

Board of Directors

- The Isla Vista Community Services District board of directors shall be composed as follows:
- (A) Five members elected at large from within the district as follows:
- (i) Four members shall be elected for terms of four years. For the first election of the board of directors of the district, two members shall be elected for a term of two years and two members shall be elected for a term of four years.
- (ii) One member shall be elected for a term of two years.
- (B) One member appointed by the Board of Supervisors of the County of Santa Barbara for a term of two years for the first appointment following the creation of the district, and for a term of four years thereafter.
- (C) One member appointed by the Chancellor of the University of California, Santa Barbara for a term of four years.

Other Considerations

- The district does not possess, and shall not exercise, the power of eminent domain.
- Following the creation of the district, the district may petition the Santa Barbara Local Agency Formation Commission to exercise new or different functions or classes of services listed in Section 61100, except those powers specified in subdivisions (e) and (f) of that section, in addition to those functions or services that were authorized at the time the district was created.
- The services provided by the district shall not supplant the level of services provided by the County of Santa Barbara, the Isla Vista Recreation and Park District, the University of California, Santa Barbara, or any other service provider.

Plan for Services

- Isla Vista Governance Options Financial Analysis Study prepared by Economic & Planning Systems, sets forth a IVCS D Services and Cost Estimate. The analysis looks at the Base Rate and the Expanded Rate of a Utility User Tax (i.e. 5% or 8%). Clearly more services and a higher level of service could be provided at the 8% level compared to the 5% level of funding. This is attached to the staff report.
- In addition, Assembly Member Williams' staff have prepared an Isla Vista Self Governance Initiative that reviews the background and objectives of forming the IVCS D, enumerates the services to be provided, service units and capacity, proposed service infrastructure, conditions of service, and other materials in the appendix section. Appendices B, C, and D, of the IV Self Governance Initiative show alternative IVCS D Budgets: Proposed FY 16-17 IVCS D Budget: Low Funding Level Budget, and an IVCS D Budget: Enhanced Funding Level. This is also attached to the staff report.

UCSB Annual Funding Commitment:

- In addition, if the district is approved, UCSB is willing to commit \$200,000 annually to support mutually agreed upon projects, programs, and/or services that advance common goals of the university and the CSD...The pledge is from 2017 until 2024.

Isla Vista Funding Study:

- In 2015, the Santa Barbara County Auditor-Controller's Office prepared the Isla Vista Funding Study. The report responded to the County Board of Supervisors request for additional financial information and potential sustainable funding options for the Isla Vista area.
- The study determined that the County of Santa Barbara continues to provide \$18 million of services annually to Isla Vista, that is funded by \$5 million in revenue reimbursements and \$5 million in Isla Vista taxes resulting in an \$8 million annual shortfall of locally generated taxes paid by the County of Santa Barbara.

Utility User's Tax:

- Pursuant to Chapter 548, if the Utility Users Tax is approved by a 2/3 vote, it shall only be used by the new district to fund the services listed above. It is important to note that as a result of this special legislation, the Isla Vista CSD would be the only special district in the state to levy a Utility User Tax. All other utility user taxes are levied and collected by cities and counties.
- The Financial Analysis Study finds that if a Utility User's Tax between 5 to 8 percent is approved by a two-thirds vote, it could generate between \$320,000 to \$512,000, after exemption for UCSB and low income households. Staff costs for 1.5 employees and office space and supplies are estimated at \$257,000 annually. This would leave a service budget of between \$63,000 and \$255,000 to fund the services set forth above.

Appropriations Limit

- Government Code Section 56811 requires the Commission to determine an appropriations limit for the formation of a new district.
- Staff has analyzed this issue and also consulted with County Counsel's Office, the Auditor-Controller's Office, and EPS staff, on this matter, and has determined that pursuant to sub-section a), the "provisional appropriations limit of the district" should be set at \$640,000. This assumes that the Commission sets to Utility User Tax Rate at 8%. This would result in \$512,000 in projected total revenues, plus a 25% buffer. Pursuant to sub-section (c), the permanent appropriations limit of the district shall be set at the first district election that is held following the first full fiscal year of operation.

Environmental Impact of the Proposal:

- The creation of a CSD that does not involve any commitment to a CEQA project is a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4), which provides:
- “Section 15378 (b) Project does not include: (4) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.”

Overall Analysis

- Because AB 3 was special legislation, the LAFCO process has been circumvented. Santa Barbara LAFCO does not have the authority to disapprove the resolution of application. There is no registered voter application and no protest hearing. The Commission's only decision in forming the district is to order the formation of the district subject to a vote of the registered voters residing within the boundaries of the district following its review. If a majority of voters within the boundaries of the district, vote in favor of the district, the district shall be formed. The only options for the Commission are to determine the Utility User Tax Rate, and to select the services to be provided, and to set the appropriations limit, and establish a sphere of influence.

Recommendation:

- Staff recommends the Commission take the following actions:
- Adopt LAFCO Resolution No. XX, which Orders the formation of the Isla Vista Community Services District, and directs the Board of Supervisors to direct County Elections to conduct the necessary formation and confirmation elections, including for the proposed utility user tax.
- Adopt LAFCO Resolution No. XX which sets the utility user tax rate the Isla Vista Community Services District may levy.

Questions?