

LAFCO

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

June 4, 2015 (Agenda)

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

Consideration of a Report on Assembly Bill 3 (Williams) regarding the Proposed Formation of a Community Services District in Isla Vista

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission provide direction to staff.

DISCUSSION

At the April 2, 2015, meeting, the Commission adopted an Oppose, Unless Amended position on Assembly Bill 3 (Williams). CALAFCO and the Santa Barbara Chapter of the California Special Districts Association also adopted the same position on the bill.

Staff has attached the May 5, 2015, version of AB 3 (**Exhibit A**), Assembly Local Government Committee's (ALGC) Staff Analysis (**Exhibit B**), and the Bill's History, ALGC Vote and Bill Status (**Exhibit C**), for the Commission's review and information.

At the May 7, 2015 meeting, the Commission approved a second more specific Oppose, Unless Amended position and directed that a letter be sent to Assembly Member Williams (**Exhibit D**). The position was approved by the Commission on a 5-2 vote with Chair Farr and Commissioner Wolf dissenting.

Since the May 7th Commission meeting, on May 13th AB 3 was heard in the Assembly Local Government Committee. The bill passed on a 6-1, 2 abstaining, vote. The bill is was re-referred to the Assembly Appropriations Committee for a May 27th hearing.

Commissioners: Doreen Farr, Chair ♦ Roger Aceves ♦ Bob Short ♦ Craig Geyer ♦ Jeff Moorhouse ♦ Bob Orach ♦ Janet Wolf ♦ John Fox ♦ Steve Lavagnino ♦ Jim Richardson ♦ Roger Welt ♦ **Executive Officer:** Paul Hood

Staff is presenting this update on the status of Assembly Bill 3 for the Commission's review and information. This report is presented as a Business Item to provide the Commission with the discretion to take action, if it is deemed necessary.

EXHIBITS

- Exhibit A Assembly Bill 3 (Williams)
- Exhibit B ALGC Staff Analysis of AB 3
- Exhibit C AB 3 History, ALGC Vote, and Bill Status
- Exhibit B SBLAFCO May 7, 2015 Oppose, Unless Amended Letter

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

AMENDED IN ASSEMBLY MAY 5, 2015
AMENDED IN ASSEMBLY APRIL 27, 2015
AMENDED IN ASSEMBLY MARCH 26, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 3

Introduced by Assembly Member Williams

December 1, 2014

An act to ~~amend Section 61105~~ of *add Part 4 (commencing with Section 61250) to Division 3 of Title 6 of the Government Code*, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 3, as amended, Williams. Isla Vista Community Services District. The Community Services District Law authorizes the establishment of community services districts and specifies the powers of those districts including, among others, the power to acquire, construct, improve, maintain, and operate community facilities, as specified. Existing law authorizes the formation of the Isla Vista College Community Services District within the unincorporated area of Santa Barbara County known as Isla Vista for the performance of various services, including, but not limited, to public parks, police protection, and transportation facilities.

This bill would ~~establish~~ *authorize the establishment of the Isla Vista Community Services District* and *by requiring the board of supervisors of the County of Santa Barbara to place the question of whether the district should be established on the ballot at the next countywide election. By imposing new duties on the County of Santa Barbara, this bill would impose a state-mandated local program. The bill would*

require the district, if established, to place the question of the imposition of a utility user tax on the ballot, and would provide that if a utility user tax is not passed by the voters of the district on or before January 1, 2027, the district would be dissolved. The bill would set forth the board of directors of the district and would specify the services that district would be authorized to provide, including, among others, the power to create a tenant mediation program and to exercise the powers of a parking district.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Isla Vista Community Services District.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The Isla Vista community encompasses a population of over
4 20,000 residents situated within an area comprising of less than
5 one square mile of land in Santa Barbara County. It is adjacent to
6 the University of California, Santa Barbara (UCSB) campus and
7 its student population. Including university property, the area totals
8 about 1,500 acres. Isla Vista represents one of the largest urban
9 communities in California not governed as a city.

10 (b) Isla Vista faces various challenges in local governance. As
11 a university town, Isla Vista must accommodate the service needs
12 associated with its transient student population and a predominantly
13 renter-oriented community. Isla Vista’s situation is complicated
14 by its unincorporated status, which limits its local participation in
15 managing public services and providing needed public
16 improvements.

1 (c) As an unincorporated area, various county agencies provide
2 services to the residents and businesses of Isla Vista. Since these
3 agencies must provide services throughout the whole county, Isla
4 Vista must compete for attention and funding for the services they
5 need. Isla Vista is represented at the county level by one of five
6 supervisors and is situated in the largest and most diverse
7 geographic district in the county. The Isla Vista Recreation and
8 Park District is the only local district providing limited services
9 exclusively to Isla Vista.

10 (d) There have been multiple attempts at achieving cityhood
11 for Isla Vista, however, insufficient tax revenue prevents cityhood
12 from being a viable solution. In 2003, the Santa Barbara County
13 Grand Jury found that establishing a community services district
14 would be the best governance option to expand and improve
15 services to Isla Vista.

16 (e) Over the last year, the Isla Vista community has been faced
17 with many challenges due to tragic events, including multiple
18 deaths from students falling off cliffs, two violent sexual assaults,
19 a riot, a mass murder, and homicides that have brought focus to
20 the unique needs of Isla Vista that can only be addressed by direct,
21 local governance. Following these events, a local coalition was
22 formed to determine the best direction for Isla Vista
23 self-governance and the community services district has garnered
24 much local support.

25 (f) Additionally, following these events, many trustees on the
26 UC Santa Barbara Foundation Board expressed a strong desire to
27 support the chancellor and the university in efforts to create change
28 in Isla Vista, to ensure a safer and more enhanced community for
29 students. The UC Santa Barbara Foundation Trustees' Advisory
30 Committee on Isla Vista Strategies was formed to analyze the
31 conditions and dynamics of Isla Vista and develop mid- and
32 long-term recommendations to establish a viable, safe, and
33 supportive environment. Among their recommendations is that the
34 State of California create a Community Services District/Municipal
35 Improvement District in Isla Vista with potential powers of
36 infrastructure, utilities, garbage, police services, parks, recreation,
37 cultural facilities, fire, security, and roads.

38 ~~SEC. 2. Section 61105 of the Government Code is amended~~
39 ~~to read:~~

1 61105.—(a) The Legislature finds and declares that the unique
2 eircumstances that exist in certain communities justify the
3 enactment of special statutes for specific districts. In enacting this
4 section, the Legislature intends to provide specific districts with
5 special statutory powers to provide special services and facilities
6 that are not available to other districts.

7 (b) (1) The Los Osos Community Services District may borrow
8 money from public or private lenders and lend those funds to
9 property owners within the district to pay for the costs of
10 decommissioning septic systems and constructing lateral
11 connections on private property to facilitate the connection of those
12 properties to the district's wastewater treatment system. The district
13 shall lend money for this purpose at rates not to exceed its cost of
14 borrowing and the district's cost of making the loans. The district
15 may require that the borrower pay the district's reasonable
16 attorney's fees and administrative costs in the event that the district
17 is required to take legal action to enforce the provisions of the
18 contract or note securing the loan. The district may elect to have
19 the debt payments or any delinquency collected on the tax roll
20 pursuant to Section 61116. To secure the loan as a lien on real
21 property, the district shall follow the procedures for the creation
22 of special tax liens in Section 53328.3 of this code and Section
23 3114.5 of the Streets and Highways Code.

24 (2) (A) (i) Except as otherwise provided in this paragraph, on
25 and after January 1, 2007, the Los Osos Community Services
26 District shall not undertake any efforts to design, construct, and
27 operate a community wastewater collection and treatment system
28 within, or for the benefit of, the district. The district shall resume
29 those powers on the date specified in any resolution adopted
30 pursuant to subdivision (f) of Section 25825.5.

31 (ii) Upon resuming the powers pursuant to subdivision (i), the
32 Los Osos Community Services District may continue the program
33 to offset assessments or charges for very low or low-income
34 households with funding sources, including, but not limited to,
35 grants, adopted pursuant to subdivision (g) of Section 25825.5. If
36 the county has not implemented that program, the Los Osos
37 Community Services District may adopt a program that complies
38 with subdivision (g) of Section 25825.5 to offset assessments or
39 charges for very low or low-income households. The Los Osos
40 Community Services District shall not include in an assessment

1 or charge an amount to cover the costs to the county in carrying
2 out the offset program.

3 (B) Nothing in this paragraph shall affect the district's power
4 to do any of the following:

5 (i) Operate wastewater collection and treatment facilities within
6 the district that the district was operating on January 1, 2006.

7 (ii) Provide facilities and services in the territory that is within
8 the district, but outside the prohibition zone.

9 (iii) Provide facilities and services, other than wastewater
10 collection and treatment, within the prohibition zone.

11 (C) Promptly upon the adoption of a resolution by the Board of
12 Supervisors of the County of San Luis Obispo requesting this
13 action pursuant to subdivision (i) of Section 25825.5, the district
14 shall convey to the County of San Luis Obispo all retained
15 rights-of-way, licenses, other interests in real property, funds, and
16 other personal property previously acquired by the district in
17 connection with construction projects for which the district awarded
18 contracts in 2005.

19 (e) The Heritage Ranch Community Services District may
20 acquire, construct, improve, maintain, and operate petroleum
21 storage tanks and related facilities for its own use, and sell those
22 petroleum products to the district's property owners, residents,
23 and visitors. The authority granted by this subdivision shall expire
24 when a private person or entity is ready, willing, and able to
25 acquire, construct, improve, maintain, and operate petroleum
26 storage tanks and related facilities, and sell those petroleum
27 products to the district and its property owners, residents, and
28 visitors. At that time, the district shall either (1) diligently transfer
29 its title, ownership, maintenance, control, and operation of those
30 petroleum tanks and related facilities at a fair market value to that
31 private person or entity, or (2) lease the operation of those
32 petroleum tanks and related facilities at a fair market value to that
33 private person or entity.

34 (d) The Wallace Community Services District may acquire,
35 own, maintain, control, or operate the underground gas distribution
36 pipeline system located and to be located within Wallace Lake
37 Estates for the purpose of allowing a privately owned provider of
38 liquefied petroleum gas to use the underground gas distribution
39 system pursuant to a mutual agreement between the private
40 provider and the district or the district's predecessor in interest.

1 The district shall require and receive payment from the private
2 provider for the use of that system. The authority granted by this
3 subdivision shall expire when the Pacific Gas and Electric
4 Company is ready, willing, and able to provide natural gas service
5 to the residents of Wallace Lake Estates. At that time, the district
6 shall diligently transfer its title, ownership, maintenance, control,
7 and operation of the system to the Pacific Gas and Electric
8 Company.

9 (e) ~~The Cameron Park Community Services District, the El
10 Dorado Hills Community Services District, the Golden Hills
11 Community Services District, the Mountain House Community
12 Services District, the Rancho Murieta Community Services District,
13 the Salton Community Services District, the Stallion Springs
14 Community Services District, and the Tenaja Meadows Community
15 Services District, which enforced covenants, conditions, and
16 restrictions prior to January 1, 2006, pursuant to former Section
17 61601.7 and former Section 61601.10, may continue to exercise
18 the powers set forth in former Section 61601.7 and former Section
19 61601.10.~~

20 (f) ~~(1) The Bel Marin Keys Community Services District may
21 enforce all or part of the covenants, conditions, and restrictions
22 for a tract, and assume the duties of the architectural control
23 committee, to the extent that a tract's covenants, conditions, and
24 restrictions authorize an architectural control committee. Before
25 the district can enforce covenants, conditions, and restrictions, and
26 assume the duties of an architectural control committee, for a tract,
27 the board of directors shall:~~

28 ~~(A) Receive a written request from the board of directors of the
29 tract's property owners' association or homeowners' association,
30 with a petition signed by not less than a majority of the property
31 owners of the parcels within the tracts covered by those
32 associations, requesting the district to enforce the covenants,
33 conditions, and restrictions for that tract and assume the duties of
34 the architectural control committee for that tract, if an architectural
35 control committee is called for in the covenants, conditions, and
36 restrictions.~~

37 ~~(B) Conduct a public hearing on the question, after giving mailed
38 notice to each affected property owner of the date, time, and
39 location of the meeting.~~

1 ~~(C) Submit an application to the local agency formation~~
2 ~~commission pursuant to Section 56824.10, specifying the exact~~
3 ~~nature and scope of the intended services to be provided by the~~
4 ~~district.~~

5 ~~(D) Receive the approval of the local agency formation~~
6 ~~commission, pursuant to Article 1.5 (commencing with Section~~
7 ~~56824.10) of Chapter 5 of Part 3 of Division 3 of Title 5, which~~
8 ~~may include completion terms deemed appropriate by the~~
9 ~~commission, to enforce covenants, conditions, and restrictions for~~
10 ~~a tract, and to assume the duties of the architectural control~~
11 ~~committee for that tract.~~

12 ~~(E) Adopt an ordinance assuming the power to enforce~~
13 ~~covenants, conditions, and restrictions for a tract, and to assume~~
14 ~~the duties of the architectural control committee for that tract,~~
15 ~~provided that the ordinance requires:~~

16 ~~(i) The property owners within the tract to finance the~~
17 ~~enforcement of the covenants, conditions, and restrictions, and the~~
18 ~~duties of the architectural control committee.~~

19 ~~(ii) The tract's property owners' association or homeowners'~~
20 ~~association to indemnify the district for the costs of any litigation,~~
21 ~~settlements, injuries, damages, or judgments arising from~~
22 ~~enforcement of the covenants, conditions, and restrictions, and the~~
23 ~~district's duties as the architectural control committee.~~

24 ~~(2) The Bel Marin Keys Community Services District may, by~~
25 ~~ordinance, divest itself of the power undertaken under this~~
26 ~~subdivision.~~

27 ~~(g) The Bear Valley Community Services District, the Bell~~
28 ~~Canyon Community Services District, the Cameron Estates~~
29 ~~Community Services District, the Lake Sherwood Community~~
30 ~~Services District, the Saddle Creek Community Services District,~~
31 ~~the Wallace Community Services District, and the Santa Rita Hills~~
32 ~~Community Services District may, for roads owned by the district~~
33 ~~and that are not formally dedicated to or kept open for use by the~~
34 ~~public for the purpose of vehicular travel, by ordinance, limit access~~
35 ~~to and the use of those roads to the landowners and residents of~~
36 ~~that district.~~

37 ~~(h) Notwithstanding any other provision of law, the transfer of~~
38 ~~the assets of the Stonehouse Mutual Water Company, including~~
39 ~~its lands, easements, rights, and obligations to act as sole agent of~~
40 ~~the stockholders in exercising the riparian rights of the~~

1 stockholders, and rights relating to the ownership, operation, and
2 maintenance of those facilities serving the customers of the
3 company, to the Hidden Valley Lake Community Services District
4 is not a transfer subject to taxes imposed by Part 11 (commencing
5 with Section 23001) of Division 2 of the Revenue and Taxation
6 Code.

7 (i) The El Dorado Hills Community Services District and the
8 Rancho Murieta Community Services District may each acquire,
9 construct, improve, maintain, and operate television receiving,
10 translating, or distribution facilities, provide television and
11 television-related services to the district and its residents, or
12 authorize the construction and operation of a cable television
13 system to serve the district and its residents by franchise or license.
14 In authorizing the construction and operation of a cable television
15 system by franchise or license, the district shall have the same
16 powers as a city or county under Section 53066.

17 (j) The Mountain House Community Services District may
18 provide facilities for television and telecommunications systems,
19 including the installation of wires, cables, conduits, fiber optic
20 lines, terminal panels, service space, and appurtenances required
21 to provide television, telecommunication, and data transfer services
22 to the district and its residents, and provide facilities for a cable
23 television system, including the installation of wires, cables,
24 conduits, and appurtenances to service the district and its residents
25 by franchise or license, except that the district may not provide or
26 install any facilities pursuant to this subdivision unless one or more
27 cable franchises or licenses have been awarded under Section
28 53066 and the franchised or licensed cable television and
29 telecommunications services providers are permitted equal access
30 to the utility trenches, conduits, service spaces, easements, utility
31 poles, and rights-of-way in the district necessary to construct their
32 facilities concurrently with the construction of the district's
33 facilities. The district shall not have the authority to operate
34 television, cable, or telecommunications systems, except as
35 provided in Section 61100. The district shall have the same powers
36 as a city or county under Section 53066 in granting a franchise or
37 license for the operation of a cable television system.

38 (k) (1) Notwithstanding Chapter 2 (commencing with Section
39 61010) of Part 1, the Isla Vista Community Services District shall

1 be established in accordance with all other provisions of this
2 division, except as provided in this subdivision.

3 (2) Notwithstanding Chapter 1 (commencing with Section
4 61020), Chapter 2 (commencing with Section 61025), and Chapter
5 3 (commencing with Section 61040) of Part 2, the board of the
6 directors of the Isla Vista Community Services District shall be
7 composed as follows:

8 (A) Five members elected at large from within the district for
9 a term of four years.

10 (B) One member appointed by the Board of Supervisors of the
11 County of Santa Barbara for a term of four years.

12 (C) One member appointed by the Chancellor of the University
13 of California, Santa Barbara for a term of four years.

14 (3) The boundaries of the district shall be contiguous with the
15 area known as County Service Area No. 31 within the County of
16 Santa Barbara and shall additionally include the University of
17 California, Santa Barbara.

18 (4) Section 61100 shall not apply to the Isla Vista Community
19 Services District. The district may, within its boundaries, do any
20 of the following:

21 (A) Finance the operations of municipal advisory councils
22 formed pursuant to Section 31010.

23 (B) Create a tenant mediation program.

24 (C) Finance the operations of area planning commissions formed
25 pursuant to Section 65101.

26 (D) Exercise the powers of a parking district, in the same manner
27 as a parking district formed pursuant to the Parking District Law
28 of 1951 (Part 4 (commencing with Section 35100) of Division 18
29 of the Streets and Highways Code).

30 (E) Contract with the County of Santa Barbara or the Regents
31 of the University of California, or both, for additional police
32 protection services above the level of police protection services
33 already provided by either the County of Santa Barbara or the
34 Regents of the University of California within the area of the
35 district.

36 (F) Acquire, construct, improve, maintain, and operate
37 community facilities, including, but not limited to, community
38 centers, libraries, theaters, museums, cultural facilities, and child
39 care facilities.

1 ~~(G) Acquire, construct, improve, and maintain sidewalks,~~
 2 ~~lighting, gutters, and trees. The district shall not acquire, construct,~~
 3 ~~improve, or maintain any work owned by another public agency~~
 4 ~~unless that other public agency gives its written consent.~~

5 ~~(H) Abate graffiti.~~

6 ~~(I) Levy a utility user tax at a rate specified by the governing~~
 7 ~~board of the district.~~

8 ~~(5) The Isla Vista Community Services District shall not have~~
 9 ~~the power to organize, promote, conduct, or advertise programs~~
 10 ~~of community recreation in the same manner as the Isla Vista Parks~~
 11 ~~and Recreation District.~~

12 *SEC. 2. Part 4 (commencing with Section 61250) is added to*
 13 *Division 3 of Title 6 of the Government Code, to read:*

14
 15 *PART 4. ISLA VISTA COMMUNITY SERVICES DISTRICT*

16
 17 *61250. (a) Notwithstanding Chapter 2 (commencing with*
 18 *Section 61010) of Part 1, the Isla Vista Community Services*
 19 *District may be established in accordance with this part. All other*
 20 *provisions of this division shall apply to the Isla Vista Community*
 21 *Services District upon its establishment, except as provided in this*
 22 *part.*

23 *(b) (1) (A) The board of supervisors of the County of Santa*
 24 *Barbara shall place the question of whether the Isla Vista*
 25 *Community Services District shall be established on the ballot at*
 26 *the next countywide election. If a majority of voters within the*
 27 *boundaries of the district, as specified in subdivision (d), vote in*
 28 *favor of the district, the district shall be formed in accordance*
 29 *with this part.*

30 *(B) The board of supervisors shall additionally place the*
 31 *candidates for the five elected positions on the initial board of*
 32 *directors of the district on the ballot at the same election at which*
 33 *the question of whether to establish the district is placed on the*
 34 *ballot.*

35 *(2) If the district is formed pursuant to paragraph (1), the board*
 36 *of the district shall place a utility user tax on the ballot, pursuant*
 37 *to paragraph (9) of subdivision (e). If the voters of the district do*
 38 *not vote to impose a utility user tax within the district on or before*
 39 *January 1, 2027, the district shall be dissolved as of that date.*

1 (c) Notwithstanding Chapter 1 (commencing with Section
2 61020), Chapter 2 (commencing with Section 61025), and Chapter
3 3 (commencing with Section 61040) of Part 2, the board of the
4 directors of the district shall be composed as follows:

5 (1) Five members elected at large from within the district for a
6 term of four years.

7 (2) One member appointed by the Board of Supervisors of the
8 County of Santa Barbara for a term of four years.

9 (3) One member appointed by the Chancellor of the University
10 of California, Santa Barbara for a term of four years.

11 (d) The boundaries of the district shall be contiguous with the
12 area known as County Service Area No. 31 within the County of
13 Santa Barbara and shall additionally include the University of
14 California, Santa Barbara.

15 (e) Section 61100 shall not apply to the district. The district
16 may, within its boundaries, do any of the following:

17 (1) Finance the operations of municipal advisory councils
18 formed pursuant to Section 31010.

19 (2) Create a tenant mediation program.

20 (3) Finance the operations of area planning commissions formed
21 pursuant to Section 65101.

22 (4) Exercise the powers of a parking district, in the same manner
23 as a parking district formed pursuant to the Parking District Law
24 of 1951 (Part 4 (commencing with Section 35100) of Division 18
25 of the Streets and Highways Code).

26 (5) Contract with the County of Santa Barbara or the Regents
27 of the University of California, or both, for additional police
28 protection services above the level of police protection services
29 already provided by either the County of Santa Barbara or the
30 Regents of the University of California within the area of the
31 district.

32 (6) Acquire, construct, improve, maintain, and operate
33 community facilities, including, but not limited to, community
34 centers, libraries, theaters, museums, cultural facilities, and child
35 care facilities.

36 (7) Acquire, construct, improve, and maintain sidewalks,
37 lighting, gutters, and trees. The district shall not acquire, construct,
38 improve, or maintain any work owned by another public agency
39 unless that other public agency gives its written consent.

40 (8) Abate graffiti.

1 (9) *Levy a utility user tax at a rate specified by the governing*
2 *board of the district pursuant to approval by a $\frac{2}{3}$ vote in*
3 *accordance with Section 2 of Article XIII C of the California*
4 *Constitution.*

5 (f) *The district shall not have the power to organize, promote,*
6 *conduct, or advertise programs of community recreation in the*
7 *same manner as the Isla Vista Parks and Recreation District.*

8 (g) *As used in this part, the term "district" means the Isla Vista*
9 *Community Services District formed pursuant to this part.*

10 SEC. 3. *The Legislature finds and declares that a special law*
11 *is necessary and that a general law cannot be made applicable*
12 *within the meaning of Section 16 of Article IV of the California*
13 *Constitution because of the unique community needs in the Isla*
14 *Vista area that would be served by the Isla Vista Community*
15 *Services District.*

16 SEC. 4. *If the Commission on State Mandates determines that*
17 *this act contains costs mandated by the state, reimbursement to*
18 *local agencies and school districts for those costs shall be made*
19 *pursuant to Part 7 (commencing with Section 17500) of Division*
20 *4 of Title 2 of the Government Code.*

O

Date of Hearing: May 13, 2015

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Brian Maienschein, Chair
AB 3 (Williams) – As Amended May 5, 2015

SUBJECT: Isla Vista Community Services District.

SUMMARY: Establishes the formation process, boundaries, services, and governing body for the Isla Vista Community Services District (District). Specifically, **this bill:**

- 1) Requires the Santa Barbara County Board of Supervisors (Board of Supervisors) to place the question of whether the District shall be established on the next countywide election ballot. Requires, if a majority of voters within the District boundaries established by this bill vote in favor of the District, that the District be formed in accordance with this bill.
- 2) Exempts the District from the formation process established in Community Services District Law (CSD Law) and provides that all other provisions of CSD Law apply to the District upon its establishment, except as provided in this bill.
- 3) Requires the Board of Supervisors to also place the candidates for the five elected positions for the District's initial board of directors (Board) on the ballot at the next countywide election.
- 4) Requires the Board, if the District is formed pursuant to 1), above, to place a utility user tax (UUT) on the ballot, pursuant to a two-thirds voter approval, in accordance with Section 2 of Article XIII C of the California Constitution.
- 5) Provides that the District is dissolved, if the voters of the District do not vote to impose a Utility User's Tax (UUT) within the District on or before January 1, 2027.
- 6) Exempts the District from provisions of CSD Law, which govern the establishment of a board of directors, and instead, requires the Board to be composed as follows:
 - a) Five members elected at large from within the District for a term of four years;
 - b) One member appointed by the Board of Supervisors for a term of four years; and,
 - c) One member appointed by the Chancellor of the University of California, Santa Barbara (UCSB) for a term of four years.
- 7) Requires the boundaries of the District to be contiguous with the area known as the County Service Area No. 31 (CSA 31) within Santa Barbara County (County) and requires the District's boundaries to additionally include UCSB.
- 8) Provides that the services specified in CSD Law do not apply to the District. Authorizes the District, within its boundaries, to do any of the following:
 - a) Finance the operations of a municipal advisory council (MAC) formed pursuant to existing law which authorizes any county to establish and provide funds for a MAC for any unincorporated area in the county to advise the board of supervisors;

- b) Create a tenant mediation program;
 - c) Finance the operations of an area planning commission (APC) formed pursuant to existing law which authorizes a city or county to create an APC and specifies the functions of APCs;
 - d) Exercise the powers of a parking district pursuant to the Parking District Law of 1951;
 - e) Contract with the County or the Regents of the University of California, or both, for additional police protection services above the level of police protection services already provided by either within the area of the District;
 - f) Acquire, construct, improve, maintain, and operate community facilities, including, but not limited to, community centers, libraries, theaters, museums, cultural facilities, and child care facilities;
 - g) Acquire, construct, improve, and maintain sidewalks, lighting, gutters, and trees. Prohibits the District from acquiring, constructing, improving, or maintaining any work owned by another public agency, unless that other public agency gives its written consent; and,
 - h) Abate graffiti.
- 9) Prohibits the District from having the power to organize, promote, conduct, or advertise programs of community recreation in the same manner as the Isla Vista Parks and Recreation District.
- 10) Provides that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to current law governing state mandated local costs.
- 11) Makes findings and declarations that a special law is necessary and that a general law cannot be made applicable within the meaning provided in existing law because of the unique community needs in the Isla Vista area that would be served by the Isla Vista Community Services District.

FISCAL EFFECT: This bill is keyed fiscal and contains a state-mandated local program.

COMMENTS:

- 1) **Isla Vista History.** There is extensive history surrounding Isla Vista's community efforts to form a more representative government, which is currently in the unincorporated area of the County. A municipal advisory council was formed and later dissolved due to lack of funding. SB 921 (Lagomarsino), Chapter 1420, Statutes of 1972, allowed Isla Vista to form a CSD, however, the authority granted by the bill was never used. There have been three separate cityhood efforts in 1972, 1975, and 1983, and an effort to include Isla Vista in the City of Goleta's incorporation; however, the petitioners explicitly excluded Isla Vista from their proposed boundaries. In 2001, the Santa Barbara Local Agency Formation Commission commissioned a study to examine the local government options for the unincorporated area consisting of Isla Vista and UCSB while they examined the proposal to incorporate Goleta.

The report states that, "The Isla Vista community encompasses a population of over 20,000 residents. It is adjacent to UC Santa Barbara campus and its student population. Including University property, the area totals about 1,500 acres. Isla Vista faces various challenges in local governance. For example, as a university town, Isla Vista must accommodate the service needs associated with its transient student population and a predominantly renter-oriented community. Isla Vista's situation is complicated by its unincorporated status, which limits local participation in managing public services and providing needed public improvements."

In November of 2014 the UC Santa Barbara Foundation Trustees' Advisory Committee on Isla Vista Strategies released a report detailing problems and specific recommendations. The report notes that "Isla Vista has been studied exhaustively for 45 years with at least nine formal reports by government agencies, grand juries, and the University of California. All reports reached the same conclusions, decade after decade:" The report contains the following conclusions:

- No government body is fully in charge.
- Housing, zoning, safety, and parking ordinances are inadequately enforced.
- An unhealthy balance exists among resident college students, families, and other adults.
- Expensive, substandard housing is often overcrowded.
- An insufficient number of businesses are present to make a real community.
- Current policing is often contentious and confrontational.
- A party culture has resulted in irresponsible and destructive behavior.
- Criminal activity is a major issue and concern.
- Proposed solutions are rarely implemented.

New 21st century issues affect Isla Vista as well:

- An extremely low housing vacancy rate (<1%) exists in expensive Santa Barbara County.
- Isla Vista's population has increased to 23,000, creating an acute densification of the community.
- A large influx of Santa Barbara City College students now reside in Isla Vista.
- Widespread use of social media attracts thousands of non-residents.

- 2) **Local Governments Providing Services in Isla Vista.** As an unincorporated community, Isla Vista receives regional and local services from Santa Barbara County and from two County Service Areas (CSAs), which are special districts governed by the Board of Supervisors. CSA 32 provides Sheriff patrol in the unincorporated areas of the County and is funded by non-property tax revenues. CSA 31 services more than 250 streetlights and is funded by benefit assessments and approximately \$15,000 of property tax.

Additionally, several special districts provide services to Isla Vista, including the Isla Vista Recreation and Park District, County Fire Protection District, Goleta West Sanitary District, Goleta Water District, Santa Barbara Metropolitan Transit District, and the Santa Barbara Vector Control District.

- 3) **Bill Summary.** The Community Services District Law is a principal act that governs the 312 CSDs in California. The Legislature originally passed the CSD Law in 1951, and re-enacted it in 1955 and 2005. As a special district, CSDs are subject to LAFCO jurisdiction and are

subject to the proceedings contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Formation and Boundaries. This bill exempts the district from the formation process defined under current law for CSDs, which would have required Santa Barbara LAFCO to approve the District's formation. Instead, this bill requires the Santa Barbara County Board of Supervisors to place the question of formation on the next countywide election ballot. A majority of voters in the District, who are registered voters within the District's boundaries established by this bill, must support District formation. Additionally, this bill requires the Board of Supervisors to place the initial board member candidates on the same countywide election ballot. This bill establishes the boundaries of the District to be the same area as CSA 31 and also includes UCSB.

Board of Directors. Current law requires that CSDs are governed by five-member Board of Directors that are elected by resident voters to four-year terms. Directors can be elected at large or by divisions. This bill exempts the District from the provisions in CSD Law which govern the initial formation of a board of directors, the reorganization of a board of directors, and other provisions which establish requirements for when a board must meet, what constitutes a quorum, and other transparency and accountability requirements.

This bill specifies a seven-member board of directors for the District, which include five members elected at large by registered voters in the District, one member appointed by the Board of Supervisors, and one member appointed by the UC Santa Barbara Chancellor. All of the board members, whether elected or appointed, will serve a term of four years.

Services. CSD Law specifies up to 32 different services, including water, sewage, flood, hydroelectric power, fire protection, public recreation, street lights, police protection, library, street, and transportation services that can be provided by a CSD. Following formation, a CSD Board of Directors must receive approval from LAFCO to exercise any latent power. The Cortese-Knox-Hertzberg Act establishes the process to activate a latent power, including passing a resolution by the Board, holding a public hearing, and submitting a petition to LAFCO which includes a plan for services and the estimated cost of the new service. A district's plan for services must demonstrate that a district will have sufficient revenue to carry out new services. LAFCO cannot authorize the exercise of a latent power, if they determine that another local agency provides substantially similar services.

This bill provides that the services specified in CSD Law do not apply to the District, and instead, establishes a number of powers for the District, including a tenant mediation program, parking district services, and the ability to finance a MAC and APC.

Financing. Current law authorizes a CSD to receive a portion of property tax revenue, establish rates for services and facilities, and levy special taxes, benefit assessments, property-related fees, and standby charges. In addition to these revenue generating powers, this bill also authorizes the District to levy a UUT, at a rate specified by the District's Board, with two-thirds voter approval. This bill requires the District's Board to place a UUT measure on the ballot and makes the District contingent on its passage. If the UUT measure is not passed by the voters on or before January 1, 2027, then the District is dissolved.

Under current law, a city may impose a UUT on the consumption of utility services, including, but not limited to, electricity, gas, water, sewer, telephone, sanitation and cable television. Additionally, a county may levy a UUT on the consumption of electricity, gas, water, sewer, telephone, telegraph and cable television services in the unincorporated area. The city or county determines the rate of the tax and the use of its proceeds. UUTs are collected by the utility as part of its regular billing, and then remitted to the city or county. In California, 153 cities and four counties impose a UUT on electricity.

State Mandate. This bill is keyed a state mandate, which means the state could be required to reimburse local agencies and school districts for implementing the bill's provisions, if the Commission on State Mandates determines that the bill contains costs mandated by the state.

This bill is author-sponsored.

- 4) **Author's Statement.** According to the author, "Following several, tragic events earlier this year, UCSB formed an advisory committee to analyze the conditions and dynamics of [Isla Vista] and develop mid- and long-term recommendations to establish a viable, safe, supportive environment. Among their recommendations is that the State of California create a Community Services District/Municipal Improvement District in Isla Vista with potential powers of infrastructure, utilities, garbage, police services, parks, recreation, cultural facilities, fire, security, and roads.

"The current conditions in Isla Vista have reached a breaking point. County government is not equipped to meet the critical infrastructure and service needs of such a large and densely populated population. With UCSB set to admit 5,000 more students over the next 20 years to meet the state's growing need for an educated workforce, a growing population is likely to lead to further deterioration in conditions over time without a direct, local self-governance structure in place to provide the services that will meet [Isla Vista's] unique needs.

"Since [Isla Vista] is represented by only one Supervisor on a five-member board, it must always compete with the rest of the county for even the most basic of services. Self-governance would create a mechanism through which local funding could be generated from [Isla Vista] to provide an increase in services directly to [Isla Vista]. Complicating the issue locally, the Cities of Santa Barbara and Goleta are openly opposed to annexing Isla Vista. Further, it isn't likely the County of Santa Barbara will create the necessary structure for self-governance for Isla Vista. Further, it is highly unlikely that the County alone will be able to adequately fund local services, even if it set up a MAC or some other structure.

"At stake is a significant state investment. UCSB represents an investment of billions of dollars on the part of California. The current situation in IV diminishes the value of the State's investment in UCSB and the State has a vested interest in policies that will improve the educational opportunities of that institution. The time is right for state action.

"Over the last year, the Isla Vista community in Santa Barbara County has been faced with many challenges due to high-profile tragic events, including multiple violent sexual assaults, riots, and a mass murder that emphasized the unique needs of [Isla Vista]. There is a clear need for services that create a safe supportive environment for Isla Vista's residents. As such, this bill establishes a community services district for the purposes of providing critical services to community of Isla Vista."

5) **Policy Considerations.** The Committee may wish to consider the following:

- a) **Circumventing LAFCO.** The Legislature has delegated the power to control local boundaries to the 58 LAFCOs; directing the LAFCOs to discourage urban sprawl, preserve open space and agricultural lands, provide efficient government services, and encourage orderly government while considering local conditions and circumstances.

The California Association of Local Agency Formation Commissions states, "The Act provides that LAFCOs have jurisdiction over a CSD and that the organization or reorganization of such a district be subject to LAFCO proceedings. This process allows for the comprehensive review of the viability of the proposed district and services to be provided. Bypassing this critical process jeopardizes the CSD in that there is not thorough analysis of the long-term sustainability of the financial, governance, and service capacities of the CSD. We strongly believe that LAFCO process should not be circumvented and request the bill be amended to ensure the formation process complies with the Act."

- b) **Precedent Setting.** This bill conditions the existence of the District on the passage of a UUT by two-thirds of the voters in the District. In a letter of concern, CSAC argues, "Isla Vista CSD would be the first and only special district with this type of tax authority. Additional consideration must be given to this unprecedented expansion of general tax levying powers and its implications for all special districts' tax authority and responsibilities." The Committee may wish to consider, if this is an appropriate authority to grant to special districts.

- c) **Tax Burden.** UUT is a regressive tax; therefore, the Committee may wish to consider, if the reliance on the passage of a UUT to prevent the District from being dissolved is appropriate. Since a UUT is imposed on the consumption of utility services and collected on utility bills, residents in the District, comprised mainly of student renters, will produce the revenue for the District. Voters in the District may be more likely to support a parcel tax, which is collected via the property tax bill, instead of a UUT. The Committee may wish to consider, if this bill and the reliance on a UUT lets property owners off the hook.

- d) **Board.** This Committee has heard several bills for individual CSDs that are unable to maintain a five-member governing board. The Committee may wish to consider, given the large population of students, if there will be enough registered voters to sustain a five-member Board elected to four-year terms. Additionally, since the initial Board does not have staggered terms, there will be no continuity from the first Board to the next Board.

This bill exempts the Board from many provisions of CSD Law that establish general requirements like when a CSD governing board must meet and elect officers, holding meetings pursuant to the Ralph M. Brown Act, what constitutes a quorum, referendum and recall provisions, and board compensation. The Committee may wish to encourage the author to be more specific about the provisions in existing law that this bill notwithstanding to ensure that the Board is accountable and can function under the direction of its enabling Act.

In the board membership defined by this bill, the UCSB Chancellor would appoint a director. CSAC argues, "This breaks new ground for special district governance and could break down the line of accountability to the community served by the proposed district".

- e) **Powers.** The Committee may wish to ask the author to further define some of the services granted to the District. For example, the Committee may wish to ask the author what tenant mediation services are intended for the District to provide.
- 6) **Arguments in Support.** Santa Barbara County Supervisors argue that "County government is not designed nor does it have tools readily available to finance and manage large, densely populated urban areas. Santa Barbara County is already spending millions of dollars each year into IV that is not recovered by the property tax garnered from the area. This bill allows for the creation of a CSD that will meet the unique needs of Isla Vista, including additional services above and beyond what the county can provide."
- 7) **Arguments in Opposition.** Opposition argues that the District should be required to go through the LAFCO process where a financial feasibility study can be done. Additionally, the California Taxpayers Association and the Howard Jarvis Taxpayers Association argue that establishing a completely new and precedent setting way for CSD's to increase revenue by authorizing a UUT is not warranted.

REGISTERED SUPPORT / OPPOSITION:

Support

Associated Student Government of Santa Barbara City College,
Isla Vista Relationship Committee
Associated Students of the University of California, Santa Barbara
Central Coast Alliance United for a Sustainable Economy (CAUSE)
Council Member Gregg Hart, City of Santa Barbara
Council Member Cathy Murillo, City of Santa Barbara
Council Member Harwood "Bendy" White, City of Santa Barbara
Mayor Helene Schneider, City of Santa Barbara
Service Employees International Union, Local 721
Supervisor Doreen Farr, Third District, Santa Barbara County
Supervisor Salud Carbajal, First District, Santa Barbara County
UAW, Local 2865
UAW, Local 5810
Individual letters (68)

Concerns

California Special Districts Association
California State Association of Counties
Santa Barbara Rental Property Association

Opposition

California Association of Local Agency Formation Commission (unless amended)
California Special Districts Association, Santa Barbara County Chapter
California Taxpayers Association
Howard Jarvis Taxpayers Association
Santa Barbara Local Agency Formation Commission (unless amended)
Long-Term Residents of Isla Vista's Neighbors' Group (47)
Individual letters (2)

Analysis Prepared by: Misa Lennox / L. GOV. / (916) 319-3958

COMPLETE BILL HISTORY

BILL NUMBER : A.B. No. 3
 AUTHOR : Williams
 TOPIC : Isla Vista Community Services District.

TYPE OF BILL :

Active
 Non-Urgency
 Non-Appropriations
 Majority Vote Required
 State-Mandated Local Program
 Fiscal
 Non-Tax Levy

BILL HISTORY

2015

May 14 From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 1.) (May 13). Re-referred to Com. on APPR.
 May 6 Re-referred to Com. on L. GOV.
 May 5 From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.
 May 4 In committee: Set, first hearing. Hearing canceled at the request of author.
 Apr. 28 Re-referred to Com. on L. GOV.
 Apr. 27 From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.
 Apr. 6 Re-referred to Com. on L. GOV.
 Mar. 26 Referred to Com. on L. GOV. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

2014

Dec. 2 From printer. May be heard in committee January 1.
 Dec. 1 Read first time. To print.

UNOFFICIAL BALLOT

MEASURE: AB 3

AUTHOR: Williams

TOPIC: Isla Vista Community Services District.

DATE: 05/13/2015

LOCATION: ASM. L. GOV.

MOTION: Do pass and be re-referred to the Committee on Appropriations.

(AYES 6. NOES 1.) (PASS)

AYES

Gonzalez Alejo Chiu Cooley
Gordon Holden

NOES

Linder

ABSENT, ABSTAINING, OR NOT VOTING

Maienschein Waldron

CURRENT BILL STATUS

MEASURE : A.B. No. 3
AUTHOR(S) : Williams.
TOPIC : Isla Vista Community Services District.
HOUSE LOCATION : ASM
+LAST AMENDED DATE : 05/05/2015

TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 05/14/2015
LAST HIST. ACTION : From committee: Do pass and re-refer to Com. on APPR.
(Ayes 6. Noes 1.) (May 13). Re-referred to Com. on
APPR.
COMM. LOCATION : ASM APPROPRIATIONS
HEARING DATE : 05/27/2015

TITLE : An act to add Part 4 (commencing with Section 61250) to
Division 3 of Title 6 of the Government Code, relating
to local government.

LAFCO

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

May 7, 2015

Assembly Member Das Williams
California State Assembly
State Capitol, Room 4005
Sacramento, CA 95814

RE: Assembly Bill 3 – Oppose, Unless Amended (Amended 5-4, 2015)

Dear Assembly Member Williams:

The Santa Barbara Local Agency Formation Commission (Santa Barbara LAFCO), at the May 7, 2015 meeting, reaffirmed its Oppose, Unless Amended position on your Assembly Bill 3 (AB 3). The Commission appreciates your efforts to do something positive to address the long standing serious problems in the Isla Vista Community. Santa Barbara LAFCO, however, has strong concerns over your bill AB 3, which declares the intent of the Legislature to clarify and establish the necessary authority for the creation of the Isla Vista Community Services District within the unincorporated area of Santa Barbara County, and would make legislative findings related to that intent.

Many of the concerns expressed in Santa Barbara LAFCO's February 19, 2015 Letter of Concern have been addressed by amendments to AB 3. However, Santa Barbara LAFCO cannot support the bill unless the Commission is involved in the formation process.

Santa Barbara LAFCO supports the positions expressed by CALAFCO Executive Director Pamela Miller in her May 1, 2015 Oppose, Unless Amended letter. Specifically,

“We strongly believe the LAFCO process *should not* be circumvented and request the bill be amended to ensure the formation process complies with the Act. We urge you to consider AB 2453 (Achadjian) which was signed into law last year as an example of the process for formation. This language allowed the formation process for which LAFCO is responsible to remain intact, while addressing the need for the creation of a special governing body based on local circumstances and conditions.” (Emphasis original.)

On a motion made by Commissioner Aceves, seconded by Commissioner Moorhouse, the Commission voted to Oppose AB 3 unless it is amended to include review and approval by

Commissioners: Doreen Farr, Chair ♦ Roger Aceves ♦ Bob Short ♦ Craig Geyer ♦ Jeff Moorhouse ♦ Bob Orach ♦ Janet Wolf ♦ John Fox ♦ Steve Lavagnino ♦ Jim Richardson ♦ Roger Welt ♦ **Executive Officer:** Paul Hood

EXHIBIT D

Local Agency Formation Commission
May 7, 2015
Page | 2


LAFCO of any proposed CSD (as was done in AB 2453) and that such review include a full review including the preparation of a feasibility study regarding the economic viability of the CSD. The vote on the motion was as follows:

Ayes: Commissioners Aceves, Geyer, Moorhouse, Orach and Welt.

Noes: Commissioners Farr and Wolf.

Thank you for taking Santa Barbara LAFCO's concerns into consideration. We look forward to working with you and your staff on amendments to AB 3 that create logical and workable solutions for all.

Sincerely,



PAUL HOOD, EXECUTIVE OFFICER
SANTA BARBARA LAFCO

Cc: Pamela Miller, Executive Director, CALAFCO
Ms. Misa Lennox, Associate Consultant, Assembly Local Government Committee
Ms. Mona Miyasato, Santa Barbara County Executive Officer
Senator Hannah-Beth Jackson
Kyle Packham, Advocacy & Public Affairs Director, CSDA