



City of Santa Barbara
Sustainability & Resilience Department

Memorandum

DATE: July 17, 2024

TO: Creeks Restoration/Water Quality Improvement Program
Citizen Advisory Committee

FROM: Melissa Hetrick, Interim Creeks Restoration/Clean Water Manager

SUBJECT: Creeks Restoration and Water Quality Improvement Division
Program Funding Guidelines

COMMITTEE DIRECTION – FOR DISCUSSION

That the Committee receive a presentation on Measure B and Creeks Program Funding Guidelines.

DISCUSSION

Measure B was passed by Santa Barbara voters in November 2000 (Attachment A and B). The measure increased the City’s transient occupancy tax by two percent (from 10% to 12%) and directed that the additional funds be “used to fund programs to improve the quality of storm waters and other surface waters discharged into the Pacific Ocean, to carry out creek restoration improvements, and for projects or programs to improve the quality of onshore or offshore waters.” This was codified in [Municipal Code Chapter 4.09](#).

Soon after the ordinance passed, it became apparent that written guidelines for the expenditure of Measure B funds were needed to direct work efforts over the long-term and to ensure that the future expenditure of funds remain consistent with the purpose and intent of Measure B. City staff and the Creeks Restoration/Water Quality Improvement Program Citizen Advisory Committee (Creeks Advisory Committee) invested considerable effort to develop the Creeks Program Funding Guidelines (Guidelines). The Creeks Advisory Committee approved the Guidelines in December 2002. City Council subsequently formally adopted the Guidelines in April 2003. In December 2009, the question was raised of whether to amend the Guidelines to allow Measure B funds to supplant funds from the General Fund for existing programs. However, after reviewing the issue, the Creeks Advisory Committee decided to not make any changes and voted to reaffirm the Guidelines as originally written in 2003 (Attachment C and D).

Attachment(s):

- A. Ballot Measure Text and City Attorney Analysis
- B. Ballot Measure Arguments
- C. 2003 Memorandum on Guidelines
- D. Creeks Program Funding Guidelines

cc: Alelia Parenteau, Sustainability & Resilience Director

FULL TEXT OF MEASURE B2000

THE PEOPLE OF THE CITY OF SANTA BARBARA DO ORDAIN
FOLLOWS:

Section 1. Title 4 of the Santa Barbara Municipal Code is amended by adding Chapter 4.09 to read as follows:

4.09.010 Tax Imposed, Payment, Debt

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax, in addition to the tax imposed by Chapter 4.08 of the Santa Barbara Municipal Code, in the amount of two percent (2%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City, which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the Director of Finance may require that such tax shall be paid directly to the Director of Finance.

4.09.020 Use of Tax Proceeds

From and after the effective date of the ordinance adding this chapter to the Municipal Code, the revenues collected under this chapter shall be deposited in a special fund and shall be appropriated therefrom and used to fund programs to improve the quality of storm waters and other surface waters discharged into the Pacific Ocean, to carry out creek restoration improvements, and for projects or programs to improve the quality of onshore or offshore waters.

4.09.030 Applicable Definitions and Procedures.

All terms used herein shall be as defined in Chapter 4.08 of the Santa Barbara Municipal Code and all procedures for the imposition, registration, reporting, calculation of interest and penalties, collection, refund and appeals shall be as provided in Chapter 4.08. The definitions of such terms and the procedures for imposition, registration, reporting, calculation of interest and penalties, collection, refund and appeals may be modified, expanded or otherwise amended from time to time by the Council of the City of Santa Barbara taking action by ordinance as provided by the City Charter or otherwise provided by law.

This ordinance shall become effective on January 1, 2001 and then only in the event that it has been approved at an election by the voters of the City.

**IMPARTIAL ANALYSIS BY CITY ATTORNEY
MEASURE B2000**

The City of Santa Barbara currently imposes a transient occupancy tax (commonly referred to as a hotel bed tax) upon any person who occupies a hotel room for 30 consecutive calendar days or less. The amount of the tax is equal to ten percent (10%) of the rent charged by the hotel operator. The passage or failure of Measure B2000 will not affect this existing tax.

If Measure B2000 is enacted an additional hotel bed tax would be imposed in the amount of two percent (2%) of the rent charged, so that the amount of hotel bed taxes payable by a person occupying a hotel room for 30 consecutive days or less would be increased from ten to twelve percent of the rent charged. All taxes received by the city from this additional two percent (2%) hotel bed tax would be deposited into a special fund and could be spent only for certain purposes related to the improvement of waters and creeks. Measure B2000 specifies that the proceeds raised by the additional two percent (2%) hotel bed tax shall be used "to fund programs to improve the quality of storm waters and other surface waters discharged into the Pacific Ocean, to carry out creek restoration improvements, and for projects or programs to improve the quality of onshore or offshore waters."

Because any monies that are raised by the proposed additional hotel bed tax can be spent only for specified purposes the tax proposed by Measure B2000 is a special tax rather than a general tax. Under the California Constitution special taxes may not be enacted unless approved by a two-thirds vote of the electorate. Accordingly, a two-thirds "yes" vote on Measure B2000 is required to authorize this additional hotel bed tax.

s/ Daniel J. Wallace
City Attorney

The above statement is an impartial analysis of Measure B2000. If you desire a copy of Measure B2000, please call the Election Official's office at (805) 564-5309 and a copy will be mailed at no cost to you.

Measure B continued on next page



ARGUMENT IN FAVOR OF MEASURE B2000

B for better beaches!

Santa Barbara's natural beauty is enhanced by our beautiful beaches, creeks and ocean. Residents and tourists alike enjoy swimming, fishing, kayaking, surfing and the simple magic of watching delighted children running to avoid being splashed by ocean waves. Measure B2000 will help protect and clean up our beaches, ocean and creeks.

Recent headlines have warned us of beach closures, Hepatitis virus discoveries, polluted creeks and high bacteria counts. The time has come for us to clean up our waterways and make the creeks and ocean safe. Cleaning up our water pollution is a public health and safety issue for children and adults and a financial issue for our economy--it is also the right thing to do.

Measure B2000 will:

- Provide \$2 million annually dedicated solely to cleaning up ocean and creek pollution. Measure B will increase the hotel bed tax by 2% and will ask tourists to supplement existing programs paid for by city residents.
- Measure B funds would be used to improve drainage systems, increase public education, implement restoration programs, increase enforcement and provide street sweeping.
- Measure B funds would be subject to an annual audit on expenditures.
- The city council has agreed to establish a citizens advisory committee to advise the council on the expenditure of ocean and creek clean-up funds.

One of the most diverse non-partisan coalitions in recent Santa Barbara history has come together to urge you to vote YES on Measure B. Business, civic, neighborhood, environmental, government and religious leaders of all backgrounds have joined together to support Measure B. The Greater Santa Barbara Lodging Association, our Mayor and every member of the Santa Barbara City Council urge you to support Measure B.

For our children and for our future, please **VOTE YES ON MEASURE B2000** on Tuesday, November 7th! **B FOR BETTER BEACHES!**

- | | |
|--|---|
| s/ Jeff Young, Co-Founder
Heal the Ocean | s/ Jeannette Webber, Past-President
Greater Santa Barbara
Lodging Association |
| s/ Michael Gray, Past-President
Citizens Planning Association | s/ Salud Carbajal, President
Hispanic Chamber of
Commerce |
| s/ Harriet Miller, Mayor
City of Santa Barbara | |

ARGUMENT AGAINST MEASURE B2000

This Measure B tax increase proposal should be strongly rejected by Santa Barbara's voters and sent back to the drawing board, because

1. Measure B will not clean up local creeks. The City of Santa Barbara has not developed a comprehensive creek pollution abatement plan. Merely a one-page budget has been attached to a City Council agenda item on this subject.
2. Measure B would be the largest "blank check" slush fund proposal in Santa Barbara's history. Measure B would give the City - which already has approximately \$30 million in General Fund reserves and \$130 million in its Investment Portfolio -- \$2 million more a year to spend, every year, on pet projects.
3. Measure B is merely using creek pollution as an excuse to further the budgetary ambitions of local bureaucrats. While the overall plan for expenditure of funds is vague, one item that is clearly identified is "public outreach" staffing.
4. Measure B has no "sunset clause" and is a proposal for taxation in perpetuity, a permanent 20% sales tax increase that would come out of the pockets of the tourist industry's already low-wage work force.
5. Measure B would let the City Council off the hook from having to make the tough decisions regarding vagrancy, animals, and septic tanks that are the real causes of creek pollution.
6. Measure B would preclude competing uses for funds, including a new police station, upgrading fire stations, new soccer fields, open space, and schools.
7. Measure B has not been adequately discussed by the public prior to its placement on the ballot.
8. Measure B would be the largest tax increase in the City of Santa Barbara's history.

VOTE NO ON MEASURE B.

- | | |
|---|---|
| s/ Glen Mowrer
Former Santa Barbara
County Public Defender | s/ Joe Armendariz
Executive Director,
Santa Barbara County
Taxpayers Association |
| s/ Jean Blois
Vice-President, Businesswomen
for the Environment | s/ Nikki Ayers
President, Citizens for a
Balanced Community |
| s/ Colin Hayward
Chairman, "No on B" Committee | |





City of Santa Barbara
Parks and Recreation Department

Memorandum

DATE: February 12, 2003

TO: Mayor and Council

FROM: Creeks Restoration and Water Quality Improvement Program Citizen Advisory Committee

SUBJECT: Creeks Program Funding Guidelines

The Creeks Citizens Advisory Committee has focused considerable attention on articulating the need to have clear and precise methods for determining the proper use of Measure B Funds. After much discussion, we are pleased to have arrived at our "Recommended Creeks Program Funding Guidelines." We believe that they accurately reflect the spirit of the Measure. If used consistently, they will ensure that the restricted funds are used appropriately and as articulated by the goals and objectives adopted by the Committee and Council. These guidelines provide clear direction to Council for determining the appropriate use of Measure B funds. Their purpose is to be used as a checklist against which one would compare future funding requests. If the project is not consistent with the guidelines, or fails to meet the "Threshold Funding Criteria," contained within, we would ask that such a project not be funded from Measure B.

However, there may be instances when a project meets these standards and criteria, which may indeed have direct water quality benefits, but still are not appropriate uses of Measure B funds. The Threshold Funding Criteria speak to the issue of existing programs, and that they should not be supplanted by new initiatives to use Measure B funds. What are not addressed are the many future projects that will appear before Council for funding that should not be funded by the Creeks Program. Some clear examples would be programs that are required for regulatory compliance by cities similar to Santa Barbara. A current example of this would be the permit fees for the NPDES permit, which will not be paid out of Measure B funds.

Other projects that we believe should not be funded by the Creeks Program include those that other municipalities would still fund without a program such as Measure B. One example would be litter reduction and trash collection in our City parks, which are adjacent to creeks. Clearly, removing litter from the park itself would lessen the chance that the litter would end up in the creek. Some might see this as a direct influence on water quality. However, even if it were seen as a direct benefit to the creek itself, the fact remains that cities have a duty to keep their parks clean, regardless of their proximity to a creek.

The Creeks Citizens Advisory Committee is dedicated to the task of enhancing our city's beauty and its value to our citizens and tourists by addressing the issues of water quality in our onshore and offshore flows, as well as by restoring our creeks to their natural beauty and function. We provide these guidelines to address the mandate given us by the citizens who voted for the Measure, and our primary source of funding, the Hotel/Lodging industry.

We encourage you to adopt and apply these funding guidelines as submitted. We would also urge you to watch for future programs that may pass the guidelines, but still may not be appropriate for Measure B funding. We look forward to working with you in keeping our water clean and our creeks beautiful.

**CITY COUNCIL APPROVED
CREEKS PROGRAM FUNDING GUIDELINES
April 1, 2003
Reaffirmed by Creeks Advisory Committee
December 16, 2009**

Purpose

To determine whether a project or program is eligible for Creeks Program funds.

Application

City projects and programs
City/County/Community organization cooperative efforts

General Areas

Water Quality Improvement – To improve creek and ocean water quality through reduction of pollution in storm water and urban runoff that enters City creeks.

Creek Restoration – To restore riparian and aquatic habitat to improve the condition and function of City creeks and to increase open space and passive recreation opportunities on City parcels

Policy and Planning – To undertake planning and policy studies to assist in the achievement of creek restoration and water quality improvement objectives.

Public Information and Education – The development of materials and implementation of programs that support the City's creek restoration and water quality improvement objectives.

Projects/Programs

Water Quality

1. Pilot programs to evaluate the effectiveness of BMPs such as storm water interceptors, catch basin filters, oil/water separators and nonstructural BMPs such as biofilters, detention basins, etc.
2. Maintenance of infrastructure such as storm water interceptors and catch basin filters and other nonstructural BMPs that prove to be effective in improving water quality
3. Creek water quality monitoring
4. Creek Clean-ups
5. Enforcement of City storm water ordinances
6. Technical assistance and training for businesses, construction industry and landowners regarding codes and BMPs
7. Research related to methods to measure sources of bacterial water pollution

Restoration

1. Riparian and aquatic habitat restoration on City-owned parcels – including bank modification/stabilization, removal of non-natives and revegetation, removal of fish passage barriers, etc
2. Native plant nursery
3. Technical assistance for landowners interested in native plant revegetation
4. Collaborative support for projects and programs of other agencies and organizations

Policy and Planning

1. Revision of City codes, standards and policies related to storm water, urban runoff and protection of creek resources
2. Technical assistance to developers, construction companies, architects, etc regarding appropriate methods and policy compliance
3. Preparation of watershed plans
4. Special studies to determine appropriate approach to selection and implementation of structural and nonstructural water quality improvement projects
5. Preparation of NPDES Storm Water Management Program

Public Information and Education

1. Media efforts to inform the community about City projects and programs
2. Media efforts to educate the community about pollution reduction
3. Interpretive programs for restoration project sites (signage, field days)
4. Demonstration sites for water quality improvement and restoration projects
5. Technical assistance to landowners with interest in restoring private property
6. Educational materials and programs for school children
7. Educational materials and programs for businesses
8. Neighborhood outreach programs for residents
9. Public presentation materials – displays, maps, etc.

Unsolicited Project Idea Consideration Process

1. Any individual, organization, business, City department or other public agency may attend a regular CAC meeting to present a project proposal to the Committee during the public comment period.
2. A proposal presented during public comment that warrants further discussion would be placed on the agenda of a future regularly notice public meeting. The Creeks Restoration/Clean Water Manager and the Chair will determine the appropriate meeting in which to consider the proposal.
3. At the meeting in which the proposal is considered, the CAC could take any of the following actions:
 - Recommend that the proposal not receive further consideration

- Request that the Creeks Restoration/Clean Water Manager further consider the concept, gather additional information, determine whether there are funds available for the proposal, and provide the Committee with a recommendation
 - Form a sub-committee to investigate the concept further
 - Recommend the delay of further discussion of the proposal until a future time which could include a new budget cycle or related agenda item
 - If it is determined that funds may be available, recommend that a process for funding the proposal be initiated
4. A proposal that is recommended by the Advisory Committee and City Staff would be forwarded to the Parks and Recreation Director, City Administrator and City Council for approval and in accordance with City appropriate policy.

Threshold Funding Criteria

1. Project, program or service must be new or an expansion of a program, neither of which replaces funds otherwise available.
2. Project or program must demonstrate direct link to water quality improvement or creek restoration in a cost effective manner.
3. Project or program must identify specific benefits, costs, desired outcomes and methods of gauging project success.
4. Project could include a public information component, where feasible.
5. Project must include a budget detailing all proposed expenditures and minimize administrative costs.
6. Project must be responsive to the Creek Restoration/Clean Water goals and objectives.
7. Project must show funding efficiencies, collaboration and other resources in addition to Measure B funds.