

May 7, 2015 (Agenda)

Local Agency Formation Commission

105 East Anapamu Street

Santa Barbara CA 93101

Consider recent revisions to AB 3 and provide direction to staff

Dear Members of the Commission

RECOMMENDATION

That the Commission consider recent revisions to AB 3 and provide direction to staff. The ad hoc committee has recommended sending a letter to Assembly Local Government Committee and other interested parties stating a policy position.

DISCUSSION

Assembly Bill 3 has been revised since the Commission last met, including some significant revisions on May 4. (See Exhibit A.) The bill is scheduled for a hearing before the Assembly Local Government Committee on May 13, 2015. The Commission may wish to consider adopting further policy position regarding the most recent revisions to AB 3.

The Commission's Ad Hoc Committee on AB 3 met on May 4, 2015, to review recent amendments to the bill. The Ad Hoc Committee recommended the Commission consider one of the following responses:

1. Take no action.
2. Send a letter that reiterates Commission's previous position to Oppose AB 3, Unless Amended.
3. Send a letter stating that the Commissions Opposes AB 3 unless it is amended to require LAFCO review and approval of any proposed district for Isla Vista, consistent with the position stated by CALAFCO in its letter of May 1, 2015. (See Exhibit B.)
4. Any other option as directed by the Commission.

The Committee acknowledged that a number of the areas of concern in the Commission's February 19, 2015 Letter of Concern have been addressed in revisions to AB 3. However, there are still outstanding areas of concern with the bill, most notably circumvention of the special district formation process that involves LAFCO. District formation, pursuant to the Cortese-

Knox-Hertzberg Act (CKH), among the requirements, would provide for a comprehensive fiscal analysis before the commission acts on a proposal.

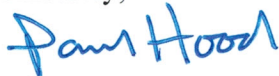
The most recent version of the bill would require the Board of Supervisors to place the formation process on the ballot and at the same election vote on the initial board of directors. If the formation is approved, the bill would require the new board of directors to place a utility user tax on the ballot. If a utility user tax is not approved by January 1, 2027, the district would automatically be dissolved.

Ad Hoc Committee members Geyer and Moorhouse support Option 3, above.

If directed, the Executive Officer will draft a letter to Assembly Member Williams stating any further policy position of LAFCO.

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

EXHIBITS

- Exhibit A Assembly Bill 3 (Williams) – May 4, 2015
- Exhibit B. CALAFCO letter.

AMENDMENTS TO ASSEMBLY BILL NO. 3
AS AMENDED IN ASSEMBLY APRIL 27, 2015

Amendment 1

In the title, in line 1, strike out "amend Section 61105 of" and insert:

add Part 4 (commencing with Section 61250) to Division 3 of Title 6 of

Amendment 2

On page 3, strike out lines 19 to 40, inclusive, strike out pages 4 to 8, inclusive, on page 9, strike out lines 1 to 32, inclusive, and insert:

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

PART 4. ISLA VISTA COMMUNITY SERVICES DISTRICT

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

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

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

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

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

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

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

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

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



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

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

(2) Create a tenant mediation program.

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

(4) 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).

(5) 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.

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

(7) 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.

(8) Abate graffiti.

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

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

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

Amendment 3

On page 9, below line 38, insert:

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

**2014-2015
Board of Directors**

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Executive Assistant

May 1, 2015

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

RE: **AB 3 – *Oppose Unless Amended (Amended 4-27-15)***

Dear Assembly Member Williams;

The California Association of Local Agency Formation Commissions (CALAFCO) has been following your bill, AB 3, which was last amended April 27, 2015, to establish the Isla Vista Community Services District. Based on the recent amendments, we must respectfully retain our position of ***Oppose Unless Amended.***

We appreciate that these recent amendments address one of our previously stated concerns by including the composition of a proposed governance structure that differs from what is contained in the Community Services District Act (Government Code §61000 et seq.). Further, the recent amendments address the question of the proposed boundaries of the Isla Vista Community Services District.

However, the bill still fails to require the district to be formed in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act). In addition, while the amendments attempt to address a supportive funding mechanism by imposing a utility user tax at a rate to be specified by the governing board of the district, the proposed process creates a significant financial risk for the Community Services District (CSD) because there will be no comprehensive review by LAFCo.

Specifically, the bill does not address the formation process of the proposed Community Services District. The Act provides that the Local Agency Formation Commission (LAFCo) 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 no thorough analysis of the long-term sustainability of the financial, governance and service delivery capacities of the CSD.

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Mr. Das Williams
May 1, 2015
RE: AB 3 - Oppose Unless Amended
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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.

With respect to our comments regarding the proposed funding mechanism, the comprehensive review by LAFCo will address the financial feasibility issues associated with the formation and sustainability of the proposed CSD.

We continue to appreciate your efforts to help the members of the Isla Vista community and continue to offer ourselves as a resource to you and your staff on finding amendments to the bill and solutions to Isla Vista's issues that work for everyone.

For the reasons noted herein, CALAFCO remains Opposed Unless Amended to AB 3. We are happy to talk with you about our concerns and proposed amendments if you like.

Yours sincerely,



Pamela Miller
Executive Director

Cc: Members Assembly Local Government Committee
Mr. Paul Hood, Executive Officer, Santa Barbara LAFCo
Santa Barbara LAFCo Commission
Ms. Misa Lennox, Associate Consultant, Assembly Local Government Committee
Mr. William Weber, Consultant, Assembly Republican Caucus