



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** County Executive Office  
**Department No.:** 012  
**For Agenda Of:** June 4, 2024  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Director(s) Mona Miyasato, County Executive Officer  
Contact Info: Jasmine McGinty, Principal Analyst  
Brittany Odermann, Deputy County Executive Officer

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**SUBJECT:** Establish Neutral Position on Property Owner Assessment Ballots for a Proposed Community Benefit Improvement District located in Downtown Santa Barbara

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence, .: CEO Budget**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Establish a neutral position on formation of the Proposed Santa Barbara Community Benefit Improvement District in downtown Santa Barbara and take no action on the property owner assessment ballots for five County owned properties (APN(s) 029-121-020, 029-121-022, 029-161-001, 029-211-025, 039-232-020) located within the proposed District; and
- b) Determine that the recommended actions are not the acceptance and approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the actions consist of a 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.

**Summary:**

This item is before your Board to consider property assessment ballots for five County owned properties as part of a proposed Community Benefit Improvement District (CBID) for the Downtown Santa Barbara Area, which contributes to a downtown revitalization effort in the City of Santa Barbara. The CBID would fund maintenance, special events and activities, and other special benefits focused around economic vitality. The Management District Plan, included as Attachment A, indicates that the improvements and services are intended to revitalize the Downtown Santa Barbara district, create jobs, attract and retain businesses, and reduce crime.

Under the City of Santa Barbara local enabling ordinance, in order to initiate the process to form a CBID, property owners within the proposed district boundaries who will pay more than 30% of the assessments proposed to be levied signed a petition in favor of the District formation. On April 16, 2024, the City of Santa Barbara, as the lead agency, adopted a Resolution of Intention to form the District. Ballots were sent out to all downtown property owners proposed to be included in the District, including the County of Santa Barbara. On June 25, 2024, the Santa Barbara City Council will hold a public hearing to tabulate the ballots and if a weighted majority of the assessed area supports the District formation, the CBID will be created upon adoption of a Resolution of Formation by the City of Santa Barbara.

The County properties included in the proposed district include the County Administration Building, Human Resources Building, County Courthouse, Probation Building and Santa Barbara Art Museum. The initial assessment costs to the County would be \$67,551 and would increase annually. The total proposed CBID assessment revenue is \$2,202,753. Staff recommends the Board of Supervisors take no position on the five property assessment ballots and defer to the affected downtown property owners. The specific benefits to the County buildings, as well as the City properties, as a result of the assessment are predominantly based upon the Civil Sidewalks/Safety and Beautification special benefit services described in the Management District Plan. Examples of these services include: regular sidewalk and gutter sweeping; regular sidewalk steam cleaning; beautification of the community district; enhanced trash emptying (over and above city services); and timely graffiti removal, within 72 hours as necessary.

**Discussion:**

Earlier this year, a group of downtown property owners, in coordination with the City of Santa Barbara, the Downtown Santa Barbara organization, and the Santa Barbara South Coast Chamber of Commerce began working together to identify additional improvements and services for downtown and determine if there is property owner support in forming a Downtown Community Benefit Improvement District (CBID) to fund those improvements and services. Based on a mailed survey and other outreach efforts to property owners, the two business organizations committed to fund a consultant, New City America, to prepare necessary formation documents. The principal formation document for the CBID is known as the management district plan (Attachment A) which identifies the improvements and services to be provided, identifies the properties that receive special benefit from the proposed improvements and services and the proposed assessments for each property, and establishes the proposed boundaries of the assessment district.

On April 16, 2024, the Santa Barbara City Council adopted a Resolution of Intention to establish a CBID for the Downtown Santa Barbara area. In order to do so, this required submission of a petition signed by property owners representing 30% of the proposed assessments. Last summer the Downtown Santa Barbara Organization and the Santa Barbara South Coast Chamber of Commerce requested the County of Santa Barbara sign the petition in favor of the proposed assessment for five County owned parcels. The County of Santa Barbara remained neutral and did not sign the petition. After several months petition

signatures reached the 30% threshold, with the City Council authorizing signature of the petition for the 26 city-owned parcels included in the proposed District.

Following adoption of a Resolution of Intention there is a public hearing and ballot process held as required by Article XIII D, Section 4 of the California Constitution (Proposition 218). The CBID cannot be formed if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property. If the Downtown CBID is established, an annual assessment will be collected from each property owner on their property tax bills or by direct billing from the City of Santa Barbara, as the lead agency.

The proposed CBID will levy assessments to pay for improvements and services above and beyond general municipal service levels. The assessments may pay for services such as additional sidewalk sweeping; beautification programs; district branding and marketing and promotions; parking mitigation programs; district administration; and possibly programs to mitigate the homeless issues in the area.

**County Property Assessments**

The County of Santa Barbara is property owner to five properties located within the proposed district boundaries. The County’s proposed property contributions would be as follows:

<b>Location</b>	<b>Address</b>	<b>APN</b>	<b>Proposed FY 24/25 Assessment</b>
Human Resources	1226 Anacapa Street	029-121-020	\$1,889.66
County Administration	105 E. Anapamu Street	029-121-022	\$17,012.19
County Courthouse	1120 Anacapa Street	029-161-001	\$34,949.55
Santa Barbara County Probation	123-125 E. Carrillo Street	029-211-025	\$6,343.39
Santa Barbara Museum of Art	1130 State Street	039-232-020	\$7,357.20
			<b>\$67,551.99</b>

The total first year assessment revenue in the proposed CBID is calculated to be \$2,202,753, with the County of Santa Barbara properties totaling \$67,551.99, approximately 3% of the total proposed assessment.

County and City of Santa Barbara owned properties are not exempt from this assessment. The County owned properties represent approximately 3% of the total assessment, and the City owned properties represent approximately 8% of the total assessments. According to the Management District Plan, there are 542 parcels within the District boundaries, with 371 property owners. The City of Santa Barbara owns 26 parcels located in the proposed Downtown CBID and the approximate assessment expense is \$179,191.51 for the first year. The majority of the City parcels to be assessed are associated with the downtown parking program in addition to City Hall, Carrillo Recreation Center and the Central Library. The County requested that County facilities be exempt but was notified that as required by law, all parcels in the proposed CBID area, including those that are publicly owned, and that are recipients of the proposed benefits will be assessed. Since the public buildings will not be marketed and promoted by the new district,

their building square footage will not be assessed by the CBID plan. The assessment methodology will instead be based on linear frontage and lot size only.

According to the City’s staff report, the Management District Plan for the proposed CBID proposes the elimination of the two existing Downtown Business Improvement Districts, currently managed by the Downtown Santa Barbara Organization. The City currently provides \$310,000 per year for downtown marketing and promotions to the Downtown Santa Barbara Organization. If the new CBID gets created, the Downtown Organization will dissolve and the City of Santa Barbara will no longer make that contribution.

**Background**

In the summer of 2022, the Downtown Organization and the Santa Barbara South Coast Chamber of Commerce hired New City America, a Southern California company that specializes in CBID and PBID investigations and formations, to investigate the likelihood of conceptual support for a new Downtown Santa Barbara District Community Benefit Improvement District. A survey was conducted to gauge support within the community for a new special benefit district for both the Downtown Santa Barbara District property owners and the business community alike. A Downtown CBID Steering Committee made up of business and property owners worked diligently to build a level of support for the new CBID. The Downtown CBID Steering Committee has met numerous times and reviewed multiple versions of a management plan. The final Plan (Attachment A) was approved by the CBID Steering Committee in March. The proposed Downtown Santa Barbara CBID consists of approximately 37 square blocks (blocks vary in size on each side of Highway 101), consisting of 542 parcels owned by 371 property owners with two benefit zones (Zones 1 and 2). The District is generally bounded by:

Zone 1: Core Area:

- On the northwest side: the southern side of Sola Street.
- On the northeast side, the parcels on west side of Anacapa Street.
- On the southwest side, the eastern side of Chapala Street.
- On the southeast side, the north side of Highway 101.

Zone 2: In general, all the parcels on the east side of Anacapa Street from Sola Street on the northeast corner side to Highway 101 on the southeast corner.

The Downtown CBID assessments will appear as a separate line item on annual property tax bills except in the first year of the district’s term during which the City will directly bill and collect the assessments. The assessments are collected at the same time and in the same manner as ad valorem property taxes paid to the County. The assessments have the same lien priority and penalties for delinquent payments as ad valorem property taxes. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year together with any applicable interest and penalties. The “property owner” means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

**Fiscal and Facilities Impacts:**

As proposed in the Downtown CBID Management Plan, the property-based assessment proposes to raise approximately \$2.2 million from property-owners within the Downtown CBID. The County would be assessed annually approximately \$67,551.99, or 3.06% of the proposed total of the Downtown CBID assessment. This assessment would become a new general fund on-going obligation.

**Attachments:**

Attachment A – Downtown CBID Management Plan

Attachment B – County SBCBID Ballots

**Authored by:**

Jasmine McGinty, Principal Analyst, County Executive Office