distribution. At present the Stanton Municipal Code ("SMC") does not contain regulations of marijuana manufacturers, cultivation, and delivery.

In addition, due to the serious, negative impacts associated with the distribution, manufacture, cultivation, and delivery of marijuana, a resolution is proposed to increase the administrative citation fine amounts for marijuana-related SMC violations.

RECOMMENDED ACTION:

1. City Council declare that the project is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) (the activities are not "projects" as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because they have no potential for resulting in physical change to the environment, directly or indirectly and 15061(b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it can be seen with certainty that it will not have a significant effect or physical change to the environment; and
2. Introduce Ordinance No. 1047 entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AMENDING CHAPTER 9.38 OF THE STANTON MUNICIPAL CODE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY"; and

3. Approve Resolution No. 2016-01, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADOPTING ADMINISTRATIVE FINE AMOUNTS FOR MARIJUANA-RELATED VIOLATIONS OF THE STANTON MUNICIPAL CODE”; and

4. Set said Ordinance for adoption at the regular City Council meeting of January 26, 2016.

ROLL CALL VOTE: Council Member Ethans
Council Member Ramirez
Council Member Shawver
Mayor Pro Tem Warren
Mayor Donahue

10. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

11. WRITTEN COMMUNICATIONS None.

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Any writings or documents provided to a majority of the City Council/Successor Agency/Stanton Housing Authority regarding any item on this agenda will be made available for public inspection at the Public Counter at City Hall located at 7800 Katella Avenue, Stanton CA, during normal business hours.

12. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

12A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

12B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

12C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled: None.

12D. REVIEW OF METHODS TO INCREASE PEDESTRIAN SAFETY ALONG BEACH BOULEVARD

The City Council has requested review of how to increase the safety of pedestrians along Beach Boulevard.

RECOMMENDED ACTION:

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(c) – Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities; and
2. Review the staff report and provide direction.

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Any writings or documents provided to a majority of the City Council/Successor Agency/Stanton Housing Authority regarding any item on this agenda will be made available for public inspection at the Public Counter at City Hall located at 7800 Katella Avenue, Stanton CA, during normal business hours.

13. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

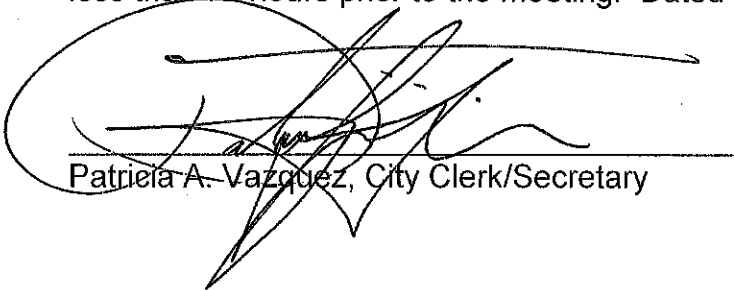
- Stanton Central Park construction updates.

14A. ORANGE COUNTY FIRE AUTHORITY

At this time the Orange County Fire Authority will provide the City Council with an update on their current operations.

15. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 7th day of January, 2016.

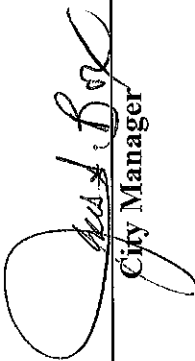


Patricia A. Vazquez, City Clerk/Secretary

**CITY OF STANTON
ACCOUNTS PAYABLE REGISTER**


December 3, 2015	\$1,049,464.98
December 9, 2015	\$1,003,317.11
December 16, 2015	\$262,093.68
December 17, 2015	\$5,000.00
December 23, 2015	\$975,296.21
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$3,295,171.98</div>

Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.



City Manager

Demands listed on the attached registers are accurate and funds are available for payment thereof.



Administrative Services Director

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MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY OF THE CITY OF STANTON JOINT REGULAR MEETING DECEMBER 8, 2015

1. **CLOSED SESSION** None.

2. **CALL TO ORDER**

The meetings were called to order at 6:30 p.m. by Mayor/Chairman Ethans.

3. **ROLL CALL**

Present: Council/Agency/Authority Member Ramirez, Council/Agency/Authority Member Shawver, Council/Agency/Authority Member Warren, Mayor Pro Tem/Vice Chairman Donahue and Mayor/Chairman Ethans

Absent: None.

Excused: None.

4. **PLEDGE OF ALLEGIANCE**

Led by Mayor Ethans.

5. **SPECIAL PRESENTATIONS AND AWARDS**

1. Presentation of Certificates of Recognition honoring Mr. Ken Ash and Mr. Johnny Grubbs as Veterans of the Month for the month of December 2015 in the City Of Stanton.
 - Presentation of Certificate of Recognition by Andrew Awad, Field Representative, Assemblywoman Young Kim's office to Mr. Johnny Grubbs as Veteran of the Month for the month of December 2015 in the City Of Stanton.
 - Presentation of Certificate of Recognition by Andrew Awad, Field Representative, Assemblywoman Young Kim's office to Mayor Ethans, honoring Mayor Ethans for his time served as Mayor for the City of Stanton for the year 2015.
2. Mayor Pro Tem Donahue expressed his gratitude to Mr. Johnny Grubbs for his service and for his extensive knowledge and assistance with the City's Annual Car Show.

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6. CONSENT CALENDAR

At the request of a member of the public the City Clerk pulled item 6F from the Consent Calendar for separate discussion.

Motion/Second: Donahue/Ramirez

Motion to approve the balance of the Consent Calendar passed by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSENT: None

ABSTAIN: None

The City Council/Agency Board/Authority Board approved the following Consent Calendar items:

CONSENT CALENDAR

6A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

The City Council/Agency Board/Authority Board waived reading of Ordinances and Resolutions.

6B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated November 19 and November 24, 2015, in the amount of \$1,135,210.22.

6C. APPROVAL OF MINUTES

The City Council/Agency/Authority Board approved Minutes of Regular Joint Meeting – November 24, 2015.

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6D. PROCLAMATION DECLARING JANUARY 2016 AS BUSINESS APPRECIATION MONTH

As part of an effort to recognize and celebrate the contributions local businesses make in the City, the proposed proclamation would declare the month of January 2016 as Business Appreciation Month.

1. The City Council declared that the proclamation is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. Approved the Proclamation declaring January 2016 as Business Appreciation Month.

6E. ANNUAL AUDIT REPORTS FOR FISCAL YEAR 2014-15 (CC & SA JOINT ITEM)

Attached is the Comprehensive Annual Financial Report (CAFR) for the City of Stanton for the fiscal year ended June 30, 2015. This report includes all funds and entities that are within the control of the City. The independent firm of White Nelson Diehl Evans LLP, Certified Public Accountants and Consultants (WNDE), has conducted an independent audit of the financial statements of the City included in the CAFR and has issued an "unqualified" opinion thereon.

Also attached is the annual financial statements for the Successor Agency to the Stanton Redevelopment Agency (a private-purpose trust fund of the City of Stanton) as audited by WNDE.

Three additional reports and letters required by governmental auditing standards were issued by the auditors and are submitted herewith. All three cite no significant instances of noncompliance or other exceptions.

1. The City Council declared that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3); and
2. The City Council received and filed the Comprehensive Annual Financial Report for fiscal year ended June 30, 2015, the Report on Internal Controls Over Financial Reporting and On Compliance and Other Matters, the Auditor's Communication With Those Charged With Governance, and the Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheet for the Year Ended June 30, 2015.
3. The Successor Agency Board received and filed the Financial Statements for the Successor Agency to the Stanton Redevelopment Agency for the fiscal year ended June 30, 2015.

END OF CONSENT CALENDAR

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6F. EXTENSION OF CONTRACT FOR TOWING SERVICES

On November 26, 2013, the City Council approved towing contracts for four tow companies located in the City. The contracts were for a 24-month period ending December 1, 2015 and allowed for two one-year extensions. The City Council is being requested to approve contract amendments to allow for the first of these one-year extensions for the three companies still in operation.

- Ross Ault, spoke in opposition to the City entering into a contract with the listed towing firms and reported on issues that he has experienced with Russell's Towing as well as the City's code enforcement division in regards to the towing of a vehicle listed in his name.

Motion/Second: Donahue/Shawver

Motion carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. Approved the First Amendment to the Non-Exclusive Towing Services Agreement and awarded a 1-year contract extension to Southland Towing/Action Towing, Russell's Towing and Golden Touch Auto Body and Towing; and
3. Authorized the City Manager to enter into a contract with selected towing firms.

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7. PUBLIC HEARINGS

7A. ESTABLISHMENT OF A FEE FOR THE PROCESSING OF DONATION COLLECTION BOX PERMIT APPLICATIONS

On November 24, 2015, the City Council gave second reading of Ordinance No. 1042, to adopt new land use regulations for donation collection boxes. As part of the new regulations, a permit application must be filed with the Community Development Director for the proposed location and operation of collection boxes. This resolution would establish a fee to recover the costs associated with the permit processing for this new application.

The public hearing was opened.

No one appearing to speak, the public hearing was closed.

Motion/Second: Shawver/Donahue

Motion carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

1. The City Council conducted a public hearing; and
2. Declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) – The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and
3. Adopted Resolution No. 2015-43 establishing a permit fee for processing of donation collection box permit applications.

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8. UNFINISHED BUSINESS

8A. APPROVAL OF ORDINANCE NO. 1043

This Ordinance was introduced at the regular City Council meeting of November 24, 2015.

The City Clerk read the title of Ordinance No. 1043, entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, AMENDING SECTIONS 20.315.010 'PURPOSE', 20.315.020 'APPLICABILITY', 20.315.050 'IRRIGATION PLANS AND WATER CONSERVATION STANDARDS', AND 20.315.080 'DEFINITIONS' OF CHAPTER 20.315 OF THE STANTON MUNICIPAL CODE REGARDING THE ADOPTION OF A WATER EFFICIENT LANDSCAPE ORDINANCE."

Motion/Second: Donahue/Shawver

ROLL CALL VOTE:

Council Member Ramirez	AYE
Council Member Shawver	AYE
Council Member Warren	AYE
Mayor Pro Tem Donahue	AYE
Mayor Ethans	AYE

Motion unanimously carried:

1. The City Council finds that this Ordinance is exempt from environmental review under the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq.) ("CEQA") and the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15000 et seq.). Pursuant to State CEQA Guidelines section 15061(b)(1), the Ordinance is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Here, it can be seen with certainty that the Ordinance, which will improve water savings and promote efficient landscapes in new developments and retrofitted landscapes, will not have a significant effect on the environment; and
2. Adopted Ordinance No. 1043.

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9. **NEW BUSINESS** None.

10. **ORAL COMMUNICATIONS – PUBLIC**

Robert Green, Stanton, spoke regarding safety issues within his complex, as well as the surrounding area of his complex.

11. **WRITTEN COMMUNICATIONS** None.

12. **MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS**

12A. **COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS**

- Mayor Ethans expressed his gratitude to the city council and city staff for their assistance support throughout the year.
- Mayor Ethans expressed his gratitude for the unwavering support from his wife Mrs. Mavis Ethans.
- Council Member Shawver requested that Council Member Warren report on the city council's attendance at the Annual Boys and Girls Club Annual Harvest Event.
- Council Member Warren spoke regarding the city council's attendance at the Boys & Girls Club Annual Harvest Celebration, which was held on December 6, 2015.
- Council Member Shawver requested that Community Services Director Julie S. Roman report on the City's Christmas Tree Lighting Ceremony, Celebrating Holidays Around the World Event.
- Community Services Director Julie S. Roman reported on the City's Christmas Tree Lighting Ceremony, Celebrating Holidays Around the World Event, which was held on December 3, 2015.
- Council Member Shawver expressed his gratitude to Community Services Director Julie S. Roman and her staff for a successful and well organized Christmas Tree Lighting Ceremony, Celebrating Holidays Around the World Event.

12B. **COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING**

None.

12C. **COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION**

None.

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12D. REORGANIZATION OF CITY COUNCIL

Annually the City Council elects a Mayor and Mayor Pro Tem.

The City Clerk opened nominations for Mayor.

Mayor Ethans nominated Mayor Pro Tem Brian Donahue for the office of Mayor.

The City Clerk closed nominations for Mayor.

Motion/Second: Shawver/Warren

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

Mayor Pro Tem Brian Donahue was unanimously elected Mayor.

The Mayor opened nominations for Mayor Pro Tem.

Council Member Shawver nominated Council Member Carol Warren for the office of Mayor Pro Tem.

The Mayor closed nominations for Mayor Pro Tem.

Motion/Second: Shawver/Ramirez

Motion unanimously carried by the following vote:

AYES: 5 (Donahue, Ethans, Ramirez, Shawver, Warren)

NOES: None

ABSTAIN: None

ABSENT: None

Council Member Carol Warren was unanimously elected Mayor Pro Tem.

DRAFT

12E. RECOGNITION OF OUTGOING MAYOR

- Mayor Donahue presented Council Member Ethans with a mayors plaque of appreciation from the City of Stanton.
- Members of the City Council expressed their gratitude to outgoing Mayor Alexander A. Ethans for his efforts throughout the year.
- City Manager Box expressed his gratitude to outgoing Mayor Alexander A. Ethans.

13. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

None.

14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

- City Manager Box expressed his gratitude to outgoing Mayor Alexander A. Ethans.
- City Manager Box congratulated newly appointed Mayor Brian Donahue.
- City Manager Box wished the city council and city staff a happy and safe holiday season.

14A. ORANGE COUNTY SHERIFF'S DEPARTMENT

Lieutenant Jim England provided the City Council with an update on their current operations.

15. ADJOURNMENT Motion/Second: Donahue/ Motion carried at 7:08 p.m.

MAYOR/CHAIRMAN

ATTEST:

CITY CLERK/SECRETARY

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: January 12, 2015

SUBJECT: NOVEMBER 2015 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of November 30, 2015 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

That the City Council:

- 1) Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment), and
- 2) Receive and file the Investment Report for the month of November 2015.

BACKGROUND:

The attached reports summarize the City investments and deposit balances as of November 2015. A summary of the City's investments and deposits is included as Attachment A. The details of the City's investments are shown in Attachment B. The City's cash and investment balances by fund type are presented in Attachment C.

ANALYSIS:

The City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of November 2015 was 0.374%. The City's other investments are shown on Attachment B and have a weighted investment yield of 1.13%. Including LAIF, the Stanton Central Park depository account and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 0.48%, which exceeds the benchmark LAIF return of 0.374%.

The weighted average maturity of the City's investments at November 30, 2015 is 716 days. Including LAIF, the Stanton Central Park depository account and a money market account, it is 185 days. LAIF's average maturity at November 30, 2015 was approximately 239 days.

The City was able to exceed the LAIF benchmark return, through Chandler Asset Management's diversification of the portfolio and pushing the weighted average maturity to more than triple the LAIF average maturity.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2015-16 Investment Policy. The portfolio will allow the City to meet its expenditure requirements for the next six months. Staff remains confident that the investment portfolio is currently positioned to remain secure and sufficiently liquid.

Chandler Asset Management controls the City's \$9.3 million investment portfolio. City staff continues to have control over investments in LAIF and the Bank of the West Money Market Account.

ENVIRONMENTAL IMPACT:

None

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED

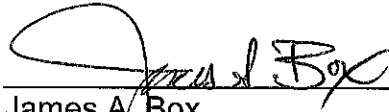
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Administrative Services Director/Treasurer

Approved:



James A. Box
City Manager

Attachments:

- A. Investments and Deposits
- B. Investment Detail
- C. Cash and Investment Balances by Fund Type

CITY OF STANTON, CA
INVESTMENTS AND DEPOSITS
November 30, 2015

Investment Type	Issuer	Date of Maturity	Interest Rate	Par Value	Cost	% of Total	Market Value	Market Value Source
State Pool (LAIF) - City portion ¹	State of California	On Demand	0.37%	\$ 13,459,246	\$ 11,312,803	54.82%	\$ 11,319,530	LAIF
Investments ²	Various	Various	Various	\$ 9,298,560	9,324,540	45.18%	9,303,016	US Bank
Subtotal - Investments					\$ 20,637,342	100.00%	\$ 20,622,546	
Demand Deposits/Main Checking - City portion	Bank of the West	On Demand	N/A	N/A	\$ (6,576,135)		\$ (6,576,135)	Bank of the West
Money Market Account	Bank of the West	On Demand	0.29%	\$ 8,953,117	8,953,117		8,953,117	Bank of the West
Imprest Accts & Petty Cash	Bank of the West	On Demand	N/A	N/A	73,889		73,889	Bank of the West
Stanton Park Depository Account	US Bank	On Demand	0.02%	\$ 6,500,506	6,500,506		6,500,506	
Subtotal - Deposits					\$ 8,951,377		\$ 8,951,377	

Total Cash Investments and Deposits ³

Weighted Average Maturity (days)	185	Weighted Average Yield	0.48%
----------------------------------	-----	------------------------	-------

\$ 29,588,720

\$ 29,573,923

¹ Par Value amount represents entire LAIF balance, including City and Successor: Agency portions

² Cost amount includes \$25,395 adjustment made to City's books at 6/30/15 to adjust portfolio to market value, per GASB 31

³ Weighted average maturity and yield calculations include LAIF, Investments and Money Market Account

NOTES:

The City's portfolio is in compliance with the City's 2015-16 Investment Policy.

The portfolio will allow the City to meet its expenditure requirements for the next six months.

**CITY OF STANTON
INVESTMENTS
November 2015**

Attachment B

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Per Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
State Treasurer's Pool	Local Agency Investment Fund (LAIF)		0.37%				12/1/2015	NC	13,459,246	11,312,803	11,319,530	31.37%	100%
Cash Equivalents													
Chandler Asset Management	First American Government Obligation	31846V203							43,226	43,226	43,226	0.12%	100%
Negotiable Certificates of Deposit:													
Multi-Bank Securities	CD - CIT Bank	17284AVP0	1.85%	1.850%	100	08/10/11	08/10/16	NC	148,000	148,000	148,452		
Multi-Bank Securities	CD - Eberbank USA	29266NRX7	1.75%	1.750%	100	08/15/11	08/15/16	NC	248,000	248,000	250,284		
First Empire Securities	CD - Camden National Bk	133033DL1	1.75%	1.750%	100	08/17/11	08/17/16	NC	248,000	248,000	250,296		
First Empire Securities	CD - Discover Bank	254670Q64	1.75%	1.750%	100	08/17/11	08/17/16	NC	140,000	140,000	141,302		
Time Value Investments	CD - GE Capital Bank	36160YSC0	1.35%	1.350%	100	10/18/12	10/18/16	NC	248,000	248,000	249,768		
First Empire Securities	CD - Goldman Sachs Bank	36143ARY3	1.85%	1.850%	100	05/09/12	05/09/17	NC	97,000	97,000	98,356		
First Empire Securities	CD - Discover Bank	254671AT7	1.75%	1.750%	100	05/09/12	05/09/17	NC	100,000	100,000	101,400		
Multi-Bank Securities	CD - Sallie Mae Bank	795450PJ8	1.60%	1.600%	100	10/01/12	09/19/17	NC	100,000	100,000	101,182		
Multi-Bank Securities	CD - American Express	02587DLD8	1.55%	1.550%	100	10/04/12	10/04/17	NC	248,000	248,000	250,621		
Time Value Investments	CD - HSBC	40431G3Q0	0.75%	Variable	100	10/26/12	10/26/17	NC	248,000	248,000	249,379		
First Empire Securities	CD - Everbank	29976DPY0	1.10%	1.100%	100	10/30/12	11/30/17	NC	248,000	248,000	250,492		
									2,073,000	2,073,000	2,087,534	5.75%	30%
U.S. Government Agency Securities:													
Chandler Asset Management	Federal Farm Credit Bks	3133EEQM5	1.11%	1.110%	100.175	03/24/15	02/20/18	NC	185,000	185,697	185,133		
Chandler Asset Management	FHLB	3130A4CL5	0.97%	1.125%	100.485	05/28/15	04/23/18	NC	185,000	185,818	184,915		
Chandler Asset Management	FHLB	3130A0JR2	1.65%	2.375%	103.068	11/23/15	12/13/19	NC	200,000	205,698	206,136		
Time Value Investments	FNMA - Zero Coupon	31359MEL3	1.02%	0.000%	95.25	8/20/2012	6/1/2017	NC	250,000	238,132	246,683		
Chandler Asset Management	FHLMC	3137EADJ5	1.03%	1.000%	99.93	09/25/14	07/28/17	NC	190,000	189,866	190,334		
Chandler Asset Management	FHLMC	3137EADK2	1.57%	1.250%	98.94	06/18/15	08/01/19	NC	180,000	177,745	178,106		
Chandler Asset Management	FHLMC	3137EADM8	1.25%	1.250%	99.15	08/31/15	10/02/19	NC	190,000	188,394	187,395		
Chandler Asset Management	FNMA	3135G0E33	1.15%	1.125%	99.92	06/04/15	07/20/18	NC	190,000	190,204	189,609		
Chandler Asset Management	FNMA	3135G0E58	1.20%	1.125%	100.42	9/30/2015	10/19/2018	NC	195,000	195,014	194,033		
Chandler Asset Management	FNMA	3135G0G72	1.17%	1.125%	99.39	10/30/2015	12/14/2018	NC	195,000	194,709	193,805		
Chandler Asset Management	FNMA	3135G0ZL0	1.12%	1.000%	99.70	08/25/14	09/27/17	NC	90,000	89,679	90,026		
Chandler Asset Management	FNMA	3135G0TG8	0.88%	0.875%	99.17	12/05/14	02/08/18	NC	160,000	158,678	159,278		
Chandler Asset Management	FNMA	3135G0WJ8	0.88%	0.920%	99.62	04/30/15	04/16/18	NC	170,000	169,233	168,664		
									2,380,000	2,368,868	2,374,117	6.57%	100%
US Treasury													
Chandler Asset Management	US Treasury	912828VG2	0.45%	0.500%	100.10	08/13/14	06/15/16	NC	150,000	150,147	150,024		
Chandler Asset Management	US Treasury	912828A59	0.58%	0.625%	100.12	05/29/14	12/15/16	NC	165,000	165,200	164,814		
Chandler Asset Management	US Treasury	912828B74	0.68%	0.825%	99.81	02/28/14	02/15/17	NC	200,000	199,616	199,656		
Chandler Asset Management	US Treasury	912828C32	0.79%	0.750%	99.81	09/25/14	03/15/17	NC	190,000	189,800	189,903		
Chandler Asset Management	US Treasury	912828C73	0.71%	0.875%	100.47	05/29/14	04/15/17	NC	190,000	190,885	190,186		
Chandler Asset Management	US Treasury	912828TS9	1.16%	0.625%	98.34	07/31/14	09/30/17	NC	185,000	181,922	184,075		
Chandler Asset Management	US Treasury	912828TH3	1.19%	0.875%	98.89	09/29/15	07/31/19	NC	190,000	187,789	186,289		
Chandler Asset Management	US Treasury	912828UB4	1.37%	1.000%	98.48	10/29/15	11/30/19	NC	110,000	108,402	107,869		
Chandler Asset Management	US Treasury	912828ST8	1.25%	1.250%	100.16	05/28/15	04/30/19	NC	160,000	160,007	159,430		
Chandler Asset Management	US Treasury	912828SX9	1.33%	1.125%	99.52	05/27/15	05/31/19	NC	185,000	183,541	183,518		
Chandler Asset Management	US Treasury	912828UJ2	1.13%	0.750%	99.07	02/23/15	03/31/18	NC	190,000	187,833	188,657		
									1,915,000	1,905,145	1,904,422	5.28%	100%

**CITY OF STANTON
INVESTMENTS
November 2015**

Attachment B

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
Medium-Term Corporate Notes:													
Chandler Asset Management	Charles Schwab Corp Callable Note	808513AK1	1.49%	1.500%	100.49	03/10/15	02/20/18		100,000	99,874	99,815		
Chandler Asset Management	Wal-mart Stores Note	93114ZDE0	0.53%	0.600%	100.16	01/15/14	04/11/18	NC	150,000	150,242	150,107		
Chandler Asset Management	Berkshire Hathaway Note	064664BX8	0.70%	0.950%	100.65	01/14/14	08/15/16	NC	150,000	150,311	150,311		
Chandler Asset Management	Coca Cola Company Note	191216AU4	0.69%	1.800%	102.87	01/14/14	09/01/16	NC	150,000	154,311	151,295		
Chandler Asset Management	Intel Corp Note	458140AH3	0.85%	1.550%	102.93	01/14/14	10/01/16	NC	150,000	154,388	151,565		
Chandler Asset Management	John Deere Capital Corp Note	24422ERL5	1.11%	2.000%	102.61	01/15/14	01/13/17	NC	150,000	153,909	151,481		
Chandler Asset Management	Occidental Petroleum Note	674599CB9	1.05%	1.750%	102.10	01/24/14	02/15/17	NC	150,000	153,147	150,804		
Chandler Asset Management	Wells Fargo Corp Note	949748FD7	1.26%	2.100%	102.67	01/24/14	05/08/17	NC	150,000	153,147	150,804		
Chandler Asset Management	US Bancorp MTN	91159HHD5	1.16%	1.650%	101.58	02/03/14	05/15/17	4/15/2017	150,000	154,005	151,811		
Chandler Asset Management	Pfizer Inc	717081DJ9	1.10%	1.100%	99.91	05/12/14	09/15/17	NC	35,000	162,369	151,082		
Chandler Asset Management	Qualcomm Inc	747525AG8	1.45%	1.400%	99.87	05/28/15	05/18/18	NC	135,000	34,969	35,046		
Chandler Asset Management	Microsoft Corp	594918BF0	1.33%	1.300%	99.80	10/29/15	11/03/18	NC	55,000	134,787	133,635		
Chandler Asset Management	Chase CHAT	161571GC2	0.59%	1.010%	100.239	09/04/15	10/15/18	NC	125,000	125,107	125,075		
Chandler Asset Management	JP Morgan Note	48126EAA5	1.63%	2.000%	101.28	01/24/14	08/15/17	NC	150,000	151,925	151,029		
Chandler Asset Management	Oracle Corp Note	88389XAN5	1.40%	1.200%	99.27	01/13/14	10/15/17	NC	150,000	148,898	150,351		
Chandler Asset Management	Chevron Corp Callable Note Cont	166764AA8	1.41%	1.104%	98.83	01/10/14	12/05/17	11/5/2017	150,000	148,241	149,469		
Chandler Asset Management	IBM Corp	459200HZ7	1.23%	1.125%	99.70	02/06/15	02/06/18	NC	115,000	114,649	114,387		
										2,215,000	2,236,736	6.20%	30%

Asset-Backed Securities:

Chandler Asset Management	Toyota Auto Receivables 2015A	89238WAC2	1.44%	1.12%	99.99	03/04/15	02/15/19	NC	85,000	84,987	84,865		
Chandler Asset Management	Toyota Auto Receivables Owner 2015-C	89231TAB6	0.93%	0.92%	99.99	08/26/15	02/15/18	NC	55,000	54,996	55,007		
Chandler Asset Management	Honda Auto Receivables	43814CAC3	0.42%	0.48%	100.06	02/12/14	11/21/18	NC	12,200	12,207	12,197		
Chandler Asset Management	Honda Auto Receivables	43813NAC0	1.05%	1.04%	100.01	05/13/15	02/21/19	NC	105,000	104,984	104,593		
Chandler Asset Management	American Honda Finance	02665WAAQ4	1.54%	1.55%	100.43	12/11/14	12/11/17	NC	80,000	79,926	80,222		
Chandler Asset Management	Toyota Auto Receivables 2014A	89231MAC9	0.69%	0.67%	99.98	03/11/14	12/15/17	NC	70,135	70,122	70,056		
Chandler Asset Management	John Deere Owner Trust	47787VAC5	0.93%	0.92%	99.98	04/02/14	04/16/18	NC	105,000	104,983	104,814		
Chandler Asset Management	Honda Auto Receivables	43814HAC2	0.89%	0.88%	99.98	08/20/14	06/15/18	NC	75,000	74,986	74,866		
Chandler Asset Management	John Deere Owner Trust	47787VAD6	1.07%	99.98%	99.78	09/03/14	11/15/18	NC	85,000	84,981	84,947		
										672,335	672,171	1.86%	10%

Subtotal Investments
Prior Year Adjustment GASE 31
Investments Held With US Bank

716 days
WAM

1.13%
Weighted
Average
Yield

9,298,580	9,299,145	9,303,016
0	25,395	0
9,298,580	9,324,540	9,303,016
13,459,246	11,312,803	11,319,530
22,757,807	20,637,342	20,622,546

LAIF
Total Investments
Depository Acct
Money Market Acct
Clawback

12/1/2015
12/1/2015
12/1/2015

0.02%
0.29%
0.29%
0.48%
Weighted
Average
Yield

18.02%
24.82%
100.00%

Total Money Market, LAIF Depository Account and Investments

185 days
WAM

38,211,429	36,065,570	36,076,168
------------	------------	------------

CITY OF STANTON
CASH AND INVESTMENT BALANCES BY FUND TYPE
November 30, 2015

Fund Type	Cash and Investments	Totals
General Fund:		
Pooled	\$ (6,636,035)	
Other Accounts *	24,853,290	\$ 18,217,255
Special Revenue, Capital Projects and Enterprise Funds:		
Gas Tax	1,462,776	
Proposition 1B	-	
Measure M	870,070	
Fire Emergency Services	(132,465)	
Lighting & Median Maint.	2,500,299	
Sewer Maintenance	2,692,860	
Other	2,583,856	9,977,396
Internal Service Funds		1,212,833
Trust Funds		182,474
Total Cash and Investment Balances		\$ 29,589,958

* Money Market, Imprest Accounts, Petty Cash and Investments

CITY OF STANTON

REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO: Honorable Chair and Members of the Successor Agency

DATE: January 12, 2015

SUBJECT: NOVEMBER 2015 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of November 30, 2015 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

That the Successor Agency:

- 1) Find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment), and
- 2) Receive and file the Investment Report for the month of November 2015.

BACKGROUND:

The attached reports summarize the Successor Agency investments and deposit balances as of November 2015. A summary of the Agency's investments and deposits is included as Attachment A. The Agency's cash balances by fund are presented in Attachment B.

ANALYSIS:

The Agency's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of November 2015 was 0.374%.

The Agency began making investments in reserve funds other than those held by bond trustees in October 2015 for the first time. The Agency's other investments are shown on Attachment A and have a weighted investment yield of 1.65%. Including LAIF and

Successor Agency
Agenda Item # SA

6E

the Agency's portion of the Bank of the West checking and money market accounts, the weighted investment yield of the portfolio is 0.65%, which exceeds the benchmark LAIF return of 0.374%.

The weighted average maturity of the Agency's investments at November 30, 2015 is 1,413 days, or almost four years, as there is no immediate need for funds held in the reserve account. Including LAIF, and the checking and money market accounts, the weighted average maturity is 369 days. LAIF's average maturity at November 30, 2015 is approximately 239 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2015-16 Investment Policy.

The portfolio will allow the Agency to meet its expenditure requirements for the next six months.

ENVIRONMENTAL IMPACT:

None

LEGAL REVIEW:

None.

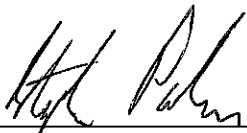
PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

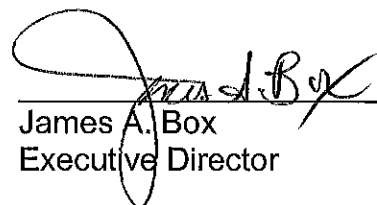
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Administrative Services Director/Treasurer

Approved by:



James A. Box
Executive Director

Attachments:

- A. Investments and Deposits
- B. Cash Balances by Fund

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
INVESTMENTS AND DEPOSITS
November 30, 2015**

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
State Treasurer's Pool - SA portion	Local Agency Investment Fund (LAIF)	State of California		On Demand	0.37%	\$ 2,146,444	\$ 2,146,444	\$ 2,147,030	LAIF
Imprest Account - SA portion	Bank of the West	Bank of the West		On Demand	N/A	(1,247,728)	(1,247,728)	(1,247,728)	Bank of the West
Clawback - Demand Deposits/Money Market Account	Bank of the West Money Market	Bank of the West		On Demand	0.29%	9,088,517	9,088,517	9,088,517	Bank of the West

Total Cash Investments and Deposits

\$ 9,987,232 \$ 9,987,819

Bond Funds Held by Trustees:

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2005 Tax Allocation Bonds - Series A (Taxable)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 369,261.30	\$ 369,261.30	\$ 369,261.30	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 0.33	0.33	0.33	US Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	1,261,703.49	1,261,703.49	1,261,703.49	US Bank
Redevelopment Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	-	-	-	US Bank

Total 2005 Tax Allocation Bonds - Series A (Taxable)

\$ 1,910,965 \$ 1,910,965

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2005 Tax Allocation Bonds - Series B (Tax-Exempt)									
Principal									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	US Bank
Interest									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 180,904.35	\$ 180,904.35	\$ 180,904.35	US Bank
Special Fund									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 0.10	\$ 0.10	\$ 0.10	US Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	698,906.80	698,906.80	698,906.80	US Bank
Redevelopment Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	-	-	-	US Bank

Total 2005 Tax Allocation Bonds - Series B (Tax-Exempt) \$ 1,079,811 \$ 1,079,811

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2010 Tax Allocation Bonds (Tax-Exempt)									
Principal									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$875,000.00	\$875,000.00	\$875,000.00	US Bank
Interest									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$533,287.30	\$533,287.30	\$533,287.30	US Bank
Special Fund									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.88	\$0.88	\$0.88	US Bank
Reserve Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1,132.46	\$1,132.46	\$1,132.46	US Bank
US Gov't Agency Security	Federal Home Loan Banks	Stern Agee	313380FB8	9/13/2019	1.38%	\$525,000.00	\$530,184.23	\$521,913.00	US Bank
US Gov't Agency Security	FNMA	Stern Agee	3135G0F73	11/30/2020	1.50%	\$530,000.00	\$532,368.90	\$521,149.00	US Bank
Negotiable Certificate of Deposit	Firstbank Puerto Rico	First Empire	33767ARS2	11/19/2018	1.50%	\$99,000.00	\$99,000.00	\$99,004.95	US Bank
Wells Fargo Bank Na	Wells Fargo Bank NA	MBS	9497482T3	11/19/2018	1.55%	\$249,000.00	\$249,000.00	\$249,012.45	US Bank
Goldman Sachs Bank USA	Goldman Sachs Bank USA	First Empire	38148J2Y6	11/26/2018	1.70%	\$150,000.00	\$150,000.00	\$149,974.50	US Bank
Redevelopment Fund:									
US Bank Money Market Fund	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt) \$2,969,973.77 \$2,950,474.54

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2011 Tax Allocation Bonds - Series A (Taxable)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$245,000.00	\$245,000.00	\$245,000.00	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$651,164.28	\$651,164.28	\$651,164.28	US Bank
Reserve Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1,662.65	\$1,662.65	\$1,662.65	US Bank
US Gov't Agency Security	Federal Home Loan Banks	Stern Agee	313380FB8	9/13/2019	1.38%	\$490,000.00	\$494,694.01	\$487,118.80	US Bank
US Gov't Agency Security	Private Export Funding Corp	Stern Agee	742651DV1	9/15/2020	2.30%	\$470,000.00	\$483,304.30	\$474,441.50	US Bank
Negotiable Certificate of Deposit	Ally Bank	Stern Agee	02006LUX9	10/22/2018	1.60%	\$246,000.00	\$246,782.00	\$246,568.26	US Bank
Negotiable Certificate of Deposit	Comenity Capital Bank	Stern Agee	20033ANK8	11/2/2018	1.40%	\$244,000.00	\$243,085.00	\$244,490.44	US Bank
Project Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$4,727,278.16	\$4,727,278.16	\$4,727,278.16	US Bank
DS Fund									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.00	\$0.00	\$0.00	US Bank

Total 2011 Tax Allocation Bonds - Series A (Taxable)

\$7,092,970.40 \$7,077,724.09

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2011 Tax Allocation Bonds - Series B (Taxable)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$250,000.00	\$250,000.00	\$250,000.00	US Bank
Interest Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$524,396.62	\$524,396.62	\$524,396.62	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$0.86	\$0.86	\$0.86	US Bank
Bond Reserve Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$10,837.20	\$10,837.20	\$10,837.20	US Bank
US Gov't Agency Security	Federal Home Loan Banks	Stern Agee	313380FB8	9/13/2019	1.38%	\$455,000.00	\$459,358.30	\$452,324.60	US Bank
Negotiable Certificate of Deposit	Capital One Bank	Stern Agee	140420WJ5	10/9/2018	1.65%	\$218,000.00	\$219,120.00	\$218,584.24	US Bank
Negotiable Certificate of Deposit	Capital One NA	Stern Agee	14042RBJ9	10/29/2018	1.65%	\$213,000.00	\$212,811.00	\$213,449.43	US Bank
US Gov't Agency Security	Private Export Funding Corp	Stern Agee	742651DV1	9/15/2020	2.30%	\$430,000.00	\$442,171.70	\$434,063.50	US Bank
Redevelopment Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1,582,480.24	\$1,582,480.24	\$1,582,480.24	US Bank

Total 2011 Tax Allocation Bonds - Series B (Taxable)

\$ 3,701,176 \$ 3,686,137

Total Bond Fund Investments and Deposits (3)

\$ 16,754,896 \$ 16,705,112

Notes:

- (1) - There have been no exceptions to the Investment Policy.
- (2) - The Successor Agency is able to meet its expenditure requirements for the next six months.
- (3) - Restricted Bond Funds are held by the fiscal agent.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY**POOLED CASH BALANCES BY FUND TYPE
November 30, 2015**

Fund	Cash Balance
710 Project 2000 Debt Service Fund	-
711 Redevelopment Debt Service Fund	-
712 Redevelopment Obligation Retirement Fund	1,000,316
720 Low and Moderate Income Housing Fund	-
721 Housing Successor Fund	-
730 Community Redevelopment Administration Fund	-
731 Successor Agency Admin Fund	(101,465)
740 Redevelopment Project Fund	-
741 Successor Agency Project Fund	(136)
741 Cash DDR Clawback	9,088,517

TOTAL CASH BALANCE**\$ 9,987,232**

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: January 12, 2016

SUBJECT: MAYOR'S APPOINTMENTS OF COUNCIL MEMBERS AS REPRESENTATIVES TO VARIOUS BOARDS, COMMISSIONS, COMMITTEES AND AGENCIES

REPORT IN BRIEF:

Traditionally, Council Members have been appointed by the Mayor to serve on numerous outside committees, boards, commissions and agencies. Each appointee is responsible for representing the City and voting on behalf of the City Council. The Mayor has conducted a review and has selected appointees, as detailed in Attachment 1. With the exception of the Orange County Fire Authority ("OCFA") appointment, which is required to be made by Resolution, the Mayor may otherwise make appointments to each committee, board, commission or agency by nomination and Minute Order confirmation. In addition, the Fair Political Practices Commission ("FPPC") regulations require the adoption and posting of Form 806, Agency Report of Public Official Appointments, in order for individual Council Members to participate in a City Council vote that would result in him or her serving in a position that provides compensation of \$250 or more in any 12-month period.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Confirm the Mayor's appointments; and
3. Approve FPPC Form 806 and authorize the City Clerk to post the form on the City's website.

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BACKGROUND:

At the first meeting of the year, the Mayor traditionally reviews the list of Council Members designated on the submitted Mayor's Appointments list. Historically, at the first meeting of the year, the City Council has confirmed the existing memberships through reappointments or made new appointments, and has also added or deleted board, commission, committee, and agency memberships, as appropriate. Based on changes to the FPPC Regulation 18705.5 (Materiality Standard: Economic Interest in Personal Finances) a public official may participate in a Council vote that would result in him or her serving in a position that provides compensation in the form of stipends, reimbursement or direct payment of \$250 or more in any 12-month period. The revised regulation specifies, however, that the body making such an appointment(s) must adopt and post a list of the appointments on its website. In May 2012, the FPPC adopted Form 806 to accomplish the required posting.

ANALYSIS/JUSTIFICATION:

The "Mayor's Appointments of Council Members as Representatives to Various Agencies List" (Attachment A) documents the various committees and boards to which the Mayor proposes to appoint Council Members. In previous years, the Mayor has reviewed the list prior to the first meeting of the new year, and any changes, additions, or deletions to any of the appointments are made by Minute Order.

FISCAL IMPACT:

There is minimal fiscal impact associated with the recommended action.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

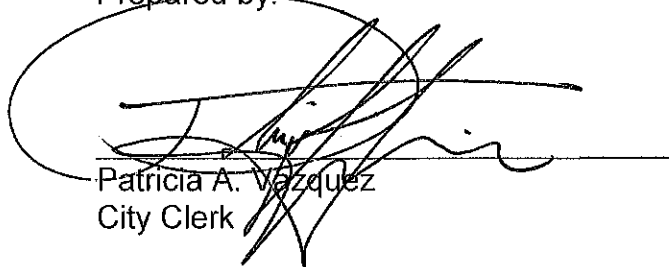
STRATEGIC PLAN OBJECTIVE ADDRESSED:

Objective 6: Maintain and Promote a Responsive, High Quality and Transparent Government.

PUBLIC NOTIFICATION:

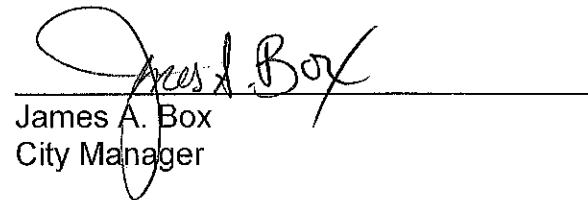
Through the regular agenda process.

Prepared by:



Patricia A. Vazquez
City Clerk

Approved by:



James A. Box
City Manager

Attachments:

- A. Mayor's Appointments of Council Members as Representatives to Various Agencies List
- B. Draft FPPC Form 806

CITY OF STANTON

MAYOR'S APPOINTMENTS OF COUNCIL MEMBERS AS REPRESENTATIVES TO VARIOUS AGENCIES

- 1. Transportation Growth Management Area Group No. 2**
Delegate: Rigoberto A. Ramirez
Alternate: Al Ethans
- 2. Stanton Business Alliance**
Delegate: Rigoberto A. Ramirez
Alternate: Al Ethans
- 3. Santa Ana River Flood Protection Agency**
Delegate: Al Ethans
Alternate: Rigoberto A. Ramirez
- 4. West Orange County Cities Association (formerly Mayors Group)**
Delegate: Rigoberto A. Ramirez
Alternate: Brian Donahue
- 5. City of Stanton Contractual Services Committee**
Representative: Brian Donahue
Representative: Carol Warren
- 6. City of Stanton Development Committee**
Representative: Rigoberto A. Ramirez
Representative: David Shawver
- 7. Orange County Emergency Management Organization (OCEMO) Executive Committee**
Delegate: Al Ethans
Alternate: Carol Warren
- 8. Orange County Library Advisory Board**
Delegate: Rigoberto A. Ramirez
Alternate: Brian Donahue
- 9. TIP – Trauma Intervention Program**
Delegate: Carol Warren
- 10. Stanton Community Foundation**
Delegate: Brian Donahue
Alternate: Rigoberto A. Ramirez

11. Stanton Collaborative

Delegate: Al Ethans
Alternate: Rigoberto A. Ramirez

12. Legislative Affairs Committee of West Orange County (LACWOC)

Delegate 1: David J. Shawver
Delegate 2: Al Ethans

13. Orange County Vector Control District

Delegate: Al Ethans
Alternate: None (OCVCD does not recognize alternates)

14. Orange County Sanitation District No. 3

Delegate: David J. Shawver
Alternate: Carol Warren

15. Public Cable Television Authority

Delegate 1: David J. Shawver
Delegate 2: Carol Warren

Note:

The Mayor of each incorporated city within the county is the member of the League of California Cities and the Association of California Cities Orange County, City Selection Committee; and

Per City Council Resolution No. 2012-02 the representatives for the Orange County Fire Authority are as follows:

- *Delegate: David J. Shawver*
- *Alternate: Carol Warren*

**Agency Report of:
Public Official Appointments**

A Public Document

1. Agency Name City of Stanton			California Form 806 For Official Use Only
Division, Department, or Region (If Applicable) City Council			
Designated Agency Contact (Name, Title) Patricia A. Vazquez, City Clerk			
Area Code/Phone Number 714-379-9222 ext. 245	E-mail pvazquez@ci.stanton.ca.us	Page <u>1</u> of <u>1</u>	Date Posted: 01-07-2016 DRAFT <small>(Month, Day, Year)</small>

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Orange County Fire Authority	▶ Name <u>Shawver, David J.</u> <small>(Last, First)</small> Alternate, if any <u>Warren, Carol</u> <small>(Last, First)</small>	▶ <u>01 / 12 / 16</u> <small>Appt Date</small> ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Orange County Vector Control District	▶ Name <u>Ethans, Al</u> <small>(Last, First)</small> Alternate, if any <u>None</u> <small>(Last, First)</small>	▶ <u>01 / 12 / 16</u> <small>Appt Date</small> ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Orange County Sanitation District No. 3	▶ Name <u>Shawver, David J.</u> <small>(Last, First)</small> Alternate, if any <u>Warren, Carol</u> <small>(Last, First)</small>	▶ <u>01 / 12 / 16</u> <small>Appt Date</small> ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>212.50</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input checked="" type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Public Cable Television Authority	▶ Name <u>Shawver, David J.</u> <small>(Last, First)</small> Alternate, if any <u>Warren, Carol</u> <small>(Last, First)</small>	▶ <u>01 / 12 / 16</u> <small>Appt Date</small> ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other

3. Verification

I have read and understand FPPC Regulation 18705.5. I have verified that the appointment and information identified above is true to the best of my information and belief.

_____ <small>Signature of Agency Head or Designee</small>	<u>Patricia A. Vazquez</u> <small>Print Name</small>	<u>City Clerk</u> <small>Title</small>	<u>01-07-2016</u> <small>(Month, Day, Year)</small>
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Comment: DRAFT

CITY OF STANTON

REPORT TO HOUSING AUTHORITY

TO: Honorable Chair and Members of the Stanton Housing Authority

DATE: January 12, 2016

SUBJECT: CONSIDERATION OF A REQUEST TO THE STANTON SUCCESSOR AGENCY TO ADD A LINE ITEM TO ROPS 16-17 A FOR APPROVAL TO EXPEND 2011 LOW/MOD HOUSING BOND PROCEEDS

REPORT IN BRIEF:

Senate Bill 107 approved by the State Legislature in 2015, permits successor agencies to gain access to previously restricted 2011 bond proceeds. This agenda item would request that the expenditure of \$4,727,355.87 plus any accrued interest in unspent 2011 Low/Mod Bond Proceeds be placed on ROPS 2016-17 A for expenditure on the Tina/Pacific revitalization project.

RECOMMENDED ACTION:

1. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
2. Approve the request for expenditure of \$4,727,355.87 plus any accrued interest in unspent 2011 Low/Mod Bond Proceeds be placed on ROPS 2016-17 A for expenditure on the Tina/Pacific revitalization project.

BACKGROUND:

In February of 2011, the former Stanton Redevelopment Agency issued \$15,330,000 in Taxable Housing Tax Allocation Bonds to acquire properties, relocate tenants and construct new affordable housing in the Tina/Pacific neighborhood. However, as part of the dissolution of redevelopment agencies, the State Legislature restricted access to bond proceeds issued after January 1, 2011. In 2015, the state legislature adopted Senate Bill 107 which allows for the use of low/mod housing bond proceeds if they were issued prior to June 28, 2011. The request must be submitted not less than 20 days prior to the deadline for submission of the ROPS to the oversight board. The successor agency, oversight board, and Department of Finance review shall be limited to a

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determination that the intended use of the Bond Proceeds is consistent with bond covenants and that there are sufficient funds available.

ANALYSIS/JUSTIFICATION:

Currently, the Housing Authority is negotiating with Related California to complete Phase 1 of the Tina/Pacific revitalizing project. However, with the elimination of Stanton Redevelopment Agency by the State Legislature, the main source of project funding as been eliminated.

In terms of the Tina/Pacific project, as part of Phase 1 it is anticipated that eight properties would need to be acquired. As currently proposed, the Housing Authority would be responsible for paying for the acquisition of four of the properties and Related California would acquire the remaining four properties. Prior to demolition of the existing buildings, tenants must be relocated and may be entitled to certain benefits. In addition, due to limited funding mechanisms and additional low/mod housing requirements placed on the project by the State through SB 341, there is currently \$2,025,584 in gap financing being requested by Related California. To protect the Housing Authority's interests, an independent third party, RSG Inc. has been retained to review all documents, including pro-formas provided by Related California.

Given the lack of financing that exists in California, access to the 2011 Low-Mod Bond Proceeds is needed to complete Phase 1 of the Tina/Pacific project. Approval of the attached memorandum would formally request that the Successor Agency place expenditure of the bond proceeds on the next ROPS (ROPS 2016-17A) in order to complete Phase 1.

FISCAL IMPACT:

Release of the 2011 Low/Mod Bond Proceeds would allow the Housing Authority to purchase properties, relocate tenants and provide gap financing to Related California for the completion of the Phase 1 of the Tina/Pacific revitalization project.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15061(b)(3).

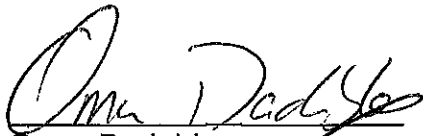
LEGAL REVIEW:

The City Attorney's Office has reviewed the staff report and drafted the attached Purchase and Sale Agreement.

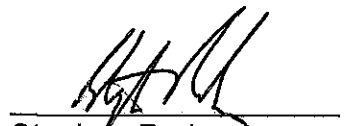
PUBLIC NOTIFICATION:

Through the regular agenda posting process.

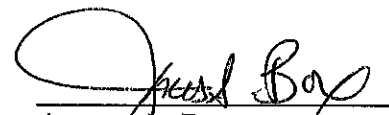
Prepared By:


Omar Dadabhoy
Deputy Executive Director

Concurred By:


Stephen Parker
Administrative Services
Director

Approved By:


James A. Box
Executive Director

Attachments:

- A. Memorandum to Successor Agency requesting Use of bond proceeds pursuant to Health and Safety Code Section 34176(g)

STANTON HOUSING AUTHORITY

Brian Donahue
Chair

Carol Warren
Vice Chair

Alexander A. Ethans
Member

Rigoberto A. Ramirez
Member

David J. Shawver
Member

James A. Box
Executive Director

Memo

To: Successor Agency to the Stanton Redevelopment Agency
From: The Stanton Housing Authority in its capacity as the housing successor entity to the Stanton Redevelopment Agency
Date: January 12, 2015
Re: **Use of bond proceeds pursuant to Health and Safety Code Section 34176(g)**

Pursuant to Resolution 2012-03, the City of Stanton chose not to retain the housing functions of the former Redevelopment Agency and the Stanton Housing Authority was designated as the housing successor agency. Pursuant to Health and Safety Code Section 34176(g)(1), the housing successor may designate the use of and commit bond proceeds that remain after the satisfaction of enforceable obligations that have been approved in a Recognized Obligation Payment Schedule and that are consistent with the bond covenants. It is the intent of the Legislature to authorize housing successors to designate the use of and commit 100 percent of housing bond proceeds. At this time there is \$4,727,355.87 in available bond proceeds from the project fund of the Stanton Consolidated Redevelopment Project Taxable Housing Tax Allocation Bonds, 2011 Series A ("Bond Proceeds")

To utilize these Bond Proceeds the housing successor must provide notice to the successor agency of its intent to use the funds not less than 20 days prior to the deadline for submission of the Recognized Obligation Payment Schedule ("ROPS") to the oversight board. The successor agency, oversight board, and Department of Finance review shall be limited to a determination that the intended use of the Bond Proceeds is consistent with bond covenants and that there are sufficient funds available. Excess housing bond proceed expenditures shall be listed separately on the Recognized Obligation Payment Schedule submitted by the successor agency. (Health and Safety Code 34176(g)).

At this time the Housing Authority intends to utilize \$4,727,355.87 plus accrued interest of the remaining housing bond proceeds from the Bond Proceeds for property acquisition, tenant relocation, and gap funding to assist with demolition and construction. Pursuant to the bond covenants these funds may be used for "the acquisition of up to 29 of the remaining 41 housing units in the Tina/Pacific neighborhood, and associated relocation costs, for replacement with up to 161 new replacement affordable housing units". The Housing Authorities intended use is therefore consistent with bond covenants and the Housing Authority requests the Successor Agency place the expenditure of these funds on the next ROPS for review and approval by the Department of Finance.

STANTON SUCCESSOR AGENCY

REPORT TO THE BOARD OF DIRECTORS

TO: Honorable Chair and Agency Board

DATE: January 12, 2016

SUBJECT: ISSUANCE OF REFUNDING TAX ALLOCATION BONDS

REPORT IN BRIEF:

When the Stanton Redevelopment Agency was dissolved there were five series of tax allocation bonds previously issued and outstanding. The Dissolution Act permits successor agencies to refinance outstanding bonds or other obligations of a former redevelopment agency under certain circumstances.

If approved, the resolution would complete the authorization begun in June 2015 for the refunding of two series of outstanding bonds issued by the former Stanton Redevelopment Agency, with an expected total savings of \$4.2 million over 20 years.

RECOMMENDED ACTION:

1. That the Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a director reasonably foreseeable indirect physical change in the environment) and 15060 (c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly).
2. That the Successor Agency adopt Resolution No. SA 2016-01 entitled "A Resolution of the Successor Agency to the Stanton Redevelopment Agency Confirming the Issuance of Tax Allocation Refunding Bonds Pursuant to an Indenture of Trust, Approving Preliminary and Final Official Statements, Bond Purchase Agreement and Continuing Disclosure Certificate and Providing Other Matters Relating Thereto".

BACKGROUND:

In June 2015, the Successor Agency and the Oversight Board took the first step required to refinance the former Redevelopment Agency's 2005 Taxable Tax Allocation

Bonds, Series A and 2005 Tax Allocation Bonds, Series B. The Successor Agency and approved the issuance of tax allocation refunding bonds and a form of an Indenture of Trust for the bonds. The Oversight Board action approving the Successor Agency's action was submitted to the Department of Finance for approval. The Department of Finance notified the Successor Agency on August 21 that it had completed its review of the action and the Successor Agency is authorized to proceed with refinancing so long as the requirements of the Dissolution Act are ultimately met when the refunding bonds are sold.

There was a significant amount of turmoil in the credit markets since the time of the DOF approval of the refunding in August, compared to the market conditions in June when the Successor Agency approved of the refinancing. Market conditions have finally returned to a level that staff can recommend proceeding to complete the transaction.

The 2005 Series A and B Bonds mature in 20 years. The interest rate is 5.16% on the 2005 Series A Bonds (taxable bonds) and 4.38% on the 2005 Series B Bonds (tax-exempt bonds). These bonds can be refinanced at current interest rates of approximately 4.8% and 3.5%, respectively.

The adoption of this resolution will be the final action required for issuance of the refunding bonds. The original estimated savings from the refinancing in June was \$4.2 million over 20 years. Based on current interest rates, the savings is approximately the same. The savings will be shared among affected taxing agencies as described below.

ANALYSIS/JUSTIFICATION:

The 2005 Series A Taxable Tax Allocation Bonds and the 2005 Series B Tax Allocation Bonds are currently subject to optional call and may be refinanced at a savings. These savings will increase the amount of "residual" property tax (or tax increment) available to pay existing enforceable obligations of the Successor Agency or to be redistributed to other taxing agencies.

The 2005 Bonds mature in 20 years. The interest rate is 5.16% on the 2005 Series A Bonds (taxable bonds) and 4.38% on the 2005 Series B Bonds (tax-exempt bonds). The Successor Agency's Financial Advisor estimates that refinancing of the taxable Series A bonds at an effective rate of 4.8% and the tax-exempt Series B bonds at an effective rate of 3.5% and purchasing an insurance policy in lieu of leaving the existing \$1.9 million in the reserve fund held by the trustee for the bonds, will reduce the Successor Agency's debt service by approximately \$210,000 annually through 2035. This represents an overall 12% reduction in debt service compared to existing payments. The repayment is scheduled to occur over the same term as the existing bonds. No extension of maturity is permitted under the Dissolution Act.

The other debt issues of the former Agency were reviewed for refinancing potential, but due to either interest rate or available call dates, they did not meet the statutory refinancing requirements of California Redevelopment Law. Successor Agency staff will continue to monitor the potential for refinancing the other outstanding series of Agency

bonds.

The City currently receives approximately 13.5% of the residual property tax. Assuming that the savings are not applied to other enforceable obligations of the Successor Agency, the City's share of the additional residual property tax generated by the annual debt service savings would be approximately \$28,000. The remainder of the savings would also be distributed to the County, the School District, the College District and other taxing agencies through the regular ROPS process.

Between the time that the refinancing is approved by the Successor Agency and the time that the Successor Agency can actually enter the market to sell the refunding bonds, interest rates could increase, and debt service savings may be reduced. Therefore, the current estimate of a \$4.2 million savings to be shared among taxing agencies over the next 20 years is an estimate at this time.

Authorization Process

The Successor Agency authorized the issuance of bonds in June. The Oversight Board then adopted a resolution affirming the Successor Agency's action to refund the bonds, which was submitted to the Department of Finance for conformity with the provisions of 34177.5(a)(1) of the Dissolution Act. The Department of Finance approval was received on August 21, 2015 and staff has now prepared the final action in the refinancing process for the Successor Agency to consider.

This final action will approve the distribution of the preliminary official statement for the bonds, approve entering into a purchase contract with Stifel Nicolaus & Company to underwrite the bonds and authorize any other actions needed in connection with the bonds. The Preliminary Official Statement is included with this report for the Board's review, and the form of the Bond Purchase Agreement is on file with the City Clerk. The resolution authorizes the Executive Director, as the chief administrative officer of the Successor Agency, to enter into the Bond Purchase Contract so long as the principal amount does not exceed \$9,000,000 for the Tax-Exempt Bonds and \$15,000,000 for the Taxable Bonds, the underwriters' compensation is not more than 0.75% of the principal amount of the Bonds and the debt service savings meet the requirements of 34177.5(a)(1) of the Dissolution Act.

No further Oversight Board or Department of Finance approvals are needed. The bonds are expected to be sold in early February.

The Board members are asked to review the description of the Successor Agency and the financial information relating to the Successor Agency's finances that are included in the Preliminary Official Statement and communicate any changes to staff prior to January 26.

FISCAL IMPACT:

The increase in the residual property tax (or former tax increment) that gets distributed to all the taxing entities (including the City) will increase by approximately \$4.2 million over the remaining 20 years that the 2005 Series A Bonds and 2005 Series B Bonds are outstanding. To the extent the incremental residual property tax is not used for other Successor Agency enforceable obligations, it will be distributed to taxing agencies, including the City, through the regular AB 1484 distribution process. The City's total share of the increased residual is approximately \$560,000 based on today's interest rates.

ENVIRONMENTAL IMPACT:

None.

PUBLIC NOTIFICATION:

Through the regular agenda process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Administrative Services Director

Approved by:



James A. Box
Executive Director

Attachments:

- A. Resolution 2016-01
- B. Preliminary Official Statement

RESOLUTION NO. SA 2016-01

A RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY CONFIRMING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS PURSUANT TO AN INDENTURE OF TRUST, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE CERTIFICATE AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Stanton Redevelopment Agency (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the City of Stanton has elected to serve as the successor entity to the Former Agency (the "Successor Agency");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued \$16,500,000 Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2005 Series A (the "Series A Bonds"), and its \$10,000,000 Stanton Consolidated Redevelopment Project 2005 Tax Allocation Bonds, 2005 Series B, (the "Series B Bonds," and together with the Series A Bonds, the "Prior Bonds") for the purpose of financing redevelopment activities;

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, the Successor Agency, pursuant to Resolution No. 2015-04 (the "Resolution"), adopted on June 9, 2015, approved the issuance of the Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the "Tax-Exempt Bonds") and Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "Taxable Bonds," collectively with the Tax-Exempt Bonds, the "Refunding Bonds"), subject to the Savings Parameters being met, and requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Refunding Bonds by the Successor Agency;

WHEREAS, the Oversight Board, by Resolution No. 2015-05 (the "OB Resolution"), adopted June 11, 2015, approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, have been submitted to the California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency, with the assistance of its municipal advisor and disclosure counsel has prepared a draft of the Official Statement for the Refunding

Bonds (the "Official Statement"), which contains information regarding the Refunding Bonds, the Former Agency, the Successor Agency, and the Stanton Consolidated Redevelopment Project, the preliminary form of which is on file with the City Clerk, the Bond Purchase Agreement, which sets forth the terms and conditions of the sale of the Refunding Bonds to Stifel, Nicolaus & Company, Incorporated, the "Underwriter" (the "Bond Purchase Agreement") and the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which contains certain disclosure covenants to be performed by the Successor Agency for the life of the Bonds; and

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Official Statement, the Bond Purchase Agreement and Continuing Disclosure Certificate and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities;

NOW THEREFORE, THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

Section 1. Confirmation of Approval of Issuance of the Refunding Bonds. The Successor Agency hereby confirms its actions in the Resolution authorizing and approving the issuance and sale of the Refunding Bonds.

Section 2. Approval of Bond Purchase Agreement. The Refunding Bonds are hereby authorized to be issued in the aggregate principal amount of not to exceed \$9,000,000 for the Tax-Exempt Bonds and \$15,000,000 for the Taxable Bonds, provided, that the sale of the Refunding Bonds pursuant to the Bond Purchase Agreement shall be subject to the following parameters: (i) the terms of the Refunding Bonds shall be in compliance with the savings parameters set the Resolution and Section 34177.5(a)(1) of the Dissolution Act, and (ii) the Underwriter's compensation (i.e., underwriter's discount), exclusive of any original issue discount, in connection with the Refunding Bonds shall not exceed 0.75% of the aggregate principal amount of the Refunding Bonds. The Bond Purchase Agreement is hereby approved. Each of the Mayor, as the Chair and presiding officer of the Successor Agency, or the City Manager of the City of Stanton, as the chief administrative officer of the Successor Agency (each, an "Authorized Officer"), acting individually, is authorized to, for and in the name and on behalf of the Successor Agency, negotiate, execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 3. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form presented at this meeting. Distribution of the preliminary Official Statement by the Successor Agency and its Underwriter is hereby approved, and, prior to the distribution of the preliminary Official Statement, the Authorized Officers are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule

15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officers, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and the Authorized Officers, each acting alone, are authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

Section 4. Approval of Continuing Disclosure Certificate. Each of the Authorized Officers acting individually, is authorized to, for and in the name and on behalf of the Successor Agency, negotiate, execute and deliver the Continuing Disclosure Certificate in substantially the same form as contained in the appendix of the Official Statement, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 5. Official Actions. Each Authorized Officer and any and all other officers of the Successor Agency or any and all other officers of the City acting on behalf of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED at a regular meeting of the Successor Agency to the Stanton Redevelopment Agency, held on this 12th day of January, 2016.

BRIAN DONAHUE, CHAIRMAN

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, AGENCY COUNSEL

ATTEST:

I, Patricia A. Vazquez, Agency Secretary of the City of Stanton, as Successor to Stanton Redevelopment Agency, Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. SA 2016-01 has been duly signed by the Chairperson and attested by the Agency Secretary, at a regular meeting of the City of Stanton as Successor to Stanton Redevelopment Agency, held on the January 12, 2016, and that the same was adopted, signed, and approved by the following vote to wit:

AYES _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, AGENCY SECRETARY

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DRAFT DATED JANUARY 4, 2015

NEW ISSUE – BOOK-ENTRY

RATING

INSURED BONDS RATING: S&P ____

UNINSURED BONDS AND UNDERLYING RATING: S&P: ____

(See "CONCLUDING INFORMATION - Ratings on the Bonds" herein)

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the federal alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. Interest payable on the Series B Bonds is subject to all applicable Federal income taxation. Interest on the Series A Bonds and the Series B Bonds is exempt from State of California personal income taxes. See "LEGAL MATTERS - Tax Matters" herein.

ORANGE COUNTY

STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

STANTON CONSOLIDATED REDEVELOPMENT PROJECT

\$7,700,000*

\$13,200,000*

SUBORDINATE

SUBORDINATE

TAX ALLOCATION

TAXABLE TAX ALLOCATION

REFUNDING BONDS, 2016 SERIES A REFUNDING BONDS, 2016 SERIES B

Dated: Date of Delivery

Due: December 1 as shown on the inside cover pages

The cover page contains certain information for quick reference only. It is not a summary of the issues. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "RISK FACTORS" herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

Proceeds from the sale of the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency") Stanton Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the "Series A Bonds"), and Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds"), will be used to refinance certain outstanding obligations of the former Stanton Redevelopment Agency (the "Former Agency").

The Bonds will be issued under an Indenture of Trust dated as of February 1, 2016 (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are special obligations of the Successor Agency and are payable solely from and secured by a pledge of certain tax increment revenues of the Former Agency's Consolidated Project Area (the "Project Area") and a pledge of amounts in certain funds and accounts established under the Indenture (see "SECURITY FOR THE BONDS" and "RISK FACTORS").

Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2016, until maturity (see "THE BONDS - General Provisions" herein). The Bonds are subject to optional and sinking fund redemption prior to maturity.

The Bonds are special obligations of the Successor Agency. The Bonds do not constitute a debt or liability of the City of Stanton, the County of Orange, the State of California or of any political subdivision thereof, other than the Successor Agency. The Successor Agency shall only be obligated to pay the principal of the Bonds, or the interest thereon, from the funds described herein, and neither the faith and credit nor the taxing power of the City of Stanton, the County of Orange, the State of California or any of its political subdivisions is pledged to the payment of the principal of or the interest on the Bonds. The Successor Agency has no taxing power.

The scheduled payment of principal of and interest on the Series A Bonds maturing on December 1 of the years ____ through ____, inclusive and the Series B Bonds maturing on December 1 of the years ____ through ____, inclusive (collectively, the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by _____. See "MUNICIPAL BOND INSURANCE" and "APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

[LOGO]

The Bonds are being offered when, as and if issued, subject to the approval as to their legality by Best Best & Krieger, LLP, Riverside, California. Certain legal matters will also be passed on for the Successor Agency by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by Best Best & Krieger, LLP, Riverside, California, as Successor Agency Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Nossaman LLP, Irvine, California. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about _____, 2016 (see "APPENDIX F - THE BOOK-ENTRY SYSTEM" herein).

The date of the Official Statement is _____, 2016.

STIFEL

* Preliminary, subject to change.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
STANTON CONSOLIDATED REDEVELOPMENT PROJECT
\$7,700,000* SUBORDINATE TAX ALLOCATION REFUNDING BONDS,
2016 SERIES A

MATURITY SCHEDULE

Maturity Date	Principal	Interest			CUSIP®†
<u>December 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>()</u>
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					

\$ _____ % Term Bond maturing December 1, 2035*, Yield _____ % CUSIP®† _____

* Preliminary, subject to change.

† Copyright 2016, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services Bureau, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency and are included solely for the convenience of the holders of the Bonds. None of the Successor Agency, the Municipal Advisor or the Underwriter takes any responsibility for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
STANTON CONSOLIDATED REDEVELOPMENT PROJECT
\$13,200,000* SUBORDINATE TAXABLE TAX ALLOCATION REFUNDING BONDS,
2016 SERIES B

MATURITY SCHEDULE

Maturity Date	Principal	Interest			CUSIP®†
<u>December 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>()</u>
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					

\$ _____ % Term Bond maturing December 1, 2030*, Yield _____ % CUSIP®† _____

\$ _____ % Term Bond maturing December 1, 2035*, Yield _____ % CUSIP®† _____

* Preliminary, subject to change.

† Copyright 2016, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services Bureau, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency and are included solely for the convenience of the holders of the Bonds. None of the Successor Agency, the Municipal Advisor or the Underwriter takes any responsibility for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Area since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Successor Agency. All summaries of the Bonds, the Indenture and other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information. See "INTRODUCTION - Summaries Not Definitive."

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover pages of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE SUCCESSOR AGENCY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Website. The City of Stanton maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
STANTON, CALIFORNIA**

CITY COUNCIL AND SUCCESSOR AGENCY GOVERNING BOARD

Alexander A. Ethans, *Mayor*
Brian Donahue, *Mayor Pro Tem*
Rigoberto A. Ramirez, *Council Member*
David J. Shawver, *Council Member*
Carol Warren, *Council Member*

CITY STAFF

James A. Box, *City Manager*
Stephen Parker, *Administrative Services Director/City Treasurer*
Omar Dadabhoy, *Community Development Director*
Matthew Richardson, *City Attorney*
Patricia A. Vazquez, *City Clerk*

PROFESSIONAL SERVICES

Bond Counsel and Successor Agency Counsel

Best Best & Krieger LLP
Riverside, California

Disclosure Counsel

Quint & Thimmig LLP
Larkspur, California

Municipal Advisor

Harrell & Company Advisors, LLC
Orange, California

Trustee and Escrow Bank

U.S. Bank National Association
Los Angeles, California

Verification Agent

Grant Thornton LLP
Minneapolis, Minnesota

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OFFICIAL STATEMENT

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY	
STANTON CONSOLIDATED REDEVELOPMENT PROJECT	
\$7,700,000*	\$13,200,000*
SUBORDINATE	SUBORDINATE
TAX ALLOCATION	TAXABLE TAX ALLOCATION
REFUNDING BONDS, 2016 SERIES A	REFUNDING BONDS, 2016 SERIES B

This Official Statement, which includes the cover page and appendices (the "Official Statement"), is provided to furnish certain information concerning the sale of the Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A ("Series A Bonds") and Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B ("Series B Bonds," and together with the Series A Bonds, the "Bonds").

INTRODUCTION

This Introduction contains only a brief description of this issue and does not purport to be complete. The Introduction is subject in all respects to more complete information in the entire Official Statement and the offering of the Bonds to potential investors is made only by means of the entire Official Statement and the documents summarized herein. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision (see "RISK FACTORS" herein). For definitions of certain capitalized terms used herein and not otherwise defined, and the terms relating to the Bonds, see the summary included in "APPENDIX A - SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS" herein.

The Successor Agency and the Former Agency

The Stanton Redevelopment Agency (the "Former Agency") was established in 1979 by the City Council (the "City Council") of the City of Stanton (the "City") pursuant to the Community Redevelopment Law (the "Redevelopment Law"), constituting Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "State"). On June 29, 2011, Assembly Bill No. 26 ("AB X1 26") was enacted as Chapter 5, Statutes of 2011, together with a companion bill, Assembly Bill No. 27 ("AB X1 27"). A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. 2011), challenging the constitutionality of AB X1 26 and AB X1 27. In its December 29, 2011 decision, the California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012, and as further amended on September 22, 2015 by Senate Bill No. 107 ("SB 107") enacted as Chapter 325, Statutes of 2015. The provisions of Part 1.85 as amended by AB 1484 and SB 107 are referred to in this Official Statement as the "Dissolution Act". The Redevelopment Law, as amended by the Dissolution Act, is sometimes referred to herein as the "Law."

* Preliminary, subject to change.

Pursuant to Section 34173 of the Dissolution Act, the City Council serves as the governing board of the successor agency to the Former Agency. Since the February 1, 2012 dissolution of the Former Agency, the City has served as the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency"). The Successor Agency is governed by a five-member board consisting of the Mayor and the members of the City Council. The City Manager acts as the Successor Agency's chief administrative officer (see "THE SUCCESSOR AGENCY" herein).

Section 34173(g) of the Dissolution Act expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City (see "THE SUCCESSOR AGENCY" herein).

The City

The City was incorporated on June 4, 1956 as a general law city and operates under the council-manager form of government. The City encompasses 3.1 square miles and is located in central Orange County, approximately 23 miles southeast of Los Angeles and 9 miles northwest of Santa Ana. The City is in close proximity to four freeways: the Garden Grove Freeway (Highway 22) passes just south of the City; the San Gabriel River Freeway (Interstate 605) runs north and south to the west of the City; the Santa Ana Freeway (Interstate 5) runs in a northwest-southeast course to the east of the City; and the Artesia Freeway (Highway 91) runs east and west about two and a half miles north of the City. Nearby cities include Anaheim, Buena Park, Garden Grove, Cypress, and La Palma (see "APPENDIX B - CITY OF STANTON INFORMATION STATEMENT" herein).

Authority and Purpose

The Bonds are being issued pursuant to the Constitution and laws of the State, including Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law"), the Law and an Indenture of Trust dated as of February 1, 2016 (the "Indenture") by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee").

The Series A Bonds are being issued to refinance the Former Agency's outstanding Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2005 Series B (the "2005 Series B Bonds").

The Series B Bonds are being issued to refinance the Former Agency's outstanding Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2005 Series A (the "2005 Series A Bonds").

The 2005 Series A Bonds and the 2005 Series B Bonds are sometimes collectively referred to herein as the "Prior Bonds."

See "THE FINANCING PLAN" herein.

Following the issuance of the Bonds, the following tax allocation bonds of the Former Agency will remain outstanding and payable from pledged Tax Revenues on a basis senior to the Bonds:

- Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the "2010A Bonds")
- Stanton Consolidated Redevelopment Project Taxable Housing Tax Allocation Bonds, 2011 Series A (the "2011A Bonds")
- Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B (the "2011B Bonds")

Collectively, the 2010A Bonds, the 2011A Bonds and the 2011B Bonds are referred to herein as "Senior Bonds."

Collectively, the indentures of trust providing for the issuance of the Prior Bonds are referred to herein as the "Prior Trust Indentures" and the indentures of trust which relate to the Senior Bonds are referred to herein as the "Senior Bonds Indentures". See "SECURITY FOR THE BONDS" and "FINANCIAL INFORMATION - Outstanding Indebtedness."

Tax Allocation Financing Under the Dissolution Act

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopted the redevelopment plan became the base year valuation. Assuming the taxable valuation never drops below the base year level, the Taxing Agencies, as defined herein, thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

Under the Dissolution Act, moneys will be deposited from time to time in a Redevelopment Property Tax Trust Fund (the "Redevelopment Property Tax Trust Fund" or "RPTTF") held by a county auditor-controller with respect to a successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects using current assessed values on the last equalized roll on August 20 each year. See "SECURITY FOR THE BONDS - Tax Allocation Financing" herein for additional information.

The Dissolution Act authorizes refunding bonds, including the Bonds, to be secured by a pledge of moneys deposited from time to time in the Redevelopment Property Tax Trust Fund. Pledged Tax Revenues, as defined herein, pledged to pay the Bonds consist of a portion of the amounts deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to and as provided in the Dissolution Act (see "Security for the Bonds" below).

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (see "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Definitions" and "SECURITY FOR THE BONDS - Recognized Obligation Payment Schedules").

The Project Area

The Consolidated Redevelopment Project Area of the Former Agency (the "Project Area") is comprised of two component redevelopment projects totaling approximately 1,940 acres. The Stanton Community Development Project ("Original Area") was created in 1983 and originally consisted of approximately 180 acres generally fronting on the Beach Boulevard commercial corridor. Amendment No. 1 to the Original Area ("Amendment No. 1 Area") was adopted in 1987 and added 83 acres to the Original Area. Amendment No. 2 to the Original Area ("Amendment No. 2 Area") was adopted in 1992 and added an additional 164 acres to the Original Area. Together, the Original Area, the Amendment No. 1 Area and the Amendment No. 2 Area are referred to herein as the "Community Development Project." The Stanton 2000 Redevelopment Project (the "2000 Project") was created in 2000 and consists of 1,513 acres, or

approximately 77 percent of the total area of the City. The Community Development Project and the 2000 Project were merged to form the Project Area in November. The Project Area encompasses the entire incorporated City with the exception of a 20-acre residential area located west of Knott Avenue.

See "THE PROJECT AREA" herein for additional information on the Project Area and "THE SUCCESSOR AGENCY" herein for additional information on the Redevelopment Plan.

Security for the Bonds

For the security of the Bonds, the Successor Agency grants a pledge of and lien on all of the Pledged Tax Revenues. "Pledged Tax Revenues" are defined under the Indenture as all monies deposited from time to time in the Redevelopment Property Tax Trust Fund as provided in paragraph (2) of subdivision (a) of Section 34183 of the California Health and Safety Code but excluding (i) amounts of such taxes required to be paid by the Successor Agency pursuant to its Tax Sharing Agreements or pursuant to Section 33607.7 of the Redevelopment Law, except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the Bonds, any additional Parity Debt, as applicable, and (ii) principal of and interest due on the Senior Bonds outstanding. By definition, under the Dissolution Act, Pledged Tax Revenues exclude County administrative costs allowed under Section 34182 of the Law and Section 95.3 of the California Revenue and Taxation Code. See "FINANCIAL INFORMATION - Property Taxation in California" and "Tax Sharing Agreement and Tax Sharing Statutes" herein.

The Successor Agency may issue additional bonds payable from Pledged Tax Revenues on a parity with the Bonds ("Parity Debt") to refinance the Bonds or the Senior Bonds. See "SECURITY FOR THE BONDS - No Additional Debt Other Than Refunding Bonds" herein.

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the base year property tax roll of the Project Area, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Auditor-Controller to the Successor Agency's Redevelopment Obligation Retirement Fund, as defined herein, on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. Moneys transferred by the County Auditor-Controller to the Successor Agency will be deposited into the Successor Agency's Redevelopment Obligation Retirement Fund and will be transferred by the Successor Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture. See "SECURITY FOR THE BONDS - Recognized Obligation Payment Schedules" herein.

The Bonds are special obligations of the Successor Agency. The Bonds do not constitute a debt or liability of the City, the County of Orange (the "County"), the State or of any political subdivision thereof, other than the Successor Agency. The Successor Agency shall only be obligated to pay the principal of the Bonds, or the interest thereon, from the funds described herein, and neither the faith and credit nor the taxing power of the City, the County, the State or any of its political subdivisions is pledged to the payment of the principal of or the interest on the Bonds. The Successor Agency has no taxing power.

Municipal Bond Insurance and Reserve Account Surety Policy

Concurrently with the issuance of the Bonds, _____ ("____") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series A Bonds maturing December 1 in the years ____ through and including ____ and the Series B Bonds maturing December 1, ____ through and including ____ (collectively, the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as "APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY." The Policy does not insure the payment of the Series A Bonds maturing on December 1, in the years ____ through and including ____ or

the Series B Bonds maturing on December 1, in the years ____ through and including ____ (the "Uninsured Bonds").

In order to further secure the payment of the principal of and interest on the Bonds, a Reserve Account has been established by the Indenture. The Reserve Account will be funded by the purchase of a Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") issued by ____ in an amount equal to the Reserve Requirement as defined in the Indenture. The Reserve Policy secures only the Bonds and would not secure any future Parity Debt. See "SECURITY FOR THE BONDS - Reserve Account - Qualified Reserve Account Credit Instruments."

Legal Matters

All legal proceedings in connection with the issuance of the Bonds are subject to the approving opinion of Best Best & Krieger, LLP Riverside, California, as Bond Counsel. Such opinion, and certain tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, are described more fully under the heading "LEGAL MATTERS" herein. Certain legal matters will be passed on for the Successor Agency by Quint & Thimmig LLP, as Disclosure Counsel, by Best Best & Krieger, LLP Riverside, California, as General Counsel to the Successor Agency, and for the Underwriter by their Counsel, Nossaman LLP, Irvine, California.

Professional Services

U.S. Bank National Association will act as Trustee with respect to the Bonds.

Harrell & Company Advisors, LLC, Orange, California (the "Municipal Advisor") advised the Successor Agency as to the financial structure and certain other financial matters relating to the Bonds and assisted the Successor Agency with the preparation of this Official Statement.

Fees payable to Bond Counsel, Disclosure Counsel, Underwriter's Counsel and the Municipal Advisor are contingent upon the sale and delivery of the Bonds.

Offering of the Bonds

Authority for Issuance. The Bonds are to be issued and secured pursuant to the Indenture, as authorized by Resolution No. SA 2015-04 of the Successor Agency adopted on June 9, 2015, the Refunding Law and the Law. The Successor Agency to the Stanton Redevelopment Agency Oversight Board (the "Oversight Board") approved the action taken by the Successor Agency to refinance the Prior Bonds on June 11, 2015. The State Department of Finance approved the Oversight Board action by letter dated August 21, 2015.

Offering and Delivery of the Bonds. The Bonds are being sold to Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Bonds are offered, when, as and if issued, subject to the approval as to their legality by Best Best & Krieger, LLP Riverside, California, as Bond Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company on or about _____, 2016.

Summary Not Definitive

The summaries and references contained herein with respect to the Indenture, the Bonds and other statutes or documents do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute, and references to the Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. Copies of the documents described herein are available for inspection during the period of initial offering of the Bonds at the offices of the Municipal Advisor, Harrell &

Company Advisors, LLC, 333 City Boulevard West, Suite 1430, Orange, California 92868, telephone (714) 939-1464. Copies of these documents may be obtained after delivery of the Bonds from the Successor Agency at 7800 Katella Avenue, Stanton, California 90680.

THE BONDS

General Provisions

Repayment of the Bonds. Interest on the Bonds is payable at the rates per annum set forth on the inside cover pages hereof. Interest on the Bonds will be computed on the basis of a year consisting of 360 days and twelve 30-day months.

The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and will be dated as of the date of delivery (the "Closing Date").

Interest on the Bonds will be payable on December 1 and June 1, commencing December 1, 2016 (each an "Interest Payment Date"). The Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after the 15th calendar day of the month preceding an Interest Payment Date (a "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before May 15, 2016, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Transfer or Exchange of Bonds.

Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Bond shall not be permitted by the Trustee during the 15 day period preceding the selection of Bonds for redemption or if such Bond has been selected for redemption. Whenever any Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and shall deliver a new Bond for a like aggregate principal amount and of like series and maturity. The Trustee may require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Any Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like series and maturity. Exchange of any Bond shall not be permitted during the 15 day period preceding the selection of Bonds for redemption or if such Bond has been selected for redemption. The Trustee may require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

The foregoing provisions regarding the transfer and exchange of the Bonds apply only if the book-entry system is discontinued. So long as the Bonds are in the book-entry system of DTC as described below, the rules of DTC will apply for the transfer and exchange of Bonds.

Book-Entry System. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Interest on and principal of the Bonds will be payable when due by wire of the Trustee to DTC which will in turn remit such interest and principal to DTC Participants, which will in turn remit such interest and principal to Beneficial Owners of the Bonds (see "APPENDIX F - THE BOOK-ENTRY SYSTEM" herein). As long as DTC is the registered

owner of the Bonds and DTC's book-entry method is used for the Bonds, the Trustee will send any notices to Bond Owners only to DTC.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, if a successor securities depository is not obtained, Bonds are required to be printed and delivered as described in the Indenture. The Successor Agency may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered as described in the Indenture.

Redemption

Optional Redemption. The Bonds maturing on or before December 1, 2026, are not subject to redemption prior to their respective stated maturities. The Bonds of either series maturing on or after December 1, 2027 may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on December 1, 2026 or on any date thereafter. Bonds called for redemption will be redeemed at a redemption price equal to the principal amount of Bonds to be redeemed plus accrued interest to the redemption date, without premium.

Mandatory Sinking Fund Redemption of Term Bonds. The Series A Bonds maturing on December 1, 2035* (the "Series A Term Bonds") are subject to redemption in part by lot, on December 1 in each of the years as set forth in the following table, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; *provided, however*, that if some but not all of the Term Bonds have been redeemed the optional redemption provisions described above, the total amount of all future payments with respect to such Series A Term Bonds shall be reduced by the aggregate principal amount of such Series A Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

SINKING FUND SCHEDULE FOR SERIES A TERM BONDS MATURING DECEMBER 1, 2035*

Sinking Fund Redemption Date (December 1)	Principal Amount To Be Redeemed
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The Series B Bonds maturing on December 1, 2030 and December 1, 2035 (collectively, the "Series B Term Bonds") are subject to redemption in part by lot, on December 1 in each of the years as set forth in the following tables, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however*, that if some but not all of the Series B Term Bonds have been redeemed the optional redemption provisions described above, the total amount of all future payments with respect to such Series B Term Bonds shall be reduced by the aggregate principal amount of such Series B Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

* Preliminary, subject to change.

**SINKING FUND SCHEDULE FOR
SERIES B TERM BONDS MATURING DECEMBER 1, 2030***

Sinking Fund Redemption Date (December 1)	Principal Amount <u>To Be Redeemed</u>
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**SINKING FUND SCHEDULE FOR
SERIES B TERM BONDS MATURING DECEMBER 1, 2035***

Sinking Fund Redemption Date (December 1)	Principal Amount <u>To Be Redeemed</u>
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In lieu of redemption of the Series A Term Bonds or Series B Term Bonds under the preceding paragraph, amounts on deposit in the Debt Service Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Series A Term Bonds or Series B Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Series A Term Bonds or Series B Term Bonds so purchased by the Successor Agency in any twelve-month period ending on November 15 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed on the next succeeding December 1.

Notice of Redemption, Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption, at least 30 but not more than 60 days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services designated in a Request of the Successor Agency delivered to the Trustee (by any means acceptable to such depositories and services in substitution of first class mail); provided, however, that such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall, if applicable, designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or shall state that all of the Bonds Outstanding of one or more maturities are to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on the Bonds to be redeemed will not accrue from and after the date fixed for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

* Preliminary, subject to change.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender thereof the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the maturity of the Bonds, the Trustee shall select the Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds that may be separately redeemed.

CITY OF STANTON

REPORT TO STANTON CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: January 12, 2016

SUBJECT: CONSIDERATION OF AN URGENCY ORDINANCE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY AS AN URGENCY ORDINANCE

REPORT IN BRIEF:

The California legislature recently adopted legislation identified as the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643)(MMRSA) to comprehensively regulate medical marijuana (medical cannabis). The MMRSA recognizes and preserves local control to regulate or ban medical cannabis cultivation, transportation, and distribution. At present, the Stanton Municipal Code does not contain regulations of marijuana manufacturers, cultivation, and delivery. The MMRSA provides that if a city has not banned or regulated cannabis cultivation by March 1, 2016, then cultivation in that city will be subject only to state law on this issue. As such it is necessary for the City to immediately establish a marijuana cultivation ban or regulations in order to preserve the City's control of this use.

State law authorizes cities to adopt urgency ordinances that are effective immediately if the ordinance is for the "immediate preservation of the public peace, health or safety" and is approved by four-fifths vote of the City Council. (Gov. Code § 36937.) This ordinance is also being presented to the City Council as a regular, non-urgency item. The City Attorney's Office advises the City to adopt this ordinance as a non-urgency item as a best practice against any future legal challenges.

RECOMMENDED ACTION:

1. City Council declare that the project is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) (the activities are not "projects" as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because they have no potential for resulting in physical change to the environment, directly or indirectly and 15061(b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it can be seen with certainty that it will not have a significant effect or physical change to the environment; and

2. Adopt Urgency Ordinance No. 1046, entitled:

"AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AMENDING CHAPTER 9.38 OF THE STANTON MUNICIPAL CODE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY ."

BACKGROUND:

The California legislature recently adopted legislation identified as the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643) (MMRSA) to comprehensively regulate medical marijuana (medical cannabis). The MMRSA recognizes and preserves local control to regulate or ban medical cannabis cultivation, transportation, and distribution. The MMRSA confirms and clarifies that, in addition to the complete land use control over retail dispensaries recognized in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, municipalities have the power to regulate or ban the cultivation and distribution of medical marijuana. *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975.

Although the MMRSA allows municipalities to regulate or ban cannabis cultivation, manufacturing, transportation, and distribution of medical cannabis within their jurisdictions, it requires some local enabling legislation to accomplish some aspects of this. If a city chooses to regulate these activities comprehensively, it must adopt an overlay of local regulatory standards that are at least as strict as the state's default regulations. Specifically, the MMRSA provides that if a City has not banned or regulated cannabis cultivation by March 1, 2016, then cultivation in that City will be subject only to State law on this issue.

ANALYSIS/JUSTIFICATION:

In 2008, the Stanton City Council amended the Municipal Code to prohibit medicinal marijuana dispensaries, but did not prohibit marijuana manufacturers, cultivation, and delivery. The MMRSA allows municipalities to regulate or ban cannabis cultivation, manufacturing, transportation, and distribution of medical cannabis within their jurisdictions.

The cultivation, transportation, and distribution of marijuana can create problems relating to public health and safety, crime, water and air quality, and energy consumption. Marijuana uses can create nuisance activity such as loitering and criminal activity in business and residential districts. Specifically mobile delivery can create issues relating to responsibility and resources to monitor and enforce state law, questions of patient qualification, and risks relating to the high use of large sums of cash for mobile transactions. Cultivation can create air quality, energy, and water quality damage and impair building maintenance and safety. For example, the increased moisture necessary to grow indoors can create excessive mold growth and structural damage. Additionally, the equipment utilized to grow indoors can pose a risk

of fire and electrical hazards due to dangerous electrical alterations and use. Further, inadequate ventilation combined with the use of pesticides and fertilizers in an enclosed space can lead to chemical contamination within structures.

At least one California city (Live Oak) has successfully defended its total ban on the cultivation of marijuana for any purpose within that city. Its legally upheld regulation provides, "[m]arijuana cultivation by any person, including primary caregivers and qualified patients, collectives, cooperatives, or dispensaries" are prohibited in all zones within the City. The MMRSA allows this approach. As a result, the attached ordinance would immediately prohibit medical cannabis cultivation in all zones in the City of Stanton, as well as marijuana delivery and manufacturing.

Urgency Ordinance

Government Code Section 36937 authorizes public agencies like the City to adopt ordinances that are immediately effective if they are to preserve the public peace, health or safety. As described in this report, the cultivation, transportation, and distribution of marijuana can create problems relating to public health and safety, crime, water and air quality, and energy consumption. As such, this Ordinance is proposed as an urgency ordinance to protect the public at large from these health and safety problems. In order for the urgency ordinance to be effective, four-fifths of the City Council are required to approve the ordinance.

As a best practice, the same ordinance prohibiting marijuana dispensaries, manufacturers, cultivation, and delivery will also be presented to the Council as a regular, non-urgency ordinance.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

The proposed ordinance has been determined to not be subject to the California Environmental Quality Act ("CEQA"), pursuant to Sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) (the activities are not "projects" as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because they have no potential for resulting in physical change to the environment, directly or indirectly and 15061(b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it can be seen with certainty that it will not have a significant effect or physical change to the environment.

LEGAL REVIEW:

The City Attorney's Office has drafted and reviewed the staff report and drafted the attached proposed urgency ordinance.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Objective 6: Maintain and Promote a Responsive, High Quality and Transparent Government.

PUBLIC NOTIFICATION:

Through the regular agenda posting process.

Prepared By:

Concurred By:

Approved By:

Matthew E. Richardson
City Attorney

Omar Dadabhoy
Community and Economic
Development Director

James A. Box
City Manager

Attachments:

- A. Ordinance No. 1046
- B. Redline of Urgency Ordinance

ORDINANCE NO. 1046

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON ENACTED PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36937 AMENDING CHAPTER 9.38 OF THE STANTON MUNICIPAL CODE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY

WHEREAS, in 1996, the voters of the State of California approved Proposition 215 (codified as Health & Safety Code Section 11362.5 et seq. and entitled "The Compassionate Use Act of 1996"); and

WHEREAS, the intent of Proposition 215 was to enable seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law; and

WHEREAS, in 2003, the California Legislature adopted SB 420, the Medical Marijuana Program ("MMP"), codified as Health and Safety Code Section 11362.7 et seq., which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to criminal prosecution under the Penal Code; and

WHEREAS, neither the Compassionate Use Act ("CUA") nor the MMP require nor impose an affirmative duty or mandate upon local governments to allow, authorize, or sanction the establishment of facilities that cultivate or process medical marijuana within its jurisdiction; and

WHEREAS, in May 2013, the California Supreme Court issued its decision in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, holding that cities have the authority to regulate or ban outright medical marijuana land uses; and

WHEREAS, under the Federal Controlled Substances Act, codified in 21 U.S.C. Section 801 et seq., the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need; and

WHEREAS, on October 9, 2015, Governor Jerry Brown signed the "Medical Marijuana Regulation and Safety Act" ("Act") into law; and

WHEREAS, the Act became effective January 1, 2016 and contains provisions which allow for local governments to regulate licenses and certain activities thereunder; and

WHEREAS, the Act contains a provision that sets forth that the State shall become the sole authority for regulation under certain parts of the Act, unless local governments have "land use regulations or ordinances regulating or prohibiting the cultivation of marijuana..." (Health and Safety Code §11362.777(c)(4)); and

WHEREAS, several California cities have reported negative impacts of marijuana cultivation, processing, and distribution uses, including offensive odors, illegal sales, and distribution of marijuana, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests; and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, and detectable far beyond property boundaries if grown outdoors; and

WHEREAS, the strong smell of marijuana creates an attractive nuisance, alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery, or armed robbery; and

WHEREAS, the indoor cultivation of marijuana has potential adverse effects to the health and safety of the occupants; including structural damage to the building due to increased moisture and excessive mold growth which can occur and can pose a risk of fire and electrocution; additionally, the use of pesticides and fertilizers can lead to chemical contamination within the structure; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime; and

WHEREAS, based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City due to the establishment and operation of marijuana cultivation, processing, and distribution uses; and

WHEREAS, the City's Municipal Code ("Code") does not address the cultivation, processing, delivery and distribution of medical cannabis; and

WHEREAS, based on the findings above, the potential establishment of marijuana dispensaries, marijuana cultivation, marijuana manufacturers and delivery of marijuana uses in the City without regulation poses a current and immediate threat to the public health, safety and welfare in the City due to the negative land use and other impacts of such uses as described above; and

WHEREAS, California Government Code Section 36937 expressly authorizes the City Council to adopt by four-fifths (4/5) vote, without following the procedures otherwise required for the adoption of an ordinance, an urgency ordinance which is necessary for the immediate preservation of the public peace, health or safety; and

WHEREAS, the issuance or approval of business licenses, subdivisions, use permits, variances, building permits, or any other applicable entitlement for marijuana dispensaries, marijuana cultivation, marijuana manufacturers and delivery of marijuana will result in the aforementioned threat to the public peace, health, or safety; and

WHEREAS, it is the present intention of the City Council to keep this Urgency Ordinance in effect only until the adoption of an ordinance establishing regulations regarding marijuana dispensaries, marijuana cultivation, marijuana manufacturers and delivery of marijuana uses in the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The City Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

SECTION 2. CEQA. The City Council finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(3) because this activity is not a project as defined by Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, and pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that it will not have a significant effect or physical change to the environment.

SECTION 3. Findings. The City Council hereby finds, determines and declares that this Urgency Ordinance adopted pursuant to California Government Code Section 36937 is necessary because:

A. The Act became effective January 1, 2016 and contains provisions which allow for local governments to regulate licenses and certain activities thereunder.

B. The Act contains provisions under which the State can become the sole authority for regulation of certain marijuana cultivation activities in the absence of regulation under certain parts of the Act, unless local governments have land use regulations or ordinances regulating or prohibiting the cultivation of marijuana.

C. Without the adoption of an urgency ordinance, the City may not have regulations in place prior to the March 1, 2016 deadline imposed by the Act.

D. There is a current and immediate threat to the public health, safety, and welfare of the City and its community, thereby necessitating the adoption of this ordinance.

SECTION 4. Urgent Need. Based on the foregoing recitals and findings, all of which are deemed true and correct, this urgency ordinance is needed for the immediate preservation of the public health, safety, and welfare. This is a matter of importance to the entire City of Stanton, and is not directed at any particular property.

SECTION 5. Chapter 9.38. Chapter 9.38 of Title 9 of the Stanton Municipal Code is hereby amended and restated to read as follows:

"Chapter 9.38 MEDICINAL MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND MARIJUANA DELIVERIES PROHIBITED

9.38.005 Purpose.

The purpose of this chapter is to enact and enforce a ban on all marijuana dispensaries, marijuana manufacturers, cultivation, and delivery of marijuana located within the City limits. Nothing in this Chapter shall preempt or make inapplicable any provision of state or federal law.

9.38.010 Prohibition of marijuana dispensaries, marijuana manufacturers, marijuana cultivation and marijuana delivery.

A. No person shall establish, operate, or permit to be operated, a marijuana dispensary, marijuana manufacturer, marijuana delivery or marijuana cultivation in or upon any premises in the city. It is a violation for any person to knowingly allow property of which he or she is the tenant or owner to be used as a marijuana dispensary, marijuana manufacturer, marijuana delivery or marijuana cultivation .

B. No marijuana dispensary, marijuana manufacturer, marijuana delivery or marijuana cultivation shall be established or located or operated within the city, nor shall any building permit, conditional use permit, development plan, zoning clearance, or other entitlement for use be issued for any marijuana dispensary, marijuana manufacturer, marijuana delivery, or marijuana cultivation, nor shall any existing uses be modified to add a marijuana dispensary, marijuana manufacturer, marijuana delivery, or marijuana cultivation.

9.38.015 Penalty for violation.

No person, whether as principal, agent, employee or otherwise, shall violate, cause the violation of, or otherwise fail to comply with any of the requirements of this Chapter. Every act prohibited or declared unlawful, and every failure to perform an act made mandatory by this Chapter, shall be a misdemeanor or an infraction, at the discretion of the City Attorney or the District Attorney. In addition to the penalties provided in this Chapter, any condition caused or permitted to exist in violation of any of the provisions of this Chapter is declared a public nuisance and may be abated as provided in Chapter 9.16, Article 1 and/or under state law.

9.38.020 Definitions.

For the purposes of this chapter, unless otherwise apparent from the context, the following definitions apply.

"Marijuana" means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis* plants, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seed, or its resin. "Marijuana" also means the separated resin, whether crude or purified, obtained from marijuana.

"Marijuana dispensary," means any facility, site, cooperative, location, use, or mobile vending vehicle where marijuana, marijuana products, or devices for the use of marijuana or marijuana products are offered either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale.

"Marijuana manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured marijuana, or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical marijuana or marijuana products or labels or relabels its container.

"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

"Delivery" means the commercial transfer of marijuana or marijuana products, and includes origination or termination within the City as well as a delivery business."

SECTION 6. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 7: Location and Custodian of Records. The documents and materials associated with this Resolution that constitute the record of proceedings on which these findings are based are located at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of the record of proceedings.

SECTION 8: Effective Date. This Urgency Ordinance was adopted by the necessary four-fifths vote of the members of the City Council pursuant to Government Code sections 36934 and 36937 and shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED this 12th day of January, 2016.

BRIAN DONAHUE, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF STANTON)

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Urgency Ordinance No. 1046 was introduced and adopted at a regular meeting of the City Council of the City of Stanton, California, held on the 12th day of January, 2016 by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

CITY CLERK, CITY OF STANTON

Redline to Marijuana Ordinance

Chapter 9.38 of Title 9 of the Stanton Municipal Code is hereby amended and restated to read as follows:

9.38.005 Purpose

The purpose of this chapter is to enact and enforce a ban on all marijuana dispensaries, marijuana manufacture~~rs~~, cultivation, and delivery of marijuana located within the City limits. Nothing in this ~~Chapter~~ shall preempt or make inapplicable any provision of state or federal law.

9.38.010 Prohibition of ~~medicinal~~ marijuana dispensaries, ~~marijuana manufacture~~rs~~~~, marijuana cultivation and marijuana delivery.

A. No person shall establish, operate, or permit to be operated, a ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery, or marijuana cultivation~~ in or upon any premises in the city, ~~nor operate such a dispensary as a mobile vendor~~. It is a violation for any person to knowingly allow property of which he or she is the tenant or owner to be used as a ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery, or marijuana cultivation~~.

B. No ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery or marijuana cultivation~~ shall be established or located or operated within the city, nor shall any building permit, conditional use permit, development plan, zoning clearance, or other entitlement for use be issued for any ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery or marijuana cultivation~~, nor shall any existing uses be modified to add a ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery or marijuana cultivation~~.

9.38.015 Penalty for violation

No person, whether as principal, agent, employee or otherwise, shall violate, cause the violation of, or otherwise fail to comply with any of the requirements of this Chapter. Every act prohibited or declared unlawful, and every failure to perform an act made mandatory by this Chapter, shall be a misdemeanor or an infraction, at the discretion of the City Attorney or the District Attorney. In addition to the penalties provided in this Chapter, any condition caused or permitted to exist in violation of any of the provisions of this Chapter is declared a public nuisance and may be abated as provided in Chapter 9.16, Article 1 and/or under state law.

9.38.020 Definitions.

For the purposes of this chapter, unless otherwise apparent from the context, the following definitions apply.

"Marijuana" means all parts of organically grown Cannabis~~the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis~~ plants, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seed, or its resin. "Marijuana" also means the separated resin, whether crude or purified, obtained from marijuana. ~~"Marijuana" does not include the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, or any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.~~

~~"Medicinal marijuana" means marijuana authorized in strict compliance with California Health and Safety Code Sections 11362.5 through 11362.9.~~

~~"Medical mMarijuana dispensary," "medicinal marijuana dispensary," "dispensary," and "medical/medicinal marijuana clinic" means any facility, site, cooperative, location, use, or mobile vending vehicle where medicinal marijuana, marijuana products, or devices for the use of marijuana or marijuana products are offered either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale. is cultivated, distributed, sold, exchanged, given away, or made available for medical purposes in accordance with Health and Safety Code Section 11362.5. It shall not include any qualified residents or patients within any of the health facilities, as long as the location of such uses is otherwise regulated by this code or other applicable laws, as follows: a clinic licensed pursuant to Chapter 1 of Division (Sections 1200 et seq.) of the Health and Safety Code; a health care facility licensed pursuant to Chapter 1 of Division 2 (Sections 1250 et seq.) of the Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 (Sections 1569 et seq.) of the Health and Safety Code; and a hospice licensed pursuant to Chapter 8.5 of Division 2 (Sections 1745 et seq.) of the Health and Safety Code.~~

"Marijuana manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured marijuana, or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical marijuana or marijuana products or labels or relabels its container.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

“Delivery” means the commercial transfer of marijuana or marijuana products, and includes origination or termination within the City as well as a delivery business.

CITY OF STANTON

REPORT TO STANTON CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: January 12, 2016

SUBJECT: CONSIDERATION OF AN ORDINANCE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY

REPORT IN BRIEF:

The California legislature recently adopted legislation identified as the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643) (MMRSA) to comprehensively regulate medical marijuana (medical cannabis). The MMRSA recognizes and preserves local control to regulate or ban medical cannabis cultivation, transportation, and distribution. At present the Stanton Municipal Code ("SMC") does not contain regulations of marijuana manufacturers, cultivation, and delivery.

In addition, due to the serious, negative impacts associated with the distribution, manufacture, cultivation, and delivery of marijuana, a resolution is proposed to increase the administrative citation fine amounts for marijuana-related SMC violations.

RECOMMENDED ACTION:

1. City Council declare that the project is not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) (the activities are not "projects" as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because they have no potential for resulting in physical change to the environment, directly or indirectly and 15061(b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it can be seen with certainty that it will not have a significant effect or physical change to the environment; and
2. Introduce Ordinance No. 1047 entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AMENDING CHAPTER 9.38 OF THE STANTON MUNICIPAL CODE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY"; and

3. Approve Resolution No. 2016-01, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADOPTING ADMINISTRATIVE FINE AMOUNTS FOR MARIJUANA-RELATED VIOLATIONS OF THE STANTON MUNICIPAL CODE”; and

4. Set said Ordinance for adoption at the regular City Council meeting of January 26, 2016.

BACKGROUND:

The California legislature recently adopted legislation identified as the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643) (MMRSA) to comprehensively regulate medical marijuana (medical cannabis). The MMRSA recognizes and preserves local control to regulate or ban medical cannabis cultivation, transportation, and distribution. The MMRSA confirms and clarifies that, in addition to the complete land use control over retail dispensaries recognized in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, municipalities have the power to regulate or ban the cultivation and distribution of medical marijuana. *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975.

Although the MMRSA allows municipalities to regulate or ban cannabis cultivation, manufacturing, transportation, and distribution of medical cannabis within their jurisdictions, it requires some local enabling legislation to accomplish some aspects of this. If a city chooses to regulate these activities comprehensively, it must adopt an overlay of local regulatory standards that are at least as strict as the state's default regulations. Specifically, the MMRSA provides that if a city has not banned or regulated cannabis cultivation by March 1, 2016, then cultivation in that city will be subject only to state law on this issue.

ANALYSIS/JUSTIFICATION:

In 2008, the Stanton City Council amended the Municipal Code to prohibit medicinal marijuana dispensaries, but did not prohibit marijuana manufacturers, cultivation and delivery. MMRSA allows municipalities to regulate or ban cannabis cultivation, manufacturing, transportation, and distribution of medical cannabis within their jurisdictions

The cultivation, transportation, and distribution of marijuana can create problems relating to public health and safety, crime, water and air quality, and energy consumption. Marijuana uses can create nuisance activity such as loitering and criminal activity in business and residential districts. Specifically mobile delivery can create issues relating to responsibility and resources to monitor and enforce state law, questions of patient qualification, and risks relating to the high use of large sums of cash for mobile transactions. Cultivation can create air quality, energy, and water quality damage and impair building maintenance and safety. For example, the increased moisture necessary to grow indoors can create excessive mold growth and

structural damage. Additionally, the equipment utilized to grow indoors can pose a risk of fire and electrical hazards due to dangerous electrical alterations and use. Further, inadequate ventilation combined with the use of pesticides and fertilizers in an enclosed space can lead to chemical contamination within structures.

At least one California city (Live Oak) has successfully defended its total ban on the cultivation of marijuana for any purpose within that city. Its legally upheld regulation provides that "[m]arijuana cultivation by any person, including primary caregivers and qualified patients, collectives, cooperatives, or dispensaries" are prohibited in all zones within the City. The MMRSA allows this approach. As a result, the attached ordinance would prohibit medical cannabis cultivation in all zones in the City of Stanton, and the marijuana delivery and manufactures.

Moreover, SMC Chapter 1.12 includes an administrative citation process that allows the City to issue administrative fines for violations of the SMC. Chapter 1.12 also allows the Council, by resolution, to specify the fine amounts for particular violations of the SMC. Because of the serious negative effects associated with the distribution, manufacture, cultivation, and delivery of marijuana, the attached resolution proposes setting higher administrative citation fine amounts for violations of SMC section 9.38.010, which, among other things, bans the distribution, cultivation, and delivery of marijuana in the City. The administrative citation amounts proposed are \$500 for a first violation, \$700 for a second violation of the same ordinance within one year from the date of the first violation, and \$1000 per day for each additional violation of the same ordinance within one year from the date of the first violation. Resolution No. 2016-01 provides that it would not be effective unless and until Ordinance No. 1047 becomes effective.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

The proposed ordinance has been determined to not be subject to the California Environmental Quality Act ("CEQA"), pursuant to Sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) (the activities are not "projects" as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because they have no potential for resulting in physical change to the environment, directly or indirectly and 15061(b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it can be seen with certainty that it will not have a significant effect or physical change to the environment.

LEGAL REVIEW:

The City Attorney's Office has drafted and reviewed the staff report and drafted the attached proposed ordinance.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Objective 6: Maintain and Promote a Responsive, High Quality and Transparent Government.

PUBLIC NOTIFICATION:

Through the regular agenda posting process.

Prepared By:

Concurred By:

Approved By:

Matthew E. Richardson
City Attorney

Omar Dadabhoy
Community and Economic
Development Director

James A. Box
City Manager

Attachment:

- A. Ordinance No. 1047
- B. Redline of Urgency Ordinance
- C. Resolution No. 2016-01

ORDINANCE NO. 1047

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AMENDING CHAPTER 9.38 OF THE STANTON MUNICIPAL CODE TO PROHIBIT MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND DELIVERY OF MARIJUANA IN THE CITY

WHEREAS, in 1996, the voters of the State of California approved Proposition 215 (codified as Health & Safety Code Section 11362.5 et seq. and entitled "The Compassionate Use Act of 1996"); and

WHEREAS, the intent of Proposition 215 was to enable seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law; and

WHEREAS, in 2003, the California Legislature adopted SB 420, the Medical Marijuana Program ("MMP"), codified as Health and Safety Code Section 11362.7 et seq., which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to criminal prosecution under the Penal Code; and

WHEREAS, neither the Compassionate Use Act ("CUA") nor the MMP require nor impose an affirmative duty or mandate upon local governments to allow, authorize, or sanction the establishment of facilities that cultivate or process medical marijuana within its jurisdiction; and

WHEREAS, in May 2013, the California Supreme Court issued its decision in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, holding that cities have the authority to regulate or ban outright medical marijuana land uses; and

WHEREAS, under the Federal Controlled Substances Act, codified in 21 U.S.C. Section 801 et seq., the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need; and

WHEREAS, on October 9, 2015, Governor Jerry Brown signed the "Medical Marijuana Regulation and Safety Act" ("Act") into law; and

WHEREAS, the Act became effective January 1, 2016 and contains provisions which allow for local governments to regulate licenses and certain activities thereunder; and

WHEREAS, the Act contains a provision which sets forth that the State shall become the sole authority for regulation under certain parts of the Act, unless local governments have "land use regulations or ordinances regulating or prohibiting the cultivation of marijuana..." (Health and Safety Code §11362.777(c)(4); and

WHEREAS, several California cities have reported negative impacts of marijuana cultivation, processing, and distribution uses, including offensive odors, illegal sales, and distribution of marijuana, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests; and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, and detectable far beyond property boundaries if grown outdoors; and

WHEREAS, the strong smell of marijuana creates an attractive nuisance, alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery, or armed robbery; and

WHEREAS, the indoor cultivation of marijuana has potential adverse effects to the health and safety of the occupants; including structural damage to the building due to increased moisture and excessive mold growth which can occur and can pose a risk of fire and electrocution; additionally, the use of pesticides and fertilizers can lead to chemical contamination within the structure; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime; and

WHEREAS, based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City due to the establishment and operation of marijuana cultivation, processing, and distribution uses; and

WHEREAS, the City's Municipal Code ("Code") does not address the cultivation, processing, delivery and distribution of medical cannabis; and

WHEREAS, based on the findings above, the potential establishment of marijuana dispensaries, marijuana cultivation, marijuana manufacturers and delivery of marijuana uses in the City without regulation poses a current and immediate threat to the public health, safety and welfare in the City due to the negative land use and other impacts of such uses as described above; and

WHEREAS, the issuance or approval of business licenses, subdivisions, use permits, variances, building permits, or any other applicable entitlement for cannabis dispensaries, cultivation, cannabis manufacturers and delivery of cannabis will result in the aforementioned threat to public health, safety, or welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The City Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

SECTION 2. CEQA. The City Council finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(3) because this activity is not a project as defined by Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, and pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that it will not have a significant effect or physical change to the environment.

"Chapter 9.38 MEDICINAL MARIJUANA DISPENSARIES, MARIJUANA MANUFACTURERS, MARIJUANA CULTIVATION, AND MARIJUANA DELIVERIES PROHIBITED

9.38.005 Purpose.

The purpose of this chapter is to enact and enforce a ban on all marijuana dispensaries, marijuana manufacturers, cultivation, and delivery of marijuana located within the City limits. Nothing in this Chapter shall preempt or make inapplicable any provision of state or federal law.

9.38.010 Prohibition of marijuana dispensaries, marijuana manufacturers, marijuana cultivation and marijuana delivery.

A. No person shall establish, operate, or permit to be operated, a marijuana dispensary, marijuana manufacturer, marijuana delivery or marijuana cultivation in or upon any premises in the city. It is a violation for any person to knowingly allow property of which he or she is the tenant or owner to be used as a marijuana dispensary, marijuana manufacturer, marijuana delivery or marijuana cultivation .

B. No marijuana dispensary, marijuana manufacturer, marijuana delivery or marijuana cultivation shall be established or located or operated within the city, nor shall any building permit, conditional use permit, development

plan, zoning clearance, or other entitlement for use be issued for any marijuana dispensary, marijuana manufacturer, marijuana delivery, or marijuana cultivation, nor shall any existing uses be modified to add a marijuana dispensary, marijuana manufacturer, marijuana delivery, or marijuana cultivation.

9.38.015 Penalty for violation.

No person, whether as principal, agent, employee or otherwise, shall violate, cause the violation of, or otherwise fail to comply with any of the requirements of this Chapter. Every act prohibited or declared unlawful, and every failure to perform an act made mandatory by this Chapter, shall be a misdemeanor or an infraction, at the discretion of the City Attorney or the District Attorney. In addition to the penalties provided in this Chapter, any condition caused or permitted to exist in violation of any of the provisions of this Chapter is declared a public nuisance and may be abated as provided in Chapter 9.16, Article 1 and/or under state law.

9.38.020 Definitions.

For the purposes of this chapter, unless otherwise apparent from the context, the following definitions apply.

"Marijuana" means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis* plants, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seed, or its resin. "Marijuana" also means the separated resin, whether crude or purified, obtained from marijuana.

"Marijuana dispensary," means any facility, site, cooperative, location, use, or mobile vending vehicle where marijuana, marijuana products, or devices for the use of marijuana or marijuana products are offered either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale.

"Marijuana manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured marijuana, or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical marijuana or marijuana products or labels or relabels its container.

"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

"Delivery" means the commercial transfer of marijuana or marijuana products, and includes origination or termination within the City as well as a delivery business."

SECTION 3. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4: Location and Custodian of Records. The documents and materials associated with this Resolution that constitute the record of proceedings on which these findings are based are located at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of the record of proceedings.

SECTION 5. Effective Date. This Ordinance shall take effect and be in full force thirty (30) days from and after its passage. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted in the three (3) designated posting places within the City of Stanton within fifteen (15) days after its passage.

PASSED, APPROVED, and ADOPTED this 26th day of January, 2016.

BRIAN DONAHUE, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF STANTON)

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Ordinance No. 1047 was introduced at a regular meeting of the City Council of the City of Stanton, California, held on the 12th day of January, 2016, and was duly adopted at a regular meeting of the City Council held on the 26th day of January, 2016, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

CITY CLERK, CITY OF STANTON

Redline to Marijuana Ordinance

Chapter 9.38 of Title 9 of the Stanton Municipal Code is hereby amended and restated to read as follows:

9.38.005 Purpose

The purpose of this chapter is to enact and enforce a ban on all marijuana dispensaries, marijuana manufacture~~rs~~, cultivation, and delivery of marijuana located within the City limits. Nothing in this ~~Chapter~~ shall preempt or make inapplicable any provision of state or federal law.

9.38.010 Prohibition of ~~medicinal~~ marijuana dispensaries, ~~marijuana manufacture~~rs~~~~, marijuana cultivation and marijuana delivery.

A. No person shall establish, operate, or permit to be operated, a ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery, or marijuana cultivation~~ in or upon any premises in the city, ~~nor operate such a dispensary as a mobile vender~~. It is a violation for any person to knowingly allow property of which he or she is the tenant or owner to be used as a ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery, or marijuana cultivation~~.

B. No ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery or marijuana cultivation~~ shall be established or located or operated within the city, nor shall any building permit, conditional use permit, development plan, zoning clearance, or other entitlement for use be issued for any ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery or marijuana cultivation~~, nor shall any existing uses be modified to add a ~~medicinal~~ marijuana dispensary, ~~marijuana manufacturer, marijuana delivery or marijuana cultivation~~.

9.38.015 Penalty for violation

No person, whether as principal, agent, employee or otherwise, shall violate, cause the violation of, or otherwise fail to comply with any of the requirements of this Chapter. Every act prohibited or declared unlawful, and every failure to perform an act made mandatory by this Chapter, shall be a misdemeanor or an infraction, at the discretion of the City Attorney or the District Attorney. In addition to the penalties provided in this Chapter, any condition caused or permitted to exist in violation of any of the provisions of this Chapter is declared a public nuisance and may be abated as provided in Chapter 9.16, Article 1 and/or under state law.

9.38.020 Definitions.

For the purposes of this chapter, unless otherwise apparent from the context, the following definitions apply.

"Marijuana" means all parts of organically grown Cannabis~~the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis~~ plants, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seed, or its resin. "Marijuana" also means the separated resin, whether crude or purified, obtained from marijuana. ~~"Marijuana" does not include the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, or any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.~~

~~"Medicinal marijuana" means marijuana authorized in strict compliance with California Health and Safety Code Sections 11362.5 through 11362.9.~~

~~"Medical mMarijuana dispensary," "medicinal marijuana dispensary," "dispensary," and "medical/medicinal marijuana clinic" means any facility, site, cooperative, location, use, or mobile vending vehicle where medicinal marijuana, marijuana products, or devices for the use of marijuana or marijuana products are offered either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale. is cultivated, distributed, sold, exchanged, given away, or made available for medical purposes in accordance with Health and Safety Code Section 11362.5. It shall not include any qualified residents or patients within any of the health facilities, as long as the location of such uses is otherwise regulated by this code or other applicable laws, as follows: a clinic licensed pursuant to Chapter 1 of Division (Sections 1200 et seq.) of the Health and Safety Code; a health care facility licensed pursuant to Chapter 1 of Division 2 (Sections 1250 et seq.) of the Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 (Sections 1569 et seq.) of the Health and Safety Code; and a hospice licensed pursuant to Chapter 8.5 of Division 2 (Sections 1745 et seq.) of the Health and Safety Code.~~

"Marijuana manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured marijuana, or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical marijuana or marijuana products or labels or relabels its container.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

“Delivery” means the commercial transfer of marijuana or marijuana products, and includes origination or termination within the City as well as a delivery business.

RESOLUTION NO. 2016-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADOPTING ADMINISTRATIVE FINE AMOUNTS FOR MARIJUANA-RELATED VIOLATIONS OF THE STANTON MUNICIPAL CODE

WHEREAS, Article 11, Section 7 of the California Constitution authorizes the City of Stanton ("City") to make and enforce within its limits all ordinances and regulations not in conflict with general laws; and

WHEREAS, the Stanton City Council believes that enforcement of the Stanton Municipal Code serves important public purposes; and

WHEREAS, to support the enforcement of the City's Code, the City enacted an administrative citation procedure, codified in Stanton Municipal Code ("SMC") Chapter 1.12; and

WHEREAS, the administrative citation procedure, which is authorized under Government Code Section 53069.4, allows the City to impose fines on responsible persons who violate any provision of the SMC; and

WHEREAS, SMC Section 1.12.070 provides that the administrative citation fine amounts are \$100 for a first violation, \$200 for a second violation of the same code provision, ordinance, or permit within one year from the date of the first violation, and \$500 for each additional violation of the same code provision, ordinance, or permit within one year from the date of the first violation; and

WHEREAS, SMC Section 1.12.070 also authorizes the City Council to specify, by resolution, the administrative citation fine amounts for specific violations of the SMC; and

WHEREAS, the City Council has identified that violations of the City's ban on, among other things, the cultivation, distribution, and delivery of marijuana especially harms the public health, safety, and welfare of the City and its residents. Such ban is provided in Chapter 9.38 of Title 9 of the SMC; and

WHEREAS, for example, several California cities have reported negative impacts of marijuana cultivation, processing, distribution, and delivery, including offensive odors, illegal sales, distribution of non-medical related marijuana, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests; and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor and are detectable far beyond property boundaries if grown outdoors; and

WHEREAS, the strong smell of marijuana creates an attractive nuisance, alerting persons to the location of the valuable plants and creating a risk of burglary, robbery, or armed robbery; and

WHEREAS, the indoor cultivation of marijuana has potential adverse effects to the health and safety of the occupants, including structural damage to the building due to increased moisture and excessive mold growth which can occur and can pose a risk of fire and electrocution. Additionally, the use of pesticides and fertilizers can lead to chemical contamination within the structure; and

WHEREAS, based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City due to the establishment and operation of marijuana cultivation, processing, distribution, and delivery; and

WHEREAS, as such, the Council desires to increase the administrative citation fine amounts for marijuana-related violations of the SMC to further deter those kinds of violations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES HEREBY RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are hereby incorporated and made an operative part of this Resolution.

Section 2. CEQA. The City Council finds that this Resolution is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment), and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 3. Amount of Administrative Fines.

Administrative fines shall be assessed for violations of SMC Section 9.38.010 as follows:

1. A fine not exceeding five hundred dollars (\$500.00) for a first violation;
2. A fine not exceeding seven hundred dollars (\$700.00) for a second violation of the same ordinance or permit within one year following the date of the first violation.

3. A fine not exceeding one thousand dollars (\$1000.00) per day for each additional violation of the same ordinance or permit within one year following the date of the first violation.

Section 4. Severability. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

Section 5. Effective Date. This Resolution is adopted in connection with Ordinance No. 1047 relating to marijuana, and shall take effect concurrently with that Ordinance.

Section 6. Certification. The Mayor shall sign this Resolution and the City Clerk shall certify to the adoption thereof.

ADOPTED, SIGNED AND APPROVED this 12th day of January, 2016.

BRIAN DONAHUE, MAYOR

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

ATTEST:

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2016-01 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on January 12, 2016, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: January 12, 2016

**SUBJECT: REVIEW OF METHODS TO INCREASE PEDESTRIAN SAFETY ALONG
BEACH BOULEVARD**

REPORT IN BRIEF:

The City Council has requested review of how to increase the safety of pedestrians along Beach Boulevard.

RECOMMENDED ACTION:

1. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(c) – Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities.
2. Review the staff report and provide direction.

BACKGROUND:

With its broad right-of-way and its eight lanes of traffic heavily traveled by over 60,000 vehicles per day, Beach Boulevard is the most significant north/south traffic facility in Stanton and most likely north Orange County. The boulevard is the primary physical organizing element of the community. At present, Beach Boulevard is a challenging environment for pedestrians and cyclists. Several recent pedestrian fatalities have raised the issue of how to increase the safety of pedestrians on Beach Boulevard.

Beach Boulevard was studied several years ago by the City. In March of 2009, the City embarked on an important effort to create a vision and strategy for the mobility and livability of Beach Boulevard – both Stanton's "Main Street" and a regional transportation artery. Key goals of the Livable Beach Boulevard Mobility Plan were:

- Congestion relief
- Efficient movement of people, goods, and services
- Safe and healthy communities
- Pedestrian, bicycle and transit mobility and access
- Public stakeholder participation

In order to complete the study, the City was awarded \$141,700 as part of the Community-Based Transportation Planning (CBTP) Grant by Caltrans. Subsequent to the award of the grant, RRM Design Group and Fehr and Peers were selected to prepare the Livable Beach Boulevard Mobility Study. The City of Stanton has developed this Mobility Plan to guide the way the City plans and implements new mobility and public realm enhancement projects. The plan identifies improvements for amenities, pedestrian and bicycle facilities, vehicular circulation, transit and urban design recommendations including street furnishings. The plan improves the City's ability to receive grant funding for implementing these projects. Also, it suggests how the public can benefit from a more walkable community with greater connections between where they live, work, play, shop, and learn.

The relevant portion of the study summarizes the basic pedestrian network issues that inhibit maximum pedestrian mobility and safety at primary Beach Boulevard intersections. The following were the recommendations in the report:

- 1) Many intersections do not have countdown timers or international indications.
- 2) A few medians encroach into the crosswalk, which is an obstruction to the walking path of the pedestrian.
- 3) Crosswalk striping is moderately or poorly visible
- 4) Some intersections do not have ADA compliant ramps
- 5) Some intersections have pedestrian push buttons that are not compatible with ADA guidelines
- 6) Driveways are located at or near the intersection.
- 7) Obstructions for pedestrians such as controller cabinets, power poles, and fire hydrants are not in line with each other and obstruct the path of travel

Based on these recommendations Caltrans recently implemented and completed a project which corrected items #1 through #5. Items #6 and #7 will be implemented over time as properties are redeveloped and utilities are reconstructed.

However, the majority of recent fatalities have been due to pedestrian crossings not at intersections, commonly called mid-block crossings.

ANALYSIS:

Traffic safety is typically approached using the three E's' – Engineering, Enforcement, and Education. As such the following is an evaluation of each approach and potential improvements.

Engineering – Staff contacted our consulting traffic engineering firm Harzbog Crabill and asked that they provide recommendations. They have suggested a study of each accident at a proposed cost of \$8,200.

It has been suggested that obstructions could be created to inhibit the mid-block crossings. These are not recommended as they would have breaks in them due to driveways and unsignalized intersections and would be ineffective. In addition obstructions such as fencing or vegetation would create visual obstructions for motorists and would cause significant safety issues.

Enforcement – The issue of enforcement was investigated by both the Orange County Sheriffs Department as well as the City Attorney's office. A key issue was whether these mid-block crossings were illegal per the California Vehicle Code and if not, whether the City could prohibit them. The City Attorney's office has concluded that under Vehicle Code Section 21961, local authorities such as the City may adopt ordinances prohibiting pedestrians from "jaywalking". Specifically, Section 21961 provides, "This chapter [Pedestrians' Rights and Duties] does not prevent local authorities from adopting ordinances prohibiting pedestrians from crossing roadways at other than crosswalks." "Local authorities" includes a city, and a "roadway" is "that portion of a highway improved, designed, or ordinarily used for vehicular travel." (Veh. Code §§ 385, 530.) As such, despite the fact that Beach Blvd. is a state highway, it appears that the City may enact an ordinance prohibiting pedestrians from jaywalking on Beach Blvd. If the City Council would like to implement these restrictions, staff will bring back an ordinance at a later meeting. The Sheriff's Department will then be able to enforce the prohibition regarding mid-block crossings.

Education – Signage regarding the mid-block crossing prohibition would be installed in order to educate the public regarding the prohibition. Also signage could be developed to be placed in the bus shelters along Beach alerting the public to cross at signalized intersections.

The problem of the pedestrian accidents due to mid-block crossings has also been recognized by the cities of Buena Park and Anaheim. The City Manager and the Community Development Director have met with representatives from those cities and a follow up meeting will be held involving Public Works Directors and City Engineers.

Additionally the City has applied to receive free technical assistance in the form of Complete Streets Safety Assessments, with an emphasis on pedestrian and bicycle safety from the Technology Transfer Program of the Institute of Transportation Studies at the University of California, Berkeley. Funding for this program is provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration. It is likely that this application will be approved.

FISCAL IMPACT:

The costs for signage, Code modification, and enforcement can all be implemented in the current budget. If the City Council wishes to engage the services of our traffic engineer, staff will bring back a contract and a budget adjustment.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15301(c).

LEGAL REVIEW:

The City Attorney's office has reviewed the feasibility of prohibiting mid-block crossings and has found that this action would be legal.

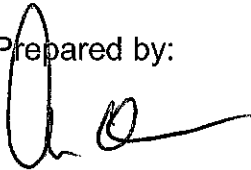
PUBLIC NOTIFICATION:

Notifications through normal agenda process.

STRATEGIC PLAN OBJECTIVES ADDRESSED:

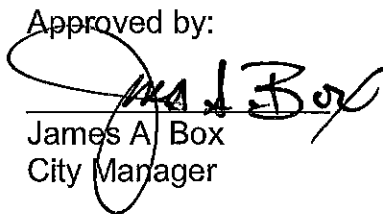
- 3 – Provide a high quality infrastructure
- 5 – Provide a high quality of life

Prepared by:



Allan Rigg, P.E.
Director of Public Works/City Engineer

Approved by:



James A. Box
City Manager

Attachments:

- (1) Letter from Harzbog Crabill



Trammell Hartzog, President
Jerry Crabill, P.E., Retired
Gerald J. Stock, Executive
Vice President

17852 E. 17th Street,
Suite #101
Tustin, CA 92780

Phone (714) 731-9455
FAX (714) 731-9498
www.hartzog-crabill.com

December 22, 2015

Allan Rigg, Director of Public Works/City Engineer
City of Stanton
7800 Katella Ave.
Stanton, Ca, 90680

Subject: Beach Blvd. Accident Analysis and Mitigation

Dear Allan:

Per our recent correspondence, HCI staff has discussed what would be the best methodology to identify, quantify and mitigate the pedestrian accident problem you indicate is occurring on Beach Blvd. A significant factor in the process would be the acceptability of the findings and recommendations by Caltrans.

We would offer the following study process for your consideration:

Phase 1. Accident Identification and Quantification

Obtain the Statewide Integrated Traffic Records System (SWITRS) accident history on Beach Blvd. for the past 3 or 5 years. Review the SWITRS data and identify the pedestrian accidents having occurred on the street during that time period. With your office's assistance, obtain copies of the Traffic Incidence Reports from the Sheriffs' Dept for those accidents identified and extracted from the SWITRS data.

Upon review and analysis of each Incident Report determine and record, in matrix form, the following information:

1. The date, time, specific location, direction of pedestrian crossing, direction and travel lane of involved vehicle, severity, age, gender, weather, roadway conditions and probable cause of accident.
2. Identify purpose of crossing.
3. Subjectively determine if accident can be considered correctable.
4. Compute accident rate and compare with national/state standards.

Phase 2. Accident Locations

1. Obtain or develop current, scaled aerial photograph of Beach Blvd. in study area. Field survey to verify presence and location of all pedestrian crossing facilities (crosswalks, signing, traffic signals, etc). Verify with City any devices installed during or after 3-5 year study period. Revise aerial photograph accordingly.
2. Plot accidents.

Phase 3. Accident Analysis

In conjunction with the matrix and aerial plot, analyze accident history to determine any trends in respect to location, attractors, cause or condition; or if accident(s) was random occurrence. Analyze accident locations in respect to existing crossing facilities and determine, in conjunction with City Staff and the CVC, the acceptable walking distance to utilize crossing facilities.

Phase 4. Mitigation

Findings of the accident analysis could result in the recommendation of a variety of mitigation measures such as additional crosswalks, enhancement of existing crosswalks and signing to include pedestrian actuated in- pavement lighted crosswalks and illuminated, automated advance signing, refuge islands, revised signal timing to afford larger gaps and street crossing restrictions. Mid-block pedestrian signals could be a mitigation option but would probably incur serious Caltrans opposition. It may also be necessary to conduct pedestrian and vehicle traffic counts to support certain mitigation recommendations.

As you are aware, an important aspect of this study is that it can be used to justify City or grant funded projects or motivate Caltrans into implementing pedestrian safety improvements.

Allan, we would welcome the opportunity to discuss these ideas with you and, if you wish, submit a formal proposal and cost estimate to perform the study. On behalf of the entire HCI staff we wish you a very merry Christmas and a happy, prosperous New Year.

Very truly yours,
Hartzog & Crabill, Inc.


Donnie W. Dennis, P.E.
Senior Traffic Engineer