

# **GOVERNMENTAL OPTIONS FOR THE COMMUNITY OF MONTECITO**

**Presentation to the Montecito Association**

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# Existing Conditions


The Community of Montecito is part of the unincorporated area of Santa Barbara County

Approximately one-third of the County population lives outside of cities.



# County Government Provides

- Countywide services – both in and out of cities – courts, jail, health care, social services, tax system
- Unincorporated area services – law enforcement, land use planning and regulation, County roads, public parks, represents communities



# Governmental Options for Montecito

- Status Quo - retain existing districts
- Form multi-purpose special district
- Incorporate a municipality and retain existing special districts
- Incorporate a municipality and absorb existing special districts



# Status Quo

- Remain part of the unincorporated area
- Montecito Area Planning Commission with its decisions appealable to the County
- Montecito Fire Protection District
- Montecito Sanitary District
- Montecito Water District
- School Districts



# Form Multi-Purpose Special District

- Form a Community Services District and concurrently dissolve the
  - Montecito Fire Protection District
  - Montecito Sanitary District
  - Montecito Water District
- CSD would provide existing district services with one elected board of directors; one general manager; one legal counsel



# Process to form a multi-purpose special district

- Application to LAFCO to form new CSD and dissolve the existing districts
- LAFCO review and approval
- Election by voters in proposed CSD to
  - Form District and
  - Elect Initial Board of Directors



# Incorporate a Municipality and Retain Existing Special Districts

- Directly elected City Council
- City would provide unincorporated services such as local land use planning and regulation, law enforcement, public streets, local public parks (if any) and other services if desired
- Existing special districts would overlap the City and be independent of the City





# Incorporate a Municipality and Absorb Existing Special Districts

- Directly elected City Council
- City would provide services of existing special districts and be responsible for unincorporated County services:
  - Local land use planning and regulation
  - Law enforcement
  - Public streets, public parks (if any)
  - Other desired services (if any)




# Process to incorporate a city

- Application to LAFCO
- Comprehensive fiscal analysis
- Revenue Neutrality Agreement
- LAFCO review and approval
- Election by voters in proposed City
  - Create the City and
  - Elect Initial City Council




# Required LAFCO Findings

- Proposed incorporation is consistent with the intent the law
- Incorporation is consistent with spheres of influence
- LAFCO reviewed the CFA and Controller's report, if any
- LAFCO reviewed Executive Officer's report and public testimony



# Additional Required Findings

- New city is expected to receive sufficient revenues to fund services and facilities with a reasonable reserve
- The amount of property tax revenue to be exchanged
- Two quantities are substantially equal:
  - Revenues currently received by the county that would accrue to the new city
  - Expenditures currently made by the County that will be assumed by the new city



# Additional Required Findings

- If LAFCO cannot make the prior finding, it can still approve incorporation if it finds either:
  - The county and all subject agencies agree to the proposed transfer or
  - Negative fiscal effects are adequately mitigated by tax sharing agreements, lump-sum payments, payments over a period of time or other terms and conditions



# Additional Funding

- Each of the options beyond status quo could require additional funding
  - Special Tax-Requires a two-thirds vote
  - Assessment District Formation-Proposition 218 Election-less than majority landowner protest
- Both could be a LAFCO Condition of formation of a multi-propose district or incorporation of a new city.



**Thank you. Do you have  
questions?**