

ORDINANCE NO. ORD-2018-004

ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA ROSA, ADDING ARTICLE V TO CHAPTER 6-56 OF THE SANTA ROSA CITY CODE RELATING TO THE ESTABLISHMENT OF COMMUNITY BENEFIT DISTRICTS

THE PEOPLE OF THE CITY OF SANTA ROSA DO ENACT AS FOLLOWS:

Section 1. Findings and Purpose.

(A) Section 3 of the Santa Rosa City Charter provides that, except as prohibited by the state constitution or restricted by the City Charter, the City shall have all powers and privileges that may be exercised by a charter city.

(B) Pursuant to Article XI, Section 5 of the California Constitution, a charter city may make and enforce all ordinances and regulations in respect to municipal affairs, subject only to restrictions and limitations provided in its charter.

(C) The creation of assessment districts to fund services of a local nature is a quintessential municipal affair, and no specific statutory authority is required for the creation of such assessment districts by a charter city.

(D) The purpose of this Article is to enhance the ability of the City and businesses therein to establish property and business improvement districts pursuant to the Property and Business Improvement District Law of 1994, *Streets and Highways Code* sections 36600, *et seq.*

Section 2. Article V is hereby added to Chapter 6-56 of the Santa Rosa City Code to read as follows:

“Article V. Community Benefit Districts

6-56.430 Alternative Procedures.

(A) The procedures established in this Article shall be additional or alternative to any other procedure established by ordinance or state law, and are intended to supplement those procedures.

(B) In forming assessment districts to fund activities and improvements that confer a special benefit on property, the City Council may elect to use the procedures set forth in the Property and Business Improvement District Law of 1994 (*Streets & Highways Code* §§ 36600 *et seq.* (the “PBID Law”) as modified by this Article. The City Council shall be bound by, and comply with, applicable state law governing the establishment and operation of property and business improvement districts in all respects not inconsistent with this Article. In the event of inconsistent provisions of this Article and those of the PBID Law, the provisions in this Article shall prevail.

(C) An assessment district established pursuant to this Article shall be denominated a “Community Benefit District” or “district” and the assessment levied in connection with such a district shall be denominated a “community benefit assessment.”

(D) Except where otherwise provided in this Article, “Community Benefit District” shall have the meaning given to “Property and Business Improvement District” by Section 36611 of the PBID Law and each reference in the PBID Law to a “property and business improvement district” or a “district” shall be deemed also a reference to a “Community Benefit District.”

(E) Except where otherwise provided in this Article, “community benefit assessment” shall have the meaning given to “assessment” by Section 36606 of the PBID Law and each reference in the PBID Law to an “assessment” shall be deemed also a reference to a “Community Benefit District.”

#### 6-56.440 Establishment of District.

The City Council may establish Community Benefit Districts and levy assessments in connection with such Districts pursuant to this Article.

#### 6-56.450 Relationship of Assessments to Zoning.

Notwithstanding the requirements of Section 36632 of the PBID Law, any parcel of real property, regardless of the zoning of such parcel, may be included in a Community Benefit District and subject to an assessment in connection therewith, so long as such parcel specially benefits from the services and improvements funded by that District.

#### 6-56.460 Assessment Against Real Property.

Only assessments against real property may be levied in connection with a Community Benefit District.

#### 6-56.470 Initiation of Proceedings.

In lieu of the requirements of Section 36621(a) of the PBID Law, the City Council may initiate proceedings to form a Community Benefit District upon the submission of a written petition, signed by property owners in the proposed District who will pay more than thirty percent of the assessments proposed to be levied in connection with such District. The amount of assessment attributable to property owned by the same property owner that is in excess of twenty percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property owners who will pay more than thirty percent of the total amount of assessments proposed to be levied.

#### 6-56.480 Formation Costs.

If so provided in the engineer’s report for a Community Benefit District, the assessment levied in connection with such a District may include amounts sufficient to recover the costs

incurred in forming the District, including:

(A) The costs of preparation of the management plan and engineer's report required by state law; and

(B) The cost of preparing, circulating and submitting the petition to the City Council seeking establishment of the District; and

(C) The costs of printing, advertising and the giving of published, posted or mailed notices; and

(D) Compensation of any consultant, engineer or attorney employed to render services in proceedings under this Article or the PBID Law; and

(E) Costs incurred by the City for public hearings, notices, ballots and other proceedings required by law for approval of a new or increased assessment.

The engineers report shall specify the formation costs eligible for recovery through assessments, the schedule for recovery of those costs, and the basis for determining the amount of the additional assessment for recovery of costs, including the maximum amount of the additional assessment, expressed either as a dollar amount, or as a percentage of the underlying assessment.

#### 6-56.490 Advancement of Costs.

The City Council may, in the resolution of intention for a Community Benefit District, provide that if the District is established, funds may be advanced from the City's general fund to permit the operation of the District prior to the City's collection of the assessment. Such advance shall occur only after the establishment of the District, and no advance shall be made if the District is not established. Any such advance may not exceed the total anticipated assessment proceeds for the first year of the assessment. Any such advance must be recovered from assessment proceeds as provided in the Resolution of Intention, along with interest calculated at a rate set forth in the Resolution of Intention. The duration of any such advance shall not exceed five years.

#### 6-56.500 Duration.

The duration of a new Community Benefit District shall be no greater than specified in the Resolution of Intention for the District. This Section is intended to supplant any shorter limitation set forth in the PBID Law on the duration of assessments levied in connection with an assessment district.

#### 6-56.510 Renewal.

A Community Benefit District may be renewed for a period of not to exceed twenty additional years by following the procedures set forth in the PBID Law.

6-56.520 Disestablishment.

The City Council may, on its own initiative, at any time, adopt a resolution of intention to disestablish a Community Benefit District and shall adopt a such a resolution if, during the annual thirty-day period set forth in Section 36670(a)(2) of the PBID Law, the City Council receives a written petition requesting disestablishment signed by property owners who pay more than thirty percent of the assessments levied in connection with the District. This Section provides an alternative method for the initiation of proceedings to disestablish a Community Benefit District and shall not be interpreted to preempt the existence of other methods set forth in Section 36670 of the PBID Law. A resolution of intention adopted pursuant to this Section shall have the same effect, and trigger the same notice and hearing requirements, as a resolution of intention otherwise adopted pursuant to Section 36670 of the PBID Law.

6-56.530 Validity.

As provided under Section 36633 of the PBID Law, the validity of an assessment levied under this Article shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.”

Section 3. Environmental Determination. The Council finds that the adoption and implementation of this ordinance are exempt from the provisions of the California Environmental Quality Act under section 15061(b)(3) in that the Council finds there is no possibility that the implementation of this ordinance may have significant effects on the environment. Furthermore, this activity is not a project under CEQA as defined in CEQA Guidelines section 15378 (b)(4) because it adopts a method by which to create government funding mechanisms or constitutes 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.

Section 4. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

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Section 5. Effective Date. This ordinance shall take effect on the 31st day following its adoption.

This ordinance was introduced by the Council of the City of Santa Rosa on March 13, 2018.

IN COUNCIL DULY PASSED this 20th day of March, 2018.

AYES: (6) Mayor Coursey, Vice Mayor Rogers, Council Members Combs, Olivares, Sawyer, Schwedhelm

NOES: (0)

ABSENT: (1) Council Member Tibbetts

ABSTAIN: (0)

ATTEST: \_\_\_\_\_ APPROVED: \_\_\_\_\_  
City Clerk Mayor

APPROVED AS TO FORM:

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City Attorney