

April 2, 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

Consider recommendations regarding Assembly Bill 3 (Williams) – Isla Vista Community Services District, as follows:

- a) Receive and file staff presentation;
- b) Consider taking an advocacy position of support, watch or oppose on AB 3 (Williams) – Isla Vista Community Services District; or
- c) Take no position on AB 3 (Williams) – Isla Vista Community Services District.

DISCUSSION

At the March 5, 2015 Commission meeting, the staff was directed to place a business item on the next agenda regarding Assembly Bill 3 (AB 3). The Bill was introduced on December 1, 2014 by Assemblyman Das Williams (**Exhibit A**) to form the Isla Vista Community Services District (CSD). Over the past few months, the Assemblymember and his staff have held a series of stakeholder and town hall meetings in Isla Vista in an attempt to reach a consensus on the contents of the Bill.

At the December 4, 2014 meeting, the Commission appointed an AB 3 Ad Hoc Committee comprised of Commissioner Farr, Commissioner Geyer, and Commissioner Moorhouse, with Commissioner Farr as Chair. The task of the Committee is to review the contents of the Bill and provide status reports to the Commission on significant developments.

The Commission held a Special Meeting on February 19, 2015, to approve a “Letter of Concern” that identified 11 concerns with the process that is being followed in developing the proposed language in the Bill and the fact that the LAFCO process is being bypassed (**Exhibit B**).

On March 9, 2015, the Assemblymember submitted language to Legislative Counsel to establish powers for the proposed Isla Vista CSD that would be added as Government Code Section 61105(k). Section 61105 (a) through (j) of this section of the Community Services District Law adds a number of exceptions to the traditional CSD powers contained in Section

61100. These exceptions are based on “unique circumstances that exist in certain communities that justify the enactment of special statutes for specific districts.” The proposed amendments to the bill are contained in **Exhibit C**.

The proposed amendments do not include means of financing for the proposed services, proposed boundaries, or any reference to the composition of the board of directors. With regards to financing, there has been mention of voter approved sales tax levy, a new transient occupancy tax (TOT), and/or a utility users tax. Regarding boundaries, the next round of amendments could include CSD boundaries and if they should include parts of the campus or campus housing. The governance issue currently has no consensus and is a key part of the bill that needs to be addressed. All of these issues are speculative at best.

EXHIBITS

Exhibit A Assembly Bill 3 (Williams)
Exhibit B SBLAFCO Letter of Concern – February 19, 2015
Exhibit C Proposed Amendments to AB 3

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

ASSEMBLY BILL

No. 3

Introduced by Assembly Member Williams

December 1, 2014

An act relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 3, as introduced, Williams. Isla Vista Community Services District.

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 express 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 and declarations relating to that intent.

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

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:
3 (1) 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

1 the University of California, Santa Barbara (UCSB) campus and
2 its student population. Including university property, the area totals
3 about 1,500 acres. Isla Vista represents one of the largest urban
4 communities in California not governed as a city.

5 (2) Isla Vista faces various challenges in local governance. As
6 a university town, Isla Vista must accommodate the service needs
7 associated with its transient student population and a predominantly
8 renter-oriented community. Isla Vista's situation is complicated
9 by its unincorporated status, which limits its local participation in
10 managing public services and providing needed public
11 improvements, such as increased lighting, sidewalk and street
12 improvements, and housing code enforcement.

13 (3) As an unincorporated area, various county agencies provide
14 services to the residents and businesses of Isla Vista. Since these
15 agencies must provide services throughout the whole county, Isla
16 Vista must compete for attention and funding for the services they
17 need. Isla Vista is represented at the county level by one of five
18 supervisors and is situated in the largest and most diverse
19 geographic district in the county. The Isla Vista Recreation and
20 Park District is the only local district providing limited services
21 exclusively to Isla Vista.

22 (4) There have been multiple attempts at achieving cityhood
23 for Isla Vista, however, insufficient tax revenue prevents cityhood
24 from being a viable solution. In 2003, the Santa Barbara County
25 Grand Jury found that establishing a community services district
26 would be the best governance option to expand and improve
27 services to Isla Vista.

28 (5) Over the last year, the Isla Vista community has been faced
29 with many challenges due to tragic events, including two violent
30 sexual assaults, a riot, and a mass shooting that has brought focus
31 to the unique needs of Isla Vista that can only be addressed by
32 direct, local governance. Following these events, a local coalition
33 was formed to determine the best direction for Isla Vista
34 self-governance and the community services district has garnered
35 much local support.

36 (6) Additionally, following these events, many trustees on the
37 UC Santa Barbara Foundation Board expressed a strong desire to
38 support the chancellor and the university in efforts to create change
39 in Isla Vista, to ensure a safer and more enhanced community for
40 students. The UC Santa Barbara Foundation Trustees' Advisory

1 Committee on Isla Vista Strategies was formed to analyze the
2 conditions and dynamics of Isla Vista and develop mid- and
3 long-term recommendations to establish a viable, safe, and
4 supportive environment. Among their recommendations is that the
5 State of California create a Community Services District/Municipal
6 Improvement District in Isla Vista with potential powers of
7 infrastructure, utilities, garbage, police services, parks, recreation,
8 cultural facilities, fire, security, and roads.

9 (b) It is the intent of the Legislature to enact legislation that will
10 clarify and establish the necessary authority for the creation of the
11 Isla Vista Community Services District within the unincorporated
12 area of Santa Barbara County.

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LAFCO

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February 19, 2015

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

RE: Assembly Bill 3 – Letter of Concern

Dear Assemblymember Williams:

The Santa Barbara Local Agency Formation Commission (Santa Barbara LAFCO) 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.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides that the local agency formation commissions (LAFCO) have jurisdiction over community services districts (CSD) and that the organization or reorganization of such districts be subject to LAFCO proceedings. This means that, in the case of the formation of a new CSD to serve Isla Vista, the proceedings to initiate the formation of this district would go through the normal LAFCO review process, once LAFCO receives the proper petition or resolution initiating that district formation. This process allows for the comprehensive review of the viability of the proposed district and services to be provided.

Santa Barbara LAFCO supports the positions expressed by CALAFCO Executive Director Pamela Miller in her December 20, 2014, "Letter of Concern." It appears from statements made in public forums that the intent of AB 3 may be to bypass the LAFCO formation process, which is of great concern to CALAFCO as well as Santa Barbara LAFCO. Santa Barbara LAFCO sees a potential role for special legislation to address some governance issues of Isla Vista, especially with regard to the makeup of the board of any new CSD or other special district. Entirely bypassing the LAFCO formation process, however, raises concerns because it is in that process

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 B

where the critical issues concerning the viability of a proposed special district are heard in a local LAFCO public hearing and fully vetted.

Santa Barbara LAFCO has a number of concerns that are set forth below:

1. If the LAFCO process is bypassed, there would be no LAFCO application to begin the formation process, i.e. petition signed by 25% of the registered voters or resolution of affected agency. This limits public input into the formation process.
2. Which services and powers are envisioned for the CSD? Usually new CSD's fold in existing districts. Are new services envisioned? The bill states "performance of various services, included, but not limited to, public parks, police protection, and transportation facilities." Does this mean replacing the Isla Vista Recreation and Park District, County Sheriff, and the County Transit District? What other services are envisioned? Which agencies, if any, to be dissolved or detached? For instance, IV Rec and Parks, CSA 31, Goleta West Sanitary, Goleta Water, County Fire District, Santa Barbara Metropolitan Transit District, Santa Barbara Vector Control District, others? We note that normally, these questions are addressed and answered during the review process before LAFCO.
3. As a result of LAFCO meetings, the Commission is concerned that AB 3 will be amended to circumvent the Cortese-Knox Hertzberg Act.
4. How are additional services and powers going to be financed? Property taxes from dissolving or detaching special districts, a Special Tax (requires a 2/3 vote of registered voters), Assessment District (Protest vote of property owners), Utility Users Tax (2/3 vote of registered voters), Federal and State Grants, loans, subventions. Would AB 3 include a provision to amend the law to allow a Utility Users Tax to be imposed only within the IVCSA rather than countywide?
5. What is the University of California at Santa Barbara's (UCSB) role – Financing, Services, UCSB Police, University of California Regents funding, etc?
6. Santa Barbara City College (SBCC). Many SBCC students reside in Isla Vista. No housing for its students is provided by SBCC. Does SBCC have any responsibility for funding infrastructure or services in Isla Vista?
7. The County is currently providing many services in Isla Vista including County Sheriff, Fire, Roads, street lighting, sidewalks, etc. Would any of these services be assumed by the new Isla Vista CSD?
8. What will be the makeup of the board of directors? Elected, appointed, landowners or a combination thereof? The California CSD Law (Government Code Section 61000 et.seq.) establishes Community Services Districts as registered voter districts. This means that the Board of Directors are resident voters within a CSD. Appointing or electing landowners to a board of directors is not currently possible in the CSD Law.

However, if it's determined that state legislation is needed; legislation could be requested by LAFCO.

9. An application for the formation of a CSD would require a financial feasibility study or comprehensive fiscal analysis. Such a study is not mentioned in AB 3. Santa Barbara LAFCO believes the normal LAFCO review process is the appropriate public forum to review and determine the feasibility of such a critical plan.
10. Would the Isla Vista CSD be tasked with planning issues? Would an Area Planning Commission or Municipal Advisory Commission be formed? Pursuant to Government Code Section 65000, local land use planning is reserved for cities and counties. Would AB 3 add planning authority to the Isla Vista CSD? Would this create a precedent for other special districts in the State? Also, providing planning services can be very expensive; so how would this be financed?
11. If the Isla Vista CSD is formed without LAFCO approval, would the district be subject to the Cortese Knox Hertzberg Act after the Isla Vista CSD is formed? In particular, pursuant to the Act, LAFCO has authority to perform municipal service reviews, determine spheres of influence, and consider annexation proposals for every other special district in the State of California. This process should apply to any new CSD.

This letter was approved by Santa Barbara LAFCO at a noticed public hearing on February 19, 2015. The draft minutes from that meeting reflect the commissioner vote on this matter:

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

SECTION 1. (a) The Legislature finds and declares all of the following:

- (1) The Isla Vista community encompasses a population of ~~over 20,000~~ **approximately 15,000** residents situated within approximately ~~one a half~~ square mile of land in Santa Barbara County. It is adjacent to the University of California, Santa Barbara (UCSB) campus and its student population, **of which approximately 8,000 students reside in university owned housing.** Including University property, the area totals about 1,500 **1,200** acres.
- (2) Isla Vista faces various challenges in local governance. As a university **community town**, Isla Vista must accommodate the service needs associated with its transient student population and a predominantly renter-oriented community **while balancing the needs of local homeowners and long-term residents.** Isla Vista's situation is complicated by its unincorporated status, which limits its local participation in managing public services and providing needed public improvements.
- (3) As an unincorporated area, various county agencies provide services to the residents and businesses of Isla Vista. Since these agencies must provide services throughout the whole county, Isla Vista must compete for attention and funding for the services they need. Isla Vista is represented at the county level by one of five supervisors and is situated in the largest and most diverse geographic **Supervisorial** district in the county. The Isla Vista Recreation and Park District is the only local district providing limited services exclusively to Isla Vista.
- (4) There have been multiple attempts at achieving cityhood for Isla Vista, however, insufficient tax revenue **has prevented** ~~prevents~~ cityhood from being a viable solution. In 2003, the Santa Barbara County Grand Jury found that establishing a community services district would be the best governance option to expand and improve services to Isla Vista, **however, no action was taken by the community at that time.**
- (5) Over the last year, the Isla Vista community has been faced with many challenges due to tragic events, including multiple deaths from students falling off cliffs, multiple violent sexual assaults, riots, and a mass murder that has brought focus to the unique needs of Isla Vista that can only be addressed by direct, local governance. Following these events, a local coalition was formed to determine the best direction for Isla Vista self-governance and the community services district has garnered much local support.
- (6) Additionally, following these events, many trustees on the UC Santa Barbara Foundation Board expressed a strong desire to support the Chancellor and the University in efforts to create change in Isla Vista, to ensure a safer and more enhancing community for students. The UC Santa Barbara Foundation Trustees' Advisory Committee on Isla Vista Strategies was formed 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.

(k) (1) Notwithstanding Chapter 2 (commencing with Section 61010) of Part 1, the Isla Vista Community Services District shall be established in accordance with all other provisions of this division, except as provided in this subdivision.

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

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

(B) Create a tenant mediation program.

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

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

(E) Contract with the County of Santa Barbara 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 the County of Santa Barbara or the Regents of the University of California 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. The district shall not acquire, construct, improve, or maintain any work owned by another public agency unless that other public agency gives its written consent.

(H) Abate graffiti.

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

(4) The Isla Vista Community Services District shall have the power to levy taxes through the following methods:

(A) The ability to levy a utility user tax on certain utilities and at a rate specified by the governing board of the District.

(B) The ability to levy additional sales taxes above and beyond the general Countywide sales tax rate to be collected by the District at a rate specified by the governing board of the District.

(C) The ability to levy addition transient occupancy tax above and beyond the general Countywide rate to be collected by the District at a rate specified by the governing board of the District.

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