LAFCO

Santa Barbara Local Agency Formation Commission
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August 6, 2026 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara, CA 93101

Consider 2025-2026 Grand Jury Report Re: What Are Those Extra Charges On My Property Tax Bill

Dear Members of the Commission,

RECOMMENDATION

It is recommended that the Commission receive the enclosed report prepared by the 2025-2026 Grand Jury regarding What Are Those Extra Charges On My Property Tax Bill and either direct staff to return at the next meeting with draft responses or take no further action.

DISCUSSION

The 2025-2026 County Grand Jury prepared a report entitled "What Are Those Extra Charges On My Property Tax Bill," a copy of which is enclosed. (**Attachment A**)

The report mentions LAFCO with regard to Findings 2 & 3 and Recommendations 2 & 3, as follows:

> **Finding 2**: The majority of the new housing projected for the South County to meet the State's affordable housing requirements will be built in what is now CSA 3, exacerbating the issues of transparency in the use of CSA 3 funds.
>
> **Recommendation 2**: The Grand Jury recommends that the Board of Supervisors, in consultation with LAFCO, review the optimal structures for service provision in the developing areas of CSA 3.
>
> **Finding 3**: More than 2.000 of the new housing units projected in the County to meet the State's affordable housing requirements will be built outside what is now CSA 3. Those residents will require services and LAFCO-created agencies must be created to provide them.

Recommendation 3: The Grand Jury recommends that the Board of Supervisors, in consultation with LAFCO, ensure that any agencies created to provide services to new developments in the unincorporated area of the County provide a clear explanation of what services will be provided and at what cost for the new residents.

The report recommends the Board of Supervisors, in consultation with LAFCO, review the optimal structures for service provision within CSA 3 boundary and ensure that any agencies created to provide services to new developments state clear explanations of what services will be provided and at what cost for the new residents.

County Service Area 3 (Goleta Valley) provides parks and open space, library, and street lighting for about 31,700 people throughout 10 square miles in southern Santa Barbara County that largely encompasses the Goleta Valley Planning Area and unincorporated Santa Barbara. LAFCO conducted a Municipal Service Review of CSA 3 in both 2023 (during our Transportation MSR) and 2024 (Rec & Parks MSR). During these service reviews the Commission concluded there were no obvious opportunities for structural changes in governance of the district, however, noted value in local agencies collaborating and exploring opportunities to improve delivery of municipal services.

If in the future, opportunities arise for new or expanded services within CSA 3 or surrounding area is determined to need greater services as a result of new development, LAFCO would play a role in identifying governance changes and or new service functions that meet the needs of the residents. Through the LAFCO process clear explanations of what services will be provided and at what cost for the new residents would be made clear and transparent.

This type of collaboration envisioned by the Grand Jury is within LAFCO's purposes and powers. Government Code Section 56301 states that:

> Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities. When the formation of a new government entity is proposed, a commission shall make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose agency is deemed necessary, the commission shall consider reorganization with other single-purpose agencies that provide related services.

The adoption of all municipal service reviews includes a determination that encourages all agencies without websites or limited information available on their websites to establish one and improve public accessibility to the important information. All agencies are encouraged to maintain up-to-date websites that include, at a minimum, a listing of district directors, or City Council members and their terms, announcements of upcoming meetings, meeting agendas and minutes, annual budgets, performance data, and current audits. This information is useful to promote transparency and accountability, as well as allowing public oversight of agency activities. As noted in both 2023 and 2024 MSR reporting: "*The County Service Areas (CSA 3, 4, 5, 11, 31, & 41), are managed by the County and operates under the Community Services Department and Public Works's Department which maintains separate websites and provides some useful links to important public information, but all had the least information available*."

I am writing to make the Commission aware of this matter but no action is required since the recommendations are directed at the Board of Supervisors and LAFCO is invited to provide responses. The Commission has an opportunity to consider this matter, take testimony and determine whether to become a participant and provide a response in this matter.

Grand Jury responses are due within 90-Days of report, which is Monday, September 21, 2026.

Attachments

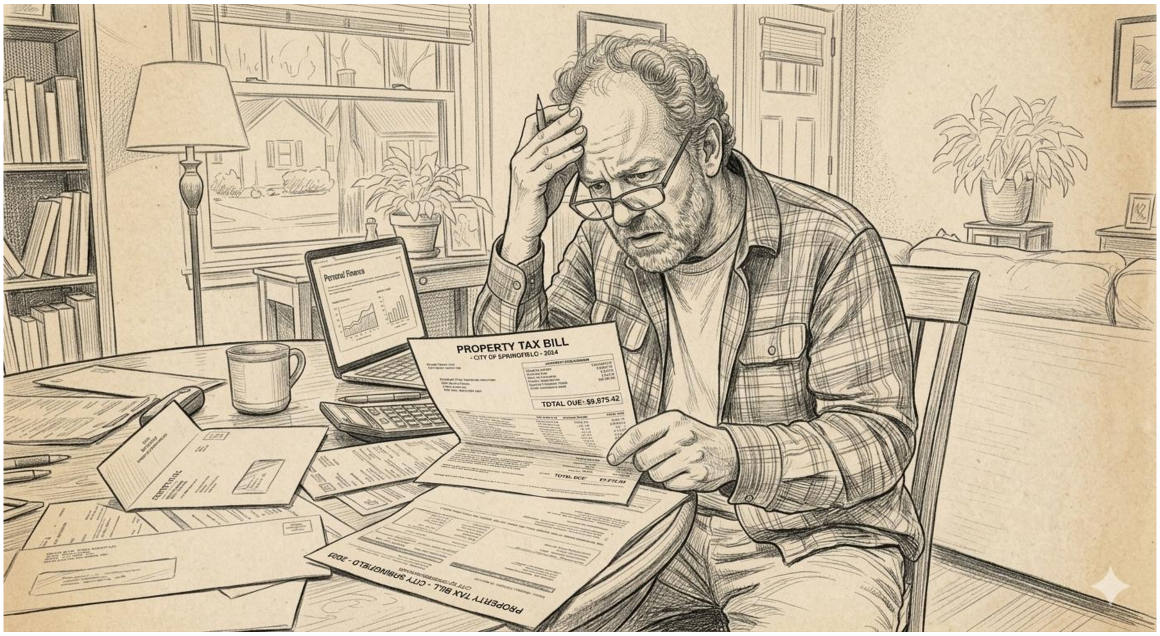
Attachment A – 2025-2026 County Grand Jury report entitled "What Are Those Extra Charges On My Property Tax Bill"

Please contact the LAFCO office if you have any questions.

Sincerely,

Mike Prater
Executive Officer

WHAT ARE THOSE EXTRA CHARGES ON MY PROPERTY TAX BILL?
A Look Into What They Are and How They Are Spent



SUMMARY

In the unincorporated areas of Santa Barbara County there are often extra little charges on property tax bills. Usually, these charges are small amounts, so residents don’t give them much thought.

The Grand Jury’s investigation of these charges found that it is difficult to establish how these funds are actually spent and, in some cases, whether residents are receiving the services they’re paying for.

When residents want more services than the County provides, such as street lighting or recreation facilities, they can vote to accept an extra tax for their area to get the services. Sometimes the residents create a Special District with a Board composed of residents that acts independently. In 16 areas in the County, such as County Service Areas (CSAs), the County Board of Supervisors (BOS) makes decisions on how these funds will be spent. Those decisions are made at the BOS meetings as part of crowded agendas. Special notice is not given to affected residents that an item of interest to them will be on the agenda and meaningful input from area residents is difficult to achieve. The County’s website does not give information on expenditures or future

plans for these Special Districts, although some of them are providing substantial funds and benefits to County programs. For 2025-2026, the assessments for these areas will exceed $57 million.

The Santa Barbara County Grand Jury (Grand Jury) explored the issue of transparency in decision making and accountability for these funds. It was very difficult, and in some cases impossible, to find records of when and how the BOS made decisions on how to spend these funds. For example, although the BOS receives reports on CSA operations, no resolutions of the BOS, acting as the Board of CSA 3, could be found to define the expenditure of CSA 3 Library Taxes nor for the expenditure of $1.1 million of CSA 3 funds for the Modoc Multi-Use Path.

The Grand Jury recommends that the Board of Supervisors improve procedures to allow residents to know where their tax dollars are spent and how to have input into the process.

GLOSSARY

Benefit Assessment (Ben Assmt): A benefit assessment is a charge placed on parcels of land to pay for a public improvement or service that provides a *particular and distinct benefit* to those parcels, above and beyond the general benefit enjoyed by the public.

Brown Act[1] The Brown Act is California's open meetings law that mandates transparency and public participation in local government meetings, ensuring that legislative bodies conduct their business openly.
CSA: County Service Area
CSD: Community Services District
CFD: Community Facilities District
LAFCO: Local Agency Formation Commission, created in 1963 by the Knox-Nisbet Act which was updated by the,[2] is charged with rationalizing growth and development through local control of the formation, expansion and alteration of agencies within each county. The Commission consists of 11 members representing the County and all of the Cities and Special Districts within it.

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[1] Brown Act, last accessed 5/24/2026.

[2] Cortese-Knox-Nisbet Government Reorganization Act, accessed June 4, 2026.

Mello-Roos Act: The Mello-Roos [3] refers to a special tax authorized under the Community Facilities Act of 1982, named after its co-authors, Senator Henry Mello and Assemblyman Mike Roos. It allows local governments—such as cities, counties, school districts, and special districts—to create a Community Facilities District (CFD) to finance public improvements like roads, parks, schools, fire stations, water systems, and other essential infrastructure. This tax is in addition to regular property taxes and is not based on the assessed value of the property, unlike standard property taxes limited by California's Proposition 13. The tax revenue is typically used to repay bonds issued to fund the construction of public facilities. Mello-Roos taxes usually last 20 to 40 years, depending on the district and the repayment schedule of the bonds.

BACKGROUND

The base level of yearly property taxes in Santa Barbara County is one percent of assessed property value, as defined by Proposition 13. Those taxes pay for basic services for all of the County taxpayers in the unincorporated areas. In many areas of the County, however, the residents want additional services and agree to pay fees to receive these services. Generally, the services are provided by some form of Special District approved by the Santa Barbara County Local Agency Formation Commission (LAFCO). There are 54 LAFCO-approved Special Districts within the County providing such services as street lighting, mosquito control, sanitary services, or flood control and water conservation. There are also two Community Facilities Districts (CFD) approved by the County.

As documented in Appendix 1, there are several categories of Special Districts within the County. Most are set up to provide specific services to an area and are governed by independent Boards of Directors; they usually bill residents directly. Information about and links to the websites for these Districts can be found at the website for the County of Santa Barbara Chapter of the California Special Districts Association (SBCSDA) https://www.sbccsda.org/ or Santa Barbara LAFCO at https://www.sblafco.org/special-districts.

Others Special Districts, however, are classed as "dependent," and the Board of Supervisors acts as the Board of Directors. Charges for their services are added to tax bills.

[3] The Mello - Roos Community Facilities Act of 1982, accessed May 24, 2026.

FIGURE 1
DISTRICTS GOVERNED BY THE
SANTA BARBARA COUNTY BOARD OF SUPERVISORS

Special District	Status	Governance
CSA 3 (GOLETA VALLEY)	Active	Dependent
CSA 4 (NORTH LOMPOC)	Active	Dependent
CSA 5 (ORCUTT)	Active	Dependent
CSA 11 (CARPINTERIA VALLEY)	Active	Dependent
CSA 12 (MISSION CANYON)	Active	Dependent
CSA 31 (ISLA VISTA)	Active	Dependent
CSA 32 (UNINCORPORATED POLICE SERVICES)	Dissolved	Dependent
CSA 41 (RANCHO SANTA RITA)	Active	Dependent
LAGUNA COUNTY SANITATION DISTRICT	Active	Dependent
MISSION CANYON LIGHTING DISTRICT	Active	Dependent
NORTH COUNTY LIGHTING DISTRICT	Active	Dependent
SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT	Active	Dependent
SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT	Active	Dependent
SANTA BARBARA COUNTY WATER AGENCY	Active	Dependent

Source: Santa Barbara County
Local Agency Formation Commission. http://sblafco.org

The Grand Jury investigated how decisions about spending the tax dollars for the dependent Districts are made.

METHODOLOGY

To examine Special Districts, the 2025-2026 Santa Barbara County Grand Jury reviewed:

- The Minutes of Board of Supervisors' Hearings, Documents, and Attachments
- Santa Barbara County Policies and Procedures
- Santa Barbara County Budgets and Financial Statements

- California Statutes and Regulations related to County governance and the State Budget Act
- Santa Barbara LAFCO Website[4]

- County of Santa Barbara Chapter of the California Special Districts Association (SBCSDA) website[5]

The Grand Jury also conducted interviews of staff of Santa Barbara County, staff of various cities in Santa Barbara County, and LAFCO.

DISCUSSION

The Independent Special Districts are directly accountable to their taxpayers, and their actions are transparent, with notices of meetings published online. They usually send out individual bills that show the services being provided. The Dependent Special Districts, however, are not as transparent.

Each of the special districts do not charge their taxpayers very much each year, but the total amount collected can be substantial. As shown in Appendix 2, for fiscal year 2025-2026, almost $90 million will be collected from these Special Taxes, and it is estimated that the funds collectively will have a surplus of $257,000.

All of the Dependent Special Districts have the Santa Barbara County Board of Supervisors (BOS) as their Board of Directors. Decisions about expenditures are made at Board meetings, and the agendas of those meetings are available online. Public participation is welcomed at Board meetings. Those agendas are crowded with items, however, and thus it can be very difficult for a taxpayer to know when an item that might concern them will be discussed unless they are given special notice.

Appendix 1 describes all of the Dependent Special Districts. Many of the Dependent Special Districts are managed by the Public Works Department with staff who report to the Public Works Director on projects, operations and future capital plans. Decisions for these Special Districts are made by the BOS when the Public Works Budget is approved. For some others, the areas are so small that affected residents cannot see the impact of their tax dollars.

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[4] SB LAFCO, accessed May 24, 2026.
[5] SBCSDA, accessed May 24, 2026.

The Grand Jury concluded that there are no significant issues of transparency for the Sanitary Districts, the Flood Control and Waste Conservation District, the Lighting Districts, the Water Agency, or the Community Facility Districts. Finding information for the County Service Areas (CSA), however, was more challenging.

There are seven active CSAs in the County. They provide services such as street lighting, sidewalks, recreation facilities, and enhanced library services, funded by charges added to tax bills. Those charges were set when the CSAs were approved and are based on an estimate of the expected cost for the services provided, usually with a provision for a cost-of-living increase based on a Consumer Price Index.

When the CSA does not spend all of the funds collected by its assessments in any year, those funds are retained on the books for future projects.

The CSAs vary in size and scope as described below:

- **CSA 3**, Unincorporated Goleta Valley, is by far the largest CSA. It provides street lighting, acquisition and maintenance of parks and open space, and special tax support for enhanced library services
  The CSA was created in 1962. The area of the CSA was expanded over time and now provides services to the portion of the Goleta Valley, which is not within the City of Goleta, as shown on the map that can be found at CSA 3 map (CSA 3 map.)

  As shown in Figure 2, CSA 3 assessments appear in two places on the tax bill: the first is "CSA 3 Ben Assmt" ($25 for single family residences); and the second is "CSA 3 Library Special Tax" ($31.51 for single family residences in 2025-2026). The first item is for the original services established in 1962 - street lighting and recreational facilities. The second was approved by the voters in 1990 to provide library services beyond those provided by the County.

FIGURE 2
CSA 3 TAX BILL EXAMPLE

TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES			2127 - CSA 3 Library Special Tax	805-568-3526	31.51
0000 - Basic 1% (Prop 13/AB8) Taxes	805-568-2120	10,113.53	2611 - South Coast Flood Zn Ben Assmt	805-568-3440	33.06
6851 - Goleta Union Bond 1996-M	805-681-1200	12.14	4161 - SB Mosquito/Vector Assmt Zn1	800-273-5167	14.27
6855 - Goleta Union Bond 2020-M	805-681-1200	156.36	4785 - Goleta San Dist Srvc Chrg	805-967-4519	531.38
8241 - SB Unified High Bond 2016-I	805-963-4338	88.90			--------------
8251 - SB Unified High Bond 2000-V	805-963-4338	47.63	TOTAL FIXED CHARGES		635.22
8254 - SB Unified High Bond 2010-Q	805-963-4338	89.91			--------------
9621 - SBCC Bond 2008-V	805-965-0581	75.75	TOTAL TAXES		11,219.44
		--------------			==========
TOTAL BASIC PROPERTY TAXES		10,584.22			
FIXED CHARGES					
2126 - CSA 3 Ben Assmt	805-803-8750	25.00			

Source: Santa Barbara County Treasurer, Tax Collector

- **CSA 4**, North Lompoc, maintains approximately 52 acres of open space.
- **CSA 5,** Orcutt, maintains approximately 104 acres of parks and open space.
- **CSA 11**, Summerland and Carpinteria, operates 73 streetlights.
- **CSA 12**, Mission Canyon, provides collection of sewage effluent and inspection of septic tanks. The City of Santa Barbara, by contract, maintains the roadway, sewer system and two lift stations and disposes of the effluent.
- **CSA 31**, Isla Vista, provides street lighting and maintains and repairs sidewalks, curbs and gutters. It is responsible for planting, maintenance, and care of street trees.
- **CSA 41**, Rancho Santa Rita, provides roadway maintenance.

Over time the surplus funds can add up to very substantial amounts, as shown on Figure 3.

FIGURE 3
FUND BALANCES FOR CSAs
as of June 30, 2025

CSA	FUND BALANCE
CSA 3 – Unincorporated Goleta Valley	$ 2,668,065.00
CSA 4 – North Lompoc	$ 438,542.00
CSA 5 – Orcutt	$ 528,648.00
CSA 11 – Carpinteria Valley/Summerland	$ 405,839.00
CSA 12 – Mission Canyon Sewer Service Charge	$ 1,946,963.00
CSA 31 – Isla Vista	$ 745,038.00
CSA 41 – Rancho Santa Rita – Road Maintenance	$ 309,803.00

Source: Santa Barbara County Budget Documents

Transparency Issues

The Grand Jury found no evidence that anyone is trying to hide any of the expenditures made with Special Tax funding in any of the Special Districts. The problem for transparency for the Dependent Special Districts is that, in most cases, the amounts involved are so small in the context of the County Budget ($1.69 billion for 2025-2026) that the items are overwhelmed by other items on the Board of Supervisors' agendas.

The Grand Jury spent many hours researching budgets and interviewing County Staff to try to find the information included in this report about decision-making, budgets, and expenditures for the Dependent Special Districts. It shouldn't have been that difficult.

Both the County of San Luis Obispo[6] and the County of Ventura[7] have clear links on their websites to pages in the Public Works Departments where information about Community Service Areas can be found. These sites aren't perfect, but they are much more accessible than anything Santa Barbara County provides.

The most comparable page on the County of Santa Barbara website[8] only lists the Laguna Sanitation District, the Mission Canyon Sewer District and the Streetlighting Districts.

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[6] San Luis Obispo Public Works, accessed May 24, 2026.
[7] County of Ventura Public Works, accessed May 24, 2026.
[8] Santa Barbara County Special Districts, accessed May 24, 2026.

It is very difficult to find out how and when decisions about spending these Special Funds are made. The Board of Supervisors acts as the Board for each of the Dependent districts, but a thorough review of Board agendas finds few instances of the BOS acting as the Board of a CSA. There is no register for Dependent Special District Board resolutions for the Special Districts, and no website explains what these Districts do.

Two examples, both in CSA 3, demonstrate where there can be a disconnect between the public's expectations of the services they will get from their Special Taxes and the reality.

1. **CSA 3 Special Library Taxes**
   On June 5, 1990, the residents of CSA 3 approved Resolution L, authorizing a special tax to provide for enhanced library services, specifically:
   a. Expanded Hours
   b. Additional Books, Magazines and Newspapers
   c. Children's Library Programs
   d. Video Tapes and Books on Tape
   e. Increased Reference Services
   f. Better Maintenance

   The resolution specified that the taxes would be collected and used only in "Goleta (County Service Area 3) for improved library services and facilities".

   In the years since that vote, many things have changed that have affected library services in CSA 3. The Goleta Public library was built, and the City of Goleta was formed. The City of Goleta continues to impose the CSA 3 Special Tax on its taxpayers and uses those funds to support the library.

   The County now provides uniform library services to all of the County by agreement with the incorporated Cities that have library facilities, including the Goleta Public Library. Library Services are distributed throughout the County, and Goleta is now providing services to Solvang and Buellton as well as the Goleta area and CSA 3. The County no longer has dedicated services in different parts of the County so it is impossible to identify any "extra" services – as identified in Measure L – that are provided in CSA 3. The County funds – including, as far as the Grand Jury could find, CSA 3 Special Tax Funds – are used for services in all of the County.

The Budget for County Library Services is established during the budgeting process for all County Departments. For fiscal year 2025-2026, the amount allocated to library services across the unincorporated areas of the County was $11.33 per capita.

Although the BOS approved an increase in the amount of the CSA 3 Library Tax for 2025-2026 to $31.51, the Grand Jury could find no record of a resolution approved by the BOS acting as the Board of CSA 3 that identifies the additional services to be provided by these Special Funds. In theory the services are defined in Measure L as approved in 1990, but the Grand Jury could find no evidence that CSA 3 continues to receive these services beyond the levels provided to all residents of the County.

2. **The Modoc Multi-Use Path**

Since it was formed in 1962, CSA 3 has collected a small amount on the tax bill for all of the residents of the Goleta Valley for street lighting and the acquisition and maintenance of parks and open space. Over time those small amounts have accumulated to a substantial sum. As of June 30, 2025, the balance of the fund was $2,668,065, and it is predicted that an additional $47,150 will be added to the fund in 2025-2026.

The County Public Works Department maintains the street lighting and recreational facilities to the CSA 3 area. Staff assess the needed services and project a budget to maintain the facilities as well as to improve existing facilities and acquire or build new ones. Major improvements requiring capital expenditures are included in the Parks or Public Works Department Program plans and are developed as funds become available. One such project is the Modoc Multi-Use Path. That path was included in Regional and Local Planning Documents from 2000 to 2020 and has been included in long range capital planning.

The 1.1-mile-long Modoc Multi-Use Path connects the City of Santa Barbara Path to the Obern Trail Bike Path, providing safe, ADA-compliant access from Santa Barbara to Isla Vista. The total cost of the project is estimated to be $8 million, of which more than $5 million is being provided by a grant from the California State Active Transportation Program (ATP). The balance will come from the County General Fund, Measure A, the State Road Maintenance and Rehabilitation Account, and $1.1 million from CSA 3.

In 2001, the area on the north side of Modoc Road was annexed to CSA 3 but the south side of the road, where the path is located, is not in CSA 3.
The BOS thoroughly considered the Path after significant public input and an environmental review. It held long discussions about such items as which trees would be cut down. But none of these discussions considered how the path would be funded.

This path opened on May 8, 2026. It makes a significant improvement in accessibility for the residents of Santa Barbara County. But did anyone in CSA 3 know that they were paying for it?

In all the discussions of this project through the years there is no indication that the taxpayers of CSA 3 were specifically told that their funds would be used for the Path. The BOS held many meetings about the path, but a taxpayer of CSA 3 would have to be very alert to understand that the project was to be partially funded by them.

The Grand Jury could find no record of a resolution approved by the BOS acting as the Board of CSA 3 to use $1.1 million of CSA 3 funds for the path.

Future Developments
The County of Santa Barbara, in response to State requirements for the development of affordable housing, has rezoned land to allow the development of 4,142 additional housing units in unincorporated areas of the South Coast. Almost 3,000 of the projected new housing units are in CSA 3. In addition, the BOS has rezoned what is now the Glen Annie Golf Course to allow for 1,000 housing units near the northern edge of Goleta. These units are not in what is now CSA 3.

Another 1,134 units are proposed for the North County. Of these, many are in the Orcutt CFD and CSA 5.

As is their duty, the BOS and LAFCO will consider the appropriate provision of services such as water, sanitary service, street lighting, and recreational facilities to this expanded population. As this report demonstrates, there are a number of options available. The Grand Jury notes that some of the agencies that can be created to provide services are much more transparent than others.

CONCLUSION

When residents of an area in the unincorporated part of Santa Barbara County want more services than the basic ones provided by the County, forming a Special District can be an efficient way to provide the services. State legislation provides many different structures for Special Districts, and the community has the opportunity to structure the Special Districts to provide the service as efficiently as possible. Sometimes it is most practical to set up the district to be Dependent on the Board of Supervisors, with County Staff largely responsible for providing the desired services.

The Grand Jury looked at the 54 Special Districts in the County to try to determine what they did and how their rates were set. For the 39 Independent Districts, there were websites to which the Grand Jury could go that showed the scope of their activities and advertised upcoming meetings. That information is not readily available for the 15 Dependent Districts. A thorough search of BOS agendas identified financial decisions and approvals of work plans for most of the Dependent Districts, but there was no easy way to find out fund balances, work programs, or expenditures for them. In several instances, when County staff were asked how decisions about spending Special District Funds were made, the typical response was "That's a good question."

FINDINGS AND RECOMMENDATIONS

Finding 1: Special Districts, for which the Board of Supervisors acts as the Board for the dependent special district, can provide additional services to residents appropriately at a local level, but not all are transparent about how funds are used. Notably, taxpayers in County Service Areas are not well informed about decision making.

Recommendation 1a: The Grand Jury recommends that the Board of Supervisors create a page on the County's website that clearly identifies all of the dependent special districts with links to projects funded by the special taxes, revenues, expenditures, and fund balances.

Recommendation 1b: The Grand Jury recommends that the Board of Supervisors directly notifies taxpayers in Dependent Special Districts when an item is on a Board agenda that affects either the amount of taxpayer's Benefit Assessment or expenditures of District funds.

Finding 2: The majority of the new housing projected for the South County to meet the State's affordable housing requirements will be built in what is now CSA 3, exacerbating the issues of transparency in the use of CSA 3 funds.

Recommendation 2: The Grand Jury recommends that the Board of Supervisors, in consultation with LAFCO, review the optimal structures for service provision in the developing areas of CSA 3.

Finding 3: More than 2.000 of the new housing units projected in the County to meet the State's affordable housing requirements will be built outside what is now CSA 3. Those residents will require services and LAFCO-created agencies must be created to provide them.

Recommendation 3: The Grand Jury recommends that the Board of Supervisors, in consultation with LAFCO, ensure that any agencies created to provide services to new developments in the unincorporated area of the County provide a clear explanation of what services will be provided and at what cost for the new residents.

REQUIREMENTS FOR RESPONSES

Pursuant to California Penal Code §933 and §933.05, the Grand Jury requests each entity or individual named below to respond to the findings and recommendations within the specified statutory time limit.

Responses to Findings shall be either:

- Agree
- Disagree with an explanation
- Disagree partially with an explanation

Responses to Recommendations shall be one of the following:

- Has been implemented, with a summary of the implementation actions taken
- Will be implemented, with an implementation schedule
- Requires further analysis, with an analysis completion date of fewer than 6 months after the issuance of the report
- It will not be implemented with an explanation of why

REQUIRED RESPONSES

Santa Barbara County Board of Supervisors- 90 Days

Findings 1, 2, 3

Recommendations 1a, 1b, 2, 3

INVITED RESPONSES

Santa Barbara County LAFCO - 90 Days

Finding 2, 3

Recommendations 2, 3

APPENDIX 1

SPECIAL DISTRICTS IN SANTA BARBARA COUNTY

There are several categories of Special Districts within the County. Most are set up to provide specific services to an area and are governed by independent Boards of Directors. They usually send bills directly to their residents for the services provided rather than adding them to tax bills. Information about and links to the websites for these Districts can be found at the website for the County of Santa Barbara Chapter of the California Special Districts Association (SBCSDA) https://www.sbccsda.org/ or Santa Barbara LAFCO at https://www.sblafco.org/special-districts. The independent Special Districts are shown in Figure 1.

FIGURE 1
INDEPENDENT SPECIAL DISTRICT TYPES

Special District Type	Number	Governance
Airport District	1	Independent
Cemetery Districts	7	Independent
Community Service Districts	9	Independent
Fire Protection Districts	3	Independent
Health Care District	1	Independent
Metropolitan Transit District	1	Independent
Municipal Improvement District	1	Independent
Recreation and Park Districts	2	Independent
Resource Conservation District	1	Independent
Sanitary Districts	5	Independent
Vector Control District	1	Independent
Water Districts	5	Independent
Water Conservation Districts	3	Independent

Source: Santa Barbara County
Local Agency Formation Commission.
http://sblafco.org

Others Special Districts, however, are “dependent” on the County for governance, and the Board of Supervisors acts as the Board of Directors. The 16 Dependent Special Districts in the County are shown on Figure 2.

FIGURE 2
DISTRICTS GOVERNED BY THE
SANTA BARBARA COUNTY BOARD OF SUPERVISORS

Special District	Status	Governance
CSA 3 (GOLETA VALLEY)	Active	Dependent
CSA 4 (NORTH LOMPOC)	Active	Dependent
CSA 5 (ORCUTT)	Active	Dependent
CSA 11 (CARPINTERIA VALLEY)	Active	Dependent
CSA 12 (MISSION CANYON)	Active	Dependent
CSA 31 (ISLA VISTA)	Active	Dependent
CSA 32 (UNINCORPORATED POLICE SERVICES)	Dissolved	Dependent
CSA 41 (RANCHO SANTA RITA)	Active	Dependent
LAGUNA COUNTY SANITATION DISTRICT	Active	Dependent
MISSION CANYON LIGHTING DISTRICT	Active	Dependent
NORTH COUNTY LIGHTING DISTRICT	Active	Dependent
SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT	Active	Dependent
SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT	Active	Dependent
SANTA BARBARA COUNTY WATER AGENCY	Active	Dependent

Source: Santa Barbara County Local
Agency Formation Commission. http://sblafco.org

The Laguna Sanitary District (Orcutt) and CSA 12 (Mission Canyon Sewer District)

are administered by the Public Works Department for the County of Santa Barbara. Information about the services provided, fees, and forms for action requests ae available on the County Public Works Website, specifically at Mission Canyon CSA 12 and Laguna Sanitation District.

FIGURE 2

LAGUNA SANITARY DISTRICT & ORCUTT CFD TAX BILL

TAX RATE AREA	TAX RATE PERCENT	DELINQUENT PRIOR YEAR TAXES	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL DUE
080041	1.10141	NONE	$4,356.14 DUE NOV 01, 2025 DELINQUENT AFTER DEC 10, 2025	$4,356.14 DUE FEB 01, 2026 DELINQUENT AFTER APR 10, 2026	$8,712.28

TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES			2871 - Laguna County San Swr Chrg	805-803-8750	1,179.21
0000 - Basic 1% (Prop 13/AB8) Taxes	805-568-2120	6,048.80			--------------
7451 - Orcutt Un Elm Bnd 1999 BLO-P	805-938-8900	79.42	TOTAL FIXED CHARGES		2,050.07
7456 - Orcutt Union Elem Bond 2016-G	805-938-8900	138.82			--------------
8355 - Santa Maria Jt HS Bond 2004-C	805-922-4573	139.61	TOTAL TAXES		8,712.28
8356 - Santa Maria Jt HS Bond 2016-H	805-922-4573	125.33			==========
9421 - Allan Hancock CC Bond 2006-I	805-922-6966	130.23			

TOTAL BASIC PROPERTY TAXES		6,662.21			
FIXED CHARGES					
2270 - CFD Orcutt 2002-1	805-568-3526	864.14			
2511 - Orcutt Flood Zn Ben Assmt	805-568-3440	6.72			

Source: County of Santa Barbara Treasurer-Tax Collector

Flood Control and Water Conservation District

Authorized under the Santa Barbara County Flood Control and Water Conservation District Act, California Water Code, Chapter 74, covers all of the County and is a "Fixed Charge" on most Property Tax Bills. Although it is all under one Special District, the charges are different depending on location and show on tax bills as items such as: "Lompoc Valley Flood Assessment" or "South County Flood Assessment". The District is managed by the Public Works Department with staff who report to department management. Programs and budgets are recommended by the department to the BOS and visible on the County website on the Public Works Department pages. [9]

Lighting Districts

re authorized under the Highway [10] to provide street lighting. There are three Lighting Districts in the County. The Guadelupe Lighting District is a dependent agency of the City of Guadelupe. The Mission Canyon and North County Districts are dependent on the BOS and managed by the Public Works Department.

Water Agency

One district covers all of the County and is directly administered by the Board of Supervisors within the Public Works Department. This is a Joint Powers agency responsible for providing water project contracting, water conservation, hydrologic data

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[9] County of Santa Barbara Flood Control District, accessed June 8, 2026.

[10] Highway Lighting District Act, accessed June 8, 2026.

collection, assessment and dissemination and cloud seeding.

Community Facility Districts (CFD)

Established under the Mello-Roos Community Facilities Act[11], allow for the development of services for a given area, usually for a new subdivision. Decisions on expenditures and revenues are made by the BOS. The two CFDs in the County provide services funded through an annual levy on the tax bill, by the BOS in consideration of an analysis of costs done by an independent consultant.

The Orcutt CFD

Established in 2015, provides fire protection services, Sheriff protection services, park and recreation facility maintenance, and flood and storm protection services. As of May 2025, there were more than 1,200 homes as well as commercial and industrial properties within the district. In fiscal year 2025-2026, the cost to provide the named services to the CFD was calculated as $1,956,200 by the DTA Consultants. [12]

Providence Landing

Is a smaller CFD, just north of Lompoc, which maintains a 14.7-acre park. The administration report on Providence Landing, also by DTA Consultants, projected that provision of those services would cost $189,000 in 2025-2026.

County Service Areas (CSA)

Are authorized under the County Service Area [13]. There are eight CSAs in the County, of which seven are active and provide such services as street lighting, sidewalks, recreation facilities, and enhanced library services and assess Special Taxes each year. The amount of those Special Taxes was defined when the CSAs were created, based on an estimate of the expected expense required for the services offered, with a provision for a cost-of-living increase based on a Consumer Price Index as approved each year by the BOS.

When the CSA does not spend all of the funds collected by its assessments those funds are on the books for future capital projects.

CSA 3

[11] Mello-Roos Act, accessed June 4, 2026.

12 Attachment A, Board of Supervisors Meeting Agenda, 7/15/2025, BOS agenda, accessed June 4, 20226.

[13] CSA Law accessed June 8, 2026.

Unincorporated Goleta Valley, is by far the biggest of the CSAs. It provides street lighting, acquisition and maintenance of parks and open space, and special tax support for enhanced library services

The CSA was created in 1962 as development in the Goleta Valley increased. The area of the CSA was expanded over time to cover all of what is now the City of Goleta as well as surrounding areas. When it was formed, the City of Goleta took responsibility for providing the CSA services to its residents. CSA3 now also provides services to the portion of the Goleta Valley that is not within the City of Goleta. The area is somewhat divided, as show on the map that can be found at [CSA 3 map.]

CSA 3 assessments show in two places on the tax bill: the first is "CSA 3 Ben Assmt" ($25 for single family residences); and the second is "CSA 3 Library Special Tax" ($31.51 for single family residences in 2025-2026). The first item is for the original services established in 1962 - street lighting and parks and open space. The second was approved by the voters in 1990 to provide library services beyond those provided by the County.

In the only action that the Grand Jury could find where the BOS acted as the Board of CSA 3 in 2025, the BOS authorized a 3.3 percent consumer price index increase (CPI) to CSA3 Library Special Taxes July 15, 2025.

FIGURE 3
SANTA BARBARA COUNTY CSA 3 TAX BILL EXAMPLE

TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES			2127 - CSA 3 Library Special Tax	805-568-3526	31.51
0000 - Basic 1% (Prop 13/AB8) Taxes	805-568-2120	10,113.53	2611 - South Coast Flood Zn Ben Assmt	805-568-3440	33.06
6851 - Goleta Union Bond 1996-M	805-681-1200	12.14	4161 - SB Mosquito/Vector Assmt Zn1	800-273-5167	14.27
6855 - Goleta Union Bond 2020-M	805-681-1200	156.36	4785 - Goleta San Dist Srvc Chrg	805-967-4519	531.38
8241 - SB Unified High Bond 2016-I	805-963-4338	88.90			--------------
8251 - SB Unified High Bond 2000-V	805-963-4338	47.63	TOTAL FIXED CHARGES		635.22
8254 - SB Unified High Bond 2010-Q	805-963-4338	89.91			--------------
9621 - SBCC Bond 2008-V	805-965-0581	75.75	TOTAL TAXES		11,219.44
		--------------			==========
TOTAL BASIC PROPERTY TAXES		10,584.22			
FIXED CHARGES					
2126 - CSA 3 Ben Assmt	805-803-8750	25.00			

Source: Santa Barbara County Treasurer - Tax Collector

CSA 4
North Lompoc, maintains approximately 52 acres of open space.

CSA 5
Orcutt, maintains approximately 104 acres of parks and open space. Its projected expenditures for 2025-2026 are $149,159.85, with an expected surplus of $94,424.02.

CSA 11
Summerland and Carpinteria, operates 73 streetlights.

SA 12
Mission Canyon, provides collection of sewage effluent and inspection of septic tanks. The City of Santa Barbara, by contract, maintains the roadway, sewer system and two lift stations and disposes of the effluent.

CSA 31
Isla Vista, provides street lighting (272 streetlights) and maintains and repairs sidewalks, curbs, and gutters. It is responsible for planting, maintenance, and care of street trees.

CSA 41
Rancho Santa Rita, provides roadway maintenance.

APPENDIX 2

FIGURE 4
SPECIAL DISTRICT PROJECTED FUND RESULTS, FISCAL YEAR 2025-2026

Fund	2025-26 Projected Actual Income	2025-2026 Projected Actual Expenses	Projected Surplus (Deficit)
FD-2120 CSA 3 Unincorporated Goleta Valley[14]	$2,655,849.66	$2,608,699.81	$47,149.85
FD-2130 CSA 4	$96,767.73	$74,957.16	$21,810.57
FD-2140 CSA 5	$243,583.87	$149,159.85	$94,424.02
FD-2170 CSA 11 Carp Valley/Summerland	$92,734.43	$57,752.13	$34,982.30
FD-2185 CSA 12 Mission Cyn Sewer	$487,103.63	$456,740.51	$30,363.12
FD-2220 CSA 31 Isla Vista	$267,500.00	$267,500.00	
FD-2242 CSA 41 Rancho Santa Rita	$270,300.00	$270,300.00	
FD-2270 Orcutt CFD	$1,030,883.68	$1,030,631.25	$252.43
FD-2271 Providence Landing CFD	$257,750.11	$156,295.35	$101,454.76
FD-2400 Flood Ctrl/Wtr Cons Dst Mt	$20,152,091.39	$20,205,241.05	$(53,149.66)
FD-2430 Bradley Flood Zone	$75,942.73	$41,332.25	$34,610.48
FD-2460 Guadalupe Flood Zone	$590,311.35	$555,420.44	$34,890.91
FD-2470 Lompoc City Flood Zone	$842,383.81	$846,273.19	$(3,889.38)
FD-2480 Lompoc Valley Flood Zone	$771,438.51	$826,452.11	$(55,013.60)

[14] This fund is for the CSA 3 Ben Assmt only. The CSA 3 Library Special Tax is not tracked separately.

FD-2500 Los Alamos Flood Zone	$203,306.46	$170,270.10	$33,036.36
FD-2510 Orcutt Flood Zone	$3,193,647.82	$3,220,646.97	$(26,999.15)
FD-2560 SM Flood Zone	$2,268,734.42	$2,230,771.86	$37,962.56
FD-2570 SM River Levee Ma Zone	$663,212.33	$641,434.51	$21,777.82
FD-2590 Santa Ynez Flood Zone	$660,714.67	$672,956.49	$(12,241.82)
FD-2610 So Coast Flood Zone	$15,240,933.97	$15,321,156.52	$(80,222.55)
FD-2670 North County Lighting Dist	$885,309.37	$840,192.46	$45,116.91
FD-2700 Mission Lighting District	$41,114.91	$40,572.63	$542.28
FD-2870 Laguna Sanitation	$30,237,337.45	$30,295,189.00	$(57,851.55)
FD-3050 Water Agency	$8,596,042.88	$8,588,009.98	$8,032.90
TOTAL	$89,824,995.18	$89,567,955.62	$257,039.56

Source: County Budget Documents, updated as of December 31, 2025