

January 4, 2001 (Agenda)

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

LAFCO 99-20 – Incorporation Boundaries of the City of Goleta

Dear Members of the Commission:

RECOMMENDATION

It is recommended that the Commission:

1. Receive this supplemental staff report and accept any public testimony related to any new information that is provided.
2. Determine a preferred City boundary to prepare the Final Comprehensive Fiscal Analysis, and if desired an alternative boundary, recognizing that the Commission at future meetings can make final adjustments in the incorporation boundaries.
3. Direct the staff and the fiscal consultant to prepare the Final CFA for consideration at a future meeting, taking into account the revenue neutrality negotiations that are proceeding with the incorporation proponents and the County.
4. Authorize the staff to consult with the County, UCSB and the Isla Vista Recreation and Park District regarding local governance options for Study Module B (Isla Vista/UCSB).
5. Direct the staff to schedule a future Commission hearing regarding sphere of influence and city annexation issues for Study Module C (East Goleta Valley).

DISCUSSION

Background

On December 7 the Commission received a staff report with boundary criteria, the results of a postcard survey and a recommended boundary for preparing the Final CFA.

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In addition, the Commission received testimony from 45 speakers, some of whom also presented written materials.

This supplemental report is an extension of our December 7 staff report and pertains to policy areas that were discussed at that meeting:

- A. The relationship of Module B (Isla Vista/UCSB) to the Final CFA boundary,
- B. Other possible governance alternatives for Module B (Isla Vista/UCSB), and
- C. City sphere of influence and annexation issues for Module C (Eastern Goleta Valley).

Each of these matters is discussed below.

A. The relationship of Module B (Isla Vista/UCSB) to the Final CFA boundary

This issue involves (1) whether Module B is a good “fit” for inclusion in the initial city, (2) the position of the University and (3) the disposition of existing special districts.

Community Identity

The Commission received conflicting testimony and evidence as to whether Isla Vista is perceived as a “neighborhood” within the Goleta Valley or whether it has its own unique identity as a separate urbanized area.

Based on the testimony received, perceptions of that question differ among those who live in Isla Vista and residents of the other portions of the Goleta Valley.

Resolving this matter is not a scientific endeavor. Rather, it is a perceptual conundrum that has faced this Commission and the community repeatedly in the past and is, again, an issue for this proposed incorporation.

Geographically Isla Vista is clearly part of the Goleta Valley. So are Hope Ranch, the Santa Barbara Airport and everything between the City of Santa Barbara and Bacara Resort.

Isla Vista is within the Goleta Valley Community Plan but is a separate Redevelopment Area that is undergoing an intensive redesign study conducted by the County and the community.

Isla Vista is within the Goleta Water District and the Goleta West Sanitary District, but has a separate Recreation and Park District and County Service Area. One school district serves the entire area.

The November 2000 report, "Santa Barbara County - Land and Population 2030," projects future development and population growth in Santa Barbara County. In this publication by the County Planning and Development Department, Isla Vista is called out on page 10 as a separate unincorporated urban area, "The seven cities and the unincorporated urban areas (Goleta, Isla Vista, Orcutt, Montecito, Summerland, Los Alamos, Ballard, Los Olivos, Mission Hills, Vandenberg Village) . . ."

There are arguments on both sides of whether or not to include or exclude Module B from the Final CFA boundary for the initial incorporation.

UCSB position regarding its inclusion or exclusion from the City of Goleta

The University of California at Santa Barbara is a dominant public agency on the South Coast in terms of employment, impacts on public services and the environment and its importance to the region.

Despite being approached by the Commission's Goleta ad hoc committee, the University has not indicated its position as to whether University property should or should not be included within the proposed City of Goleta.

The Commission could decline to include UCSB in the Final CFA without its request or at least its consent. University opposition to the incorporation, after it is approved by LAFCO, could have an adverse effect on the incorporation process.

Integrating special districts with the new city

From the perspective of creating a new city with an orderly, rational government structure, in which the city council has sufficient authority and resources to best serve its constituents, the staff feels the following pre-conditions are appropriate with regard to Module B.

- Isla Vista Recreation and Park District

The Isla Vista RPD is an independent district providing local recreation and park services. Some feel it provides other services, including community advocacy, and that it serves as a forum for resolving local community issues. That may be role for the new city.

If Module B (Isla Vista/UCSB) is included in the proposed city, the staff recommends that the Isla Vista RPD be concurrently dissolved and its assets and liabilities transferred to the new city or that it be converted to subsidiary district governed by the city council. Either action can be included in the Commission's resolution approving the incorporation.

This recommendation is designed to avoid fragmentation of governmental decision-making within the city and ensure the newly elected city council has strong public service relationships throughout the city without the competition and confusion that will result from another independent local agency providing similar services within its boundaries.

This is not the situation as experienced in, for example, Carpinteria where the city is within separate water and sewer districts. The new city will be responsible for local parks and recreation services; the County will transfer parks to the city outside of Isla Vista.

The members of the Isla Vista RPD Board of Directors are influential within Isla Vista. The staff is hesitant to recommend including Isla Vista in the city without support of the District. If the District opposes the incorporation because it is being integrated into the city structure, it may result in adverse effects on the incorporation process.

If the Commission includes Module B in the Final CFA, the study should be based on the assumption that the Isla Vista RPD will dissolve with its assets and liabilities transferred to the new city or that it be converted to a subsidiary district governed by the city council.

The staff discussed this matter with representatives of the District. We are informed that the District's preference, taken by official board action, is to remain as an independent agency within the new city and to strongly oppose either being dissolved or converted to a subsidiary district.

- Goleta West Sanitary District

The Goleta West Sanitary District operates a sewage collection system and provides street sweeping. Both are services that the proposed city can provide, which would reduce fragmentation of decision-making within the incorporation area and strengthen the new city government.

If the city includes Module B the Goleta West Sanitary District can either be dissolved or converted to a subsidiary district governed by the city council since more than 70% of the District's land area and population would be within the new city.

If the Commission includes Module B in the proposed city for the Final CFA, the staff recommends the study be based on the assumption that the Goleta West Sanitary District be dissolved with its assets and liabilities transferred to the new city or that it be converted to a subsidiary district governed by the city council. Either action can be included in the Commission's resolution approving the incorporation.

The staff is hesitant to recommend including Isla Vista in the city without support of the District. If the District opposes the incorporation because it is being integrated into the city structure, there may be adverse effects on the incorporation process.

The staff reviewed this matter with representatives of the District. We are informed that the District Board of Directors will discuss this matter at its next meeting and may provide information to the Commission on January 4.

B. Inclusion of Study Module B

Module B is a highly urbanized area. It is the staff's view that urban areas should be located within cities whenever and wherever practical. This policy would promote adequate public services, encourage local control and allow County government to focus on regional goals.

If Module B is not included in the City of Goleta it will remain as an isolated unincorporated, urbanized area that is surrounded by the cities of Santa Barbara and Goleta (assuming it is created) and the Pacific Ocean.

The likelihood of Module B annexing to one of the cities in the future cannot be determined at this time. There are conditions that LAFCO can impose on the incorporation of Goleta that could provide future fiscal incentives for the new city to annex Module B in the future. These entail directing revenue neutrality payments from the County back to the new city on a per capita or other basis when it annexes additional population.

The future annexation of Module B to one of the cities could be complicated if it requires integrating local governance structures that serve the area into the city structure.

The County's presentation the Commission noted that including Module B may have salutary effects on municipal finances. Certain revenues will be significantly increased since some subventions are based on population and for new cities the "assumed" population is calculated at three times the number of registered voters.

Also, since the area is highly populated in relation to dedicated road miles the inclusion of Module B would add more revenues than costs to the new city's road fund.

It appears that revenue neutrality payments from the new city to the County could be lessened by including Module B due to high County costs to provide the types of services that the new city will provide to the area.

C. Evaluating other governance options for Study Module B

The staff recommends LAFCO, the County and the community consider governance options to assist and benefit Module B and which may facilitate future annexations to the new city or to the City of Santa Barbara, assuming the area is not included in the initial city boundary,

In the UC Davis Institute of Governmental Affairs publication, "Choices for the Unincorporated Community, A Guide to Local Governmental Alternatives in California," four major types of local governmental change are described:

- Municipal incorporation
- Municipal annexation
- Special district formation, annexation and consolidation
- Informal government organization

With respect to Isla Vista the following options are presented as a continuum of governance choices, from informal to the most independent. These include:

Maintain the Status Quo – An independent recreation and park district, a dependent street lighting and open space district, a County redevelopment project area and various private and cooperative arrangements with the University serve the area. The Board of Supervisors and County Planning Commission are responsible for land use planning.

- Create a Municipal Advisory Council – This would add to the current structure.

A MAC is an advisory committee created by the County to advise it and other public agencies on matters the County includes in the resolution creating the MAC, usually land use and public improvements. Members of the MAC can be either appointed or elected, depending on the County's enabling resolution.

- Create an Area Planning Commission – This would modify the current structure.

An Area Planning Commission is a County planning commission formed for a limited area. It would make similar decisions to the regular County Planning Commission, except that its jurisdiction would be limited to Isla Vista.

Through Area Planning Commissions counties can decentralize land use authority. The planning decisions can be appealed to the Board of Supervisors, similar to the decisions of the existing County Planning Commission.

- Broaden the services of County Service Area No. 31 – This would modify the current governmental structure.

CSA No. 31 is a County-governed special district that provides street lighting and assists the Isla Vista redevelopment agency in acquiring open space.

Since CSAs can provide a variety of governmental services, similar in many ways to a city, CSA No. 31 could be authorized to meet other community needs, provided adequate revenue sources are determined and approved for the new services.

- Combine the Isla Vista RPD and CSA No. 31 into a new multi-purpose special district – This would modify the current governmental structure.

The Isla Vista RPD and CSA No. 31 provide a limited number of services. They could be dissolved and their assets and liabilities transferred to a new multi-purpose special district, such as a Community Services District that would include Isla Vista and perhaps UCSB.

Community Services Districts are authorized to provide a broad array of services, similar in many ways to those provided by cities. A locally elected board of directors can govern a Community Service District whereas the Board of Supervisors always governs a County Service Area.

Two restrictions on CSA or Community Services District services are land use planning and law enforcement. Those services are the exclusive province of counties and cities.

- Annex to the City of Santa Barbara – Module B is contiguous to the City of Santa Barbara and is legally annexable to the City.

An annexation requires a property tax agreement by the City and County, approval of a sphere of influence change and annexation by LAFCO and support by the registered voters residing within the annexation area.

- Incorporate as a new city – The current option is to include Module B in the proposed new city, but on at least one occasion in the past consideration was given to incorporating Isla Vista as a separate city.

It is recommended that the staff be authorized to consult with the County, UCSB and the Isla Vista RPD regarding which local governance options, if any, would benefit Study Module B. In such discussions, considerations should be given to some or all of the following:

1. Exploring with the community whether need exists for additional public services and how they should be provided, governed and financed.
2. Consulting with the University, County, City of Santa Barbara and Isla Vista RPD to determine the level of interest, if any, in any of the governance options, including annexing to the City of Santa Barbara.
3. Consider authorizing CSA No. 31 to provide a broader variety of services or creating a new multi-purpose independent special district, if is need for additional services.
4. Have the County consider creating an Area Planning Commission of local residents to serve as a means of decentralizing the County's land use planning authority and process.
5. Supporting the APC, if necessary, through the multi-purpose special district provided that a source of revenue to determined and implemented.
6. Considering funding alternatives through enhanced local revenues such as special taxes or assessments tied to specific services.

C. City sphere of influence and annexation issues for Module C (Eastern Goleta Valley).

It is recommended that the Commission direct the staff to schedule a future LAFCO hearing regarding city sphere of influence and annexation for Study Module C (East Goleta Valley).

City Sphere of Influence - A “sphere of influence” is defined in Government Code §56076 as a “plan for the probable physical boundaries and service area of a local agency, as determined by the Commission.”

Study Module C (East Goleta Valley) is not in the City of Santa Barbara's sphere of influence as approved by LAFCO nor is it within the City's general plan as adopted by the City Council.

The City was proceeding to expand its general plan to include the Goleta Valley but the staff understands this process is not currently active.

LAFCO has adopted spheres of influence for all cities and special districts in Santa Barbara County. The practice regarding city spheres of influence has been to consider including lands only after they are included in the city's general plan. The Commission is reluctant to include land within a city sphere that the city has not planned for and may have no interest in annexing or serving.

Government Code §56426.5 requires LAFCO to adopt a sphere of influence for a city within one year of its incorporation. This allows an opportunity for the new city to consider its general plan and advise the Commission on its intentions with regard to adjacent areas.

City Annexations - Certain rules apply to city annexations. Land can only be annexed if it is within the city's adopted sphere of influence. Furthermore, to qualify for annexation the land must be contiguous, meaning it must touch the city.

In past years State laws allowed "road strip" annexations in which contiguity was established by means of a public road, provided it was not more than one-half mile in length. That standard no longer applies; the current standard for contiguity is that if a proposed annexation is more than 300 feet long it must at least 200 feet wide, exclusive of roadways.

Based on their size and location, specific sub-areas or neighborhoods in Module C can be annexed to either the City of Santa Barbara or the new city, assuming it incorporates.

It is recommended that the Commission direct the staff to schedule a future hearing regarding city spheres of influence and annexation issues for Study Module C (East Goleta Valley) when information regarding potential annexation areas can be identified and testimony received.

This completes our supplemental report on Final CFA boundaries. Please contact the LAFCO office if you have any questions.

Sincerely,

BOB BRAITMAN
Executive Officer