

# LAFCO

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## **Santa Barbara Local Agency Formation Commission**

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April 1, 2010 (Agenda)

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

### **Proposed Legislation – Senate Bill 1023 (Wiggins)**

Dear Members of the Commission

#### RECOMMENDATION

It is recommended the Commission support Senate Bill 1023 which will facilitate converting Municipal Improvement Districts and Resort Improvement Districts to Community Services Districts.

#### DISCUSSION

##### Introduction

There are more than 300 Community Services Districts (CSDs) in California that deliver a wide variety of public facilities and services. As the Commission is aware, the Legislature in 2005 modernized the CSD Law (Government Code §61000, et seq.).

At the request of Napa County, Senator Pat Wiggins has introduced SB 1023. The bill creates an expedited procedure to convert Municipal Improvement Districts (MIDs) and Resort Improvement Districts (RIDs) to CSDs. The proposed statute is seen as an opportunity to convert districts that operate under outdated statutes to CSDs that operate under current statutes.

##### Statement of the Problem

From the mid-1950s until 1960, the Legislature created several special-act special districts called Municipal Improvement Districts (MIDs) to deliver public services to particular communities.

These MID special acts are archaic, making it more difficult for these special districts to govern themselves and deliver public services with transparency and accountability. Some of the MIDs want to convert into CSDs, without changing their boundaries, services, finances or other duties.

Under current procedures converting a MID to a CSD can be expensive and time consuming. An applicant must apply to LAFCO to dissolve the existing MID and concurrently form a new CSD. The procedures can take a year or more to complete and require payment of LAFCO processing fees and election costs for majority-voter approval.

There are at least two policy options to more quickly and economically convert MIDs into CSDs. One is special legislation to reorganize specific districts without the need for local elections. The other is this legislation, SB 1023, which provides an “expedited reorganization” process.

What the bill does

SB 1023 allows MIDs to be converted to CSDs without substantive changes to their powers, duties, financing or service areas. More specifically it does the following:

- Retains the standard process of applying to LAFCO via a petition or resolution.
- Retains LAFCO discretion to approve or deny application.
- Allows a MID to terminate the conversion up to the time of LAFCO’s approval.
- Avoids, with LAFCO approval, a protest hearing or an election.
- Imposes, with LAFCO approval, terms and conditions outlined in the bill to transfer all MID assets to the new CSD.

These proposed changes are likely to qualify as a Class 20 categorical exemption pursuant to Section 15320 of the CEQA Guidelines.

Municipal Improvement Districts in California

There are five MIDs in California. Three of these have directed elected boards of directors:

Bethel Island MID	Contra Costa County
Embarcadero MID	Santa Barbara County
Montalvo MID	Ventura County

The other two MIDs are governed by the San Mateo County Board of Supervisors:

Estero MID	Foster City in San Mateo County
Guadalupe Valley MID	Brisbane in San Mateo County

I have informed the staff of the Embarcadero Municipal Improvement District of the proposed legislation and am scheduled to meet with the EMID Board of Directors on May 12 to discuss

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whether the District wishes to pursue conversion to a CSD. If so it would become the eighth CSD in Santa Barbara County

Enclosed is a copy of the bill. Please contact the LAFCO office if you have questions regarding any legislative matters.

Sincerely,

**BOB BRAITMAN**  
Executive Officer