TO:            CITY COUNCIL
VIA:           CITY ADMINISTRATOR
FROM:          DIRECTOR OF ADMINISTRATIVE SERVICES
DATE:          JULY 23, 2019

SUBJECT:        SECOND READING OF ORDINANCE ADJUSTING BOUNDARIES OF THE CITY COUNCIL DISTRICTS

FISCAL IMPACT:  $50,000 (to date)

SUMMARY:

In December 2015, the City received a demand letter from the Mexican American Legal Defense and Educational Fund ("MALDEF") alleging the City’s "at-large" election system violated the California Voting Rights Act ("CVRA"). After analyzing other cities' losses under similar threats, the City entered into a settlement agreement with Joseph V. Aguirre in February 2016, which was subsequently amended ("Settlement Agreement"). In compliance with the Settlement Agreement, at the City's General Municipal Election held on November 8, 2016, a measure was placed on the ballot asking the voters of Placentia whether to amend the City Charter to require that the City Council establish five equal, geographically based districts from which Council members will be elected by the residents of those districts to serve four-year terms. The charter amendment was approved by 59% of the voters.

In early 2018, the City began the process of drafting district boundaries in order to complete the transition to district-based elections. The City Council held the requisite public hearings set forth in Elections Code Section 10010 before voting to adopt one of the proposed maps. On May 1, 2018, the City Council unanimously voted to adopt the Olive Map, which established the district boundaries for City Council elections and the sequencing of elections. On that day, the City Council adopted Emergency Ordinance No. O-2018-03 incorporating the adopted Council District Map in order to comply with the deadline set forth in the Settlement Agreement. On June 19, 2018, the City Council also adopted Ordinance No. O-2018-02 incorporating the adopted Council District Map. The Council District Map was implemented for the November 2018 Election.

This agenda item is to vote on the adoption of an ordinance adjusting the boundaries of the Council District Map. The City Council held the required public hearings on the proposal to adjust the district boundaries pursuant to Elections Code Section 21621.
City Council Agenda
July 23, 2019
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The schedule for the public hearings and City Council meetings is as follows:

<table>
<thead>
<tr>
<th>Public Hearings</th>
<th>Date</th>
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<tbody>
<tr>
<td>Public Hearing #1 – Council Meeting (Completed)</td>
<td>Tuesday, June 18, 2019</td>
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<tr>
<td>Public Hearing #2 – Council Meeting</td>
<td></td>
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<tr>
<td>Introduction of Ordinance Adjusting the Boundaries of City Council Districts (Completed)</td>
<td>Tuesday, July 9, 2019</td>
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<tr>
<td>Second Reading of Ordinance Adjusting the Boundaries of City Council Districts</td>
<td>Tuesday, July 23, 2019</td>
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The City Council held two public hearings on June 18, 2019 and July 9, 2019 to receive comments from the public regarding the proposal. On July 9, 2019, the City Council voted to approve the proposal to adjust the district boundaries of the Council District Map and introduced the ordinance incorporating the 2019 Adjusted Map. The 2019 Adjusted Map sets forth the new boundaries after the adjustments and contains the identification number of each electoral district.

**RECOMMENDATION:**

It is recommended that the City Council take the following action:

Waive full reading, by title only, and adopt Ordinance No. O-2019-04, An Ordinance of the City Council of the City Of Placentia, California adjusting the boundaries of the City Council districts and adopting a map with the adjusted boundaries and identification number of each electoral district.

**DISCUSSION:**

**Background**

In December 2015, the City received a demand letter from MALDEF alleging the City's "at-large" election system violated the CVRA. After analyzing other cities' losses under similar threats, the City entered into a settlement agreement with Joseph V. Aguirre in February 2016, which was subsequently amended in July 2016. The terms of the Settlement Agreement were that the City Council place a Charter Amendment Measure on a Statewide General Election Ballot, asking voters of Placentia whether the Placentia City Charter should be amended to change from an at-large method of election to a district-based method of election with the actual district lines being established by Ordinance and requiring district-based elections for the November 2018 City Council elections and thereafter.

After the City's voters approved the measure to transition to district-based elections, in February 2018 the City held the first public hearing regarding the composition of the districts. After holding the required number of hearings under Elections Code Section 10010, the City Council adopted one of the proposed maps, the Olive Map, by a unanimous vote on May 1, 2018. To comply with the deadline set forth in the Settlement Agreement, the City Council adopted Emergency Ordinance No. O-2018-03 incorporating the adopted Olive Map, relabeled Council District Map. On June 19, 2018, the City Council also adopted Ordinance No. O-2018-02 incorporating the
adopted Council District Map. The Council District Map was implemented for the November 2018 Election, with Districts 2 and 4 up for election.

Litigation and Settlement
On June 15, 2018, Plaintiff Joseph V. Aguirre ("Plaintiff") filed a complaint for breach of contract against the City in the Orange County Superior Court (Case No. 30-2018-00999734-CU-BC-NJC), alleging that the City’s adoption of the Olive Map failed to comply with the terms of the Settlement Agreement. The City filed an answer in the action denying the allegations set forth by Plaintiff. The parties engaged in two settlement conferences on March 15, 2019 and May 31, 2019.

On July 9, 2019, the City Council approved a Settlement Agreement with Plaintiff ("2019 Settlement"), contingent upon the City’s approval of the 2019 Adjusted Map. Pursuant to the terms of the 2019 Settlement, the City also agreed to pay Plaintiff $138,000 in settlement of all of his costs, expenses, and fees associated with the litigation. Plaintiff agreed to dismiss the action against the City once the City fulfills its obligations under the 2019 Settlement.

Proposal to Adjust Boundaries
Subdivision (d) of Section 600 of the Charter and Section 2.10.030 of the Municipal Code allow the City Council to change the boundaries of any or all of the districts.

Elections Code Section 21621 requires that the City Council hold at least one public hearing on a proposal to adjust the district boundaries prior to the public hearing at which the City Council votes to approve or defeat the proposal. On June 18, 2019, the City Council held the first public hearing on the proposal to adjust the district boundaries. On July 9, 2019, the City Council held the second public hearing regarding this matter where the City Council voted to approve the proposal to adjust the district boundaries of the Council District Map and introduced the Ordinance adjusting the district boundaries and adopting the 2019 Adjusted Map.

The 2019 Adjusted Map sets forth the new boundaries after the adjustments and contains the identification number of each electoral district. The 2019 Adjusted Map was made available to the public starting on June 11, 2019 at the locations listed on the public hearing notice. An interactive version of the 2019 Adjusted Map was also made available to the public on the link listed on the notice for the public hearings.

The 2019 Adjusted Map will be implemented for the 2020 City Council elections. Districts 1, 3, and 5 would be up for election in 2020. After the 2020 Census results are made available to the City, the City may have to adjust the district boundaries to maintain population balance and comply with the law.

**FISCAL IMPACT:**

There is a fiscal impact to the City which consists of the following: a demographer, special legal counsel, newspaper publishing of public hearing notices for a total of five (5) languages, and translation of public hearing notices and agendas into four (4) different languages (Spanish, Vietnamese, Korean, and Chinese). The cost to date has been $50,000. The final cost to the City
will not be realized until the completion of the process to adjust the district boundaries and adopt the related Ordinance.

The 2019 Settlement between the City and Plaintiff Joseph V. Aguirre requires that the City pay Plaintiff $138,000 in settlement of costs, fees, and expenses associated with the litigation.

If the City Council does not pass the Ordinance adopting the 2019 Adjusted Map, and the action proceeds to trial, the City will incur additional attorney’s fees and costs of more than $200,000 in defending the case. If the City does not prevail in the litigation, the City would also be liable for Plaintiff’s attorney’s fees and costs which will likely exceed $300,000. These figures do not include costs and fees of any potential appeals. Collectively, the City’s exposure could be $500,000-$700,000 in legal fees versus the $138,000 in settlement costs.

Prepared by:  
[Signature]
Rosanna Ramirez  
Director of Administrative Services

Reviewed and approved:  
[Signature]
Damien R. Arrula  
City Administrator

Attachments:
3. Proposed Ordinance O-2019-04 – Adopting a Map with Adjusted Boundaries  
   Exhibit A – 2019 Adjusted Map and Demographics
4. 2019 Settlement Agreement between City and Plaintiff Joseph V. Aguirre