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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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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,

A handwritten signature in blue ink, appearing to read "Pamela Miller".

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