

**ORDINANCE NO.**

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 3.96, SECTIONS 3.96.020 AND 3.96.030 AND ADDING SECTIONS 3.96.040, 3.96.050, 3.96.060, 3.96.070, 3.96.080, 3.96.090, 3.96.100, 3.96.110, 3.96.120, AND 3.96.130 OF THE STOCKTON MUNICIPAL CODE, RELATING TO THE ESTABLISHMENT OF COMMUNITY IMPROVEMENT DISTRICTS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

**SECTION I. AMENDMENT OF CODE.**

Title 3, Chapter 3.96, Section 3.96.020 of the Stockton Municipal Code is amended and shall read as follows:

**3.96.020 ~~Purpose~~ Alternative Procedures.**

~~California Streets and Highways Code (Sections 36600 et seq.) provides procedures to form property and business improvement districts. This chapter incorporates that State law and specifies how the City Council may choose to augment those State law provisions by choosing to: (1) expand the activities which may be conducted by the district; (2) have the district encompass and assess property that is zoned residential; and (3) extend the initial term of the district to a maximum of 10 years, unless a longer term is authorized by State law. Through proceedings under this chapter, the City Council may establish districts, which shall be called "community improvement districts," and may finance enhancements through annual assessments apportioned among parcels of real property within such districts. It is the intent of this chapter to provide a vehicle for financing improvements and activities that supplement and enhance existing City services. District formation and assessment proceedings may not be initiated under this chapter to finance services that replace or supplant existing City services. Nothing herein shall be construed as prohibiting the establishment of property and business improvement districts or such other districts under any other ordinance or any other law of the State of California.~~

A. The procedures established in this chapter 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 chapter. 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 chapter. In the event of inconsistent provisions of this chapter and those of the PBID Law, the provisions in this chapter shall prevail.

C. An assessment district established pursuant to this chapter shall be denominated a "Community Improvement District" or "district" and the assessment levied in connection with such a district shall be denominated a "Community Improvement Assessment" or "assessment."

D. Except where otherwise provided in this chapter, "Community Improvement District" shall have the meaning given to "Property and Business Improvement District" by Section 36614.5 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 Improvement District."

E. Except where otherwise provided in this chapter, "Community Improvement Assessment" shall have the meaning given to "assessment" by Section 36606.5 of the PBID Law and each reference in the PBID Law to an "assessment" shall be deemed also a reference to a "Community Improvement Assessment."

## **SECTION II. AMENDMENT OF CODE.**

Title 3, Chapter 3.96, Section 3.96.030 of the Stockton Municipal Code is amended and shall read as follows:

### **3.96.030 Community improvement district provisions augmenting State law requirements governing property and business improvement districts Establishment of District.**

~~A. In forming assessment districts that will fund improvements and activities that confer special benefit on businesses, residential, commercial or residential and commercial property, the City Council may elect to use the procedures set forth in California Street and Highways Code Sections 36600 et seq., or may elect to use those procedures as modified herein. The City Council shall be bound by, and comply with, the applicable State law governing the formation of property and business improvement and maintenance districts in all other respects not inconsistent with this chapter when forming an assessment district to fund improvements and activities that provide special benefits to business, commercial and/or residential property.~~

~~B. Notwithstanding Streets and Highways Code Section 36613 or any other provision of State law, the City Council may form a community improvement district authorized to conduct the following activities in addition to those stated in Section 36613:~~

~~1. Maintenance and irrigation of landscaping;~~

~~2. Providing managerial services for businesses engaged in the business of providing multifamily housing;~~

~~3. Providing building inspection and code enforcement services for businesses engaged in the business of providing multifamily housing supplemental to those normally provided by the City.~~

~~C. Notwithstanding Streets and Highways Code Section 36622(h) or any other provision of State law, the City Council may form a community improvement district authorized to levy assessments for an initial term of up to 10 years or such longer term which may be authorized by State law.~~

~~D. Notwithstanding Streets and Highways Code Sections 36632(c) or any other provision of State law, the City Council may form a community improvement district authorized to levy assessments on real property, including property zoned solely for residential use, on the basis of the estimated benefit to the real property within the district. The City Council may classify properties for purposes of determining the benefit to property of the improvements and activities pursuant to this section and may determine that property zoned solely for residential use may benefit from the improvements and activities of the district.~~

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

### **SECTION III. AMENDMENT OF CODE.**

Title 3, Chapter 3.96, Sections 3.96.040, 3.96.050, 3.96.060, 3.96.070, 3.96.080, 3.96.090, 3.96.100, 3.96.110, 3.96.120, and 3.96.130 are added to the Stockton Municipal Code and shall read as follows:

#### **3.96.040 Additional Activities.**

Notwithstanding Section 36606 of the PBID Law or any other provision of State law, the City Council may form a Community Improvement District authorized to conduct any or all of the following activities in addition to those stated in Section 36606:

~~A. Maintenance and irrigation of landscaping;~~

~~B. Providing managerial services for businesses engaged in the business of providing multifamily housing;~~

~~C. Providing building inspection and code enforcement services for businesses engaged in the business of providing multifamily housing supplemental to those normally provided by the City.~~

#### **3.96.050 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 Improvement 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.

### **3.96.060 Assessment Against Real Property.**

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

### **3.96.070 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 Improvement District upon the submission of a written petition, signed by property owners in the proposed District who will pay more than 30 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 20 percent of the amount of all assessments proposed to be levied, shall not have any percentage over the 20 percent threshold be included in determining whether the petition is signed by property owners who will pay more than 30 percent of the total amount of assessments proposed to be levied.

### **3.96.080 Formation Costs.**

If so provided in the engineer's report for a Community Improvement 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 chapter 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.

### **3.96.090 Advancement of Costs.**

The City Council may, in the Resolution of Intention for a Community Improvement 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.

### **3.96.100 Duration.**

The duration of a new Community Improvement District shall be no greater than specified in the Resolution of Intention for the District, and shall in no event be in excess of 20 years. 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.

### **3.96.110 Renewal.**

A Community Improvement District may be renewed for successive periods not to exceed 20 additional years each by following the procedures set forth in the PBID Law.

### **3.96.120 Disestablishment.**

The City Council may, on its own initiative, at any time, adopt a resolution of intention to disestablish a Community Improvement 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 30 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 Improvement 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.

### **3.96.130 Validity.**

As provided under Section 36633 of the PBID Law, the validity of an assessment levied under this chapter 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 IV. SEVERABILITY.**

If any section of this ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given without the invalid provisions or application, and to this end the provisions of this act are severable.

**SECTION V. EFFECTIVE DATE.**

This ordinance shall take effect and be in full force thirty (30) days after its passage.

ADOPTED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

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KEVIN J. LINCOLN II  
Mayor of the City of Stockton

ATTEST:

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ELIZA R. GARZA, CMC  
City Clerk of the City of Stockton