

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, OCTOBER 08, 2024**

MINUTE ORDER NO. 9

**SUBJECT: PROPERTY TAX ALLOCATIONS AND FUNDING FOR FIRE PROTECTION
IN UNINCORPORATED COMMUNITIES (DISTRICTS: ALL)**

OVERVIEW

On July 16, 2024 (4), the Board of Supervisors (Board) directed the Chief Administrative Officer to review the level of resources, funding, and sustainability of fire protection in the communities of Valley Center, Deer Springs, and Pauma Valley and other parts of the San Diego County Fire Protection District (SDCFPD) and return to the Board in 90 days with recommendations. In San Diego County, unincorporated communities receive fire protection and emergency response services from 12 fire protection districts, including the San Diego County Fire Protection District (SDCFPD), and one municipal water district. These agencies either provide services directly with professional staff or contract with another government agency. Funding for the districts is made available through a property tax allocation from property tax revenue, voter-approved fees, community facilities districts, grants, and service fees.

The Valley Center Fire Protection District (VCFPD) and Deer Springs Fire Protection District (DSFPD) were established after California voters approved Proposition 13 in 1978. For local agencies that existed prior to passage, the law allocated revenue to taxing agencies based on a factor calculated on the revenue received in the three fiscal years prior to 1978, with allocations ranging from 6.4% to 32.3% for fire protection districts. For fire protection districts established after the passage of Proposition 13, their share of property tax revenue was negotiated at a lower rate, ranging from 1.3% to 2.8%. In the past two decades, 23 fire agencies have dissolved, with 20 consolidating into San Diego County Fire (County Fire), and three joining other fire protection districts.

Although VCFPD and DSFPD elected not to consolidate with County Fire or other fire protection districts, the County took action to support VCFPD and DSFPD with funding and in-kind assistance. County Fire has a Memorandum of Agreement with DSFPD, valued at nearly \$1 million annually, that includes support for staffing, dispatch, training and fire marshal services. The County entered into a similar arrangement with VCFPD in 2007, valued at approximately \$700,000 annually, but the agreement expired in 2013 when VCFPD terminated their contract with the California Department of Forestry and Fire Protection (CAL FIRE). VCFPD added a ballot measure for a parcel tax in 2018 and 2020 to pay for additional fire services within the district. The measures, which required a 66.67% vote, failed twice despite achieving a majority vote.

Increasing the existing property tax allocation for these districts to 6%, which is the allocation the San Diego County Fire Protection District receives, would shift approximately \$2.7 million in base property tax revenue from the County and provide \$1.5 million to VCFPD and \$1.2 million to DSFPD, based upon the Fiscal Year 2024-25 property taxes. A property tax shift is one of the options being presented to the Board of Supervisors. In addition, County Fire has reviewed existing service levels in Pauma Valley, East Otay Mesa, and the Highway 94 corridor and has identified a need for an additional \$3.5 million annually to address operational deficiencies and future needs.

Today's actions are seeking the Board's policy direction on providing County financial and operational support to VCFPD, DSFPD and SDCFPD, as well as other potential revenue options.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Provide direction on the following options to support fire protection and emergency response services in the Valley Center Fire Protection District (VCFPD):
 - a. Pursue an increase in the VCFPD property tax allocation to 6% effective Fiscal Year 2025-26. Direct the Chief Administrative Officer to return to the Board of Supervisors with a resolution and take other necessary steps to complete a property tax reallocation following VCFPD holding a public hearing to consider the effect of the proposed transfer (\$1,500,000); or
 - b. Direct the Chief Administrative Officer to enter into a Memorandum of Agreement with VCFPD to provide reimbursement to fund for 1/3 of the staffing at the third station (\$600,000), and offer in-kind dispatching services, training, fire prevention/fire marshal services and other support services through County Fire (\$200,000), for a total estimated value of approximately \$800,000 and pursuant to Government Code section 26227, find that the funding is necessary to meet the fire protection and emergency response needs in the VCFPD and authorize the Chief Administrative Officer, or designee, to execute an agreement with VCFPD effective July 1, 2025, thru June 30, 2028, and to amend the agreement as needed to reflect changes to requirements or funding necessary to maintain local fire protection and emergency response services; or
 - c. Direct the Chief Administrative Officer to explore a special tax ballot measure for enhanced fire protection and emergency response services in VCFPD or a broader area, and return to the Board of Supervisors to present necessary actions. Provide County staff with the intended boundary and scope, which could include VCFPD or a broader area; or
 - d. Add language to the County's Legislative Program to seek a sponsor in the California legislature to propose legislation that would transfer state funds to underfunded fire protection districts in San Diego County to enhance fire protection and emergency response services; or
 - e. No action at this time.
2. Provide direction on the following options to support fire protection and emergency response services in the Deer Springs Fire Protection District (DSFPD):
 - a. Pursue an increase in the DSFPD property tax allocation to 6%, effective Fiscal Year 2025-26, and modify the existing MOA to cover a portion of the staffing and other costs related to the North Regional Urban Search and Rescue Unit. Direct the Chief Administrative Officer to return to the Board of Supervisors with a resolution and take other necessary steps to complete a property tax reallocation following DSFPD holding a public hearing to consider the effect of the proposed transfer (\$1,200,000 and a reduction of approximately \$700,000 to the existing MOA); or

- b. Direct the Chief Administrative Officer to explore a special tax ballot measure for enhanced fire protection and emergency response services, and return to the Board of Supervisors with the necessary actions. Provide County staff with the intended boundary and scope, which could include DSFPD or a broader area; or
 - c. Add language to the County’s Legislative Program to seek a sponsor in the California legislature to propose legislation that would transfer state funds to underfunded Fire Protection Districts in San Diego County to enhance fire protection and emergency response services; or
 - d. No action at this time; maintain the existing MOA with DSFPD.
3. Provide direction on the following options to support fire protection and emergency response services in the San Diego County Fire Protection District:
- a. Provide a paramedic fire engine in Pauma Valley and East Otay Mesa, and a paramedic squad along the Highway 94 corridor within SDCFPD effective Fiscal Year 2025-26. (\$3,500,000); or
 - b. Direct the Chief Administrative Officer to explore a special tax ballot measure for enhanced fire protection and emergency response services, and return to the Board of Supervisors with the necessary actions. Provide County staff with the intended boundary and scope, which would include SDCFPD; or
 - c. No action at this time.

EQUITY IMPACT STATEMENT

The San Diego County Fire Protection District (SDCFPD) serves residents in some of our region’s most isolated communities with low Healthy Place Index scores. Rural communities include lower-income households, tribal nations, and residents experiencing health disparities that necessitate the usage of emergency medical services. If the Board of Supervisors (Board) takes action to increase SDCFPD resources, additional firefighting personnel will be provided to further support and respond to calls related to medical emergencies, structural fires, and local emergencies. Valley Center Fire Protection District (VCFPD) and Deer Springs Fire Protection District (DSFPD) both receive a disproportionately lower share of property tax revenue in comparison to other fire protection districts. If the Board takes action to increase revenue to VCFPD and DSFPD, the financial sustainability of these districts would be bolstered, and it would create an opportunity to further enhance the level of service to the community.

SUSTAINABILITY IMPACT STATEMENT

If the Board of Supervisors approves additional funding for the San Diego County Fire Protection District, the investment would be focused in chronically underserved communities. Additional revenue for the Deer Springs and Valley Center Fire Protection Districts would help build resilience in communities in the unincorporated areas.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year 2024-25 Operational Plan for San Diego County Fire. There is no fiscal impact in Fiscal Year 2024-25.

Option 1a would transfer property taxes to Valley Center FPD and decrease the County's share of available General Purpose Revenue by approximately \$1.5 million annually, plus approximately 3.8% of the annual growth beginning in Fiscal Year 2025-26.

Option 1b would result in additional costs of approximately \$600,000 to the San Diego County Fire Protection District beginning in Fiscal Year 2025-26. There is no available funding identified for this cost and therefore will result in reduction of General Purpose Revenue allocated to Public Safety Group departments, including County Fire, to fund this option.

Option 2a would transfer property taxes to Deer Springs FPD and decrease the County's share of available General Purpose Revenue by approximately \$1.2 million annually, plus approximately 3.9% of the annual growth beginning in Fiscal Year 2025-26, and the existing MOA with DSFPD would be reduced by approximately \$700,000.

Option 3a would result in additional costs of \$3.5 million to the San Diego County Fire Protection District beginning in Fiscal Year 2025-26. There is no available funding identified for this cost and therefore will result in reduction of General Purpose Revenue allocated to Public Safety Group departments, including County Fire, to fund this option

If the Board were to select options 1c, 2b, and/or 3b, a special benefit fee, if passed by the voters, would provide funding to SDCFPD and possibly other fire agencies, depending on the jurisdictions included in a ballot measure. Staff would identify any related ballot measure costs and return to the Board for approval if one of these options is selected.

There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Desmond, seconded by Supervisor Anderson, the Board of Supervisors took the following actions:

Provided direction on the following options to support fire protection and emergency response services.

1. Valley Center Fire Protection District (VCFPD): Selected Option 1A

- a. Pursue an increase in the VCFPD property tax allocation to 6% effective Fiscal Year 2025-26. Direct the Chief Administrative Officer to return to the Board of Supervisors with a resolution and take other necessary steps to complete a property tax reallocation following VCFPD holding a public hearing to consider the effect of the proposed transfer (\$1,500,000).

2. Deer Springs Fire Protection District (DSFPD): Selected Option 2A

- a. Pursue an increase in the DSFPD property tax allocation to 6%, effective Fiscal Year 2025-26, and modify the existing MOA to cover a portion of the staffing and other costs related to the North Regional Urban Search and Rescue Unit. Direct the Chief Administrative Officer to return to the Board of Supervisors with a resolution and take other necessary steps to complete a property tax reallocation following DSFPD holding a public hearing to consider the effect of the proposed transfer (\$1,200,000 and a reduction of approximately \$700,000 to the existing MOA).

3. San Diego County Fire Protection District: Selected Option 3A

- a. Provide a paramedic fire engine in Pauma Valley and East Otay Mesa, and a paramedic squad along the Highway 94 corridor within SDCFPD effective Fiscal Year 2025-26. (\$3,500,000).

AYES: Vargas, Anderson, Montgomery Steppe, Desmond

ABSTAINED: Lawson-Remer

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter