



San Diego County Flood Control District

GOVERNING BODY

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: July 17, 2024

FL04

TO: Flood Control Board of Directors

SUBJECT

PUBLIC HEARING TO CONFIRM FISCAL YEAR 2024-25 LEVIES FOR PERMANENT ROAD DIVISION ZONES, COUNTY SERVICE AREAS AND ZONES, SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ZONES, AND STORMWATER MAINTENANCE ZONES (DISTRICTS: ALL)

OVERVIEW

Special districts are created by residents of a community to deliver specialized services the local County or City does not provide. There are a variety of special districts, and each type is governed under different State laws. The County of San Diego (County), San Diego County Flood Control District (Flood Control District), and San Diego County Fire Protection District (Fire District) use special districts as a funding mechanism to provide services, such as fire protection, flood control protection, private road and landscape maintenance, parks, emergency communication, and paramedic services, across the unincorporated region and in six cities (Del Mar, Solana Beach, Encinitas, Santee, and portions of Poway and San Diego) in San Diego county.

Services are primarily funded by property owners through assessments or special taxes that are collected through annual property tax bills, reducing the cost to ratepayers by eliminating the administrative costs from annual billing and payment collection. District boundaries were established at the time of formation by voters or as a condition of development. Services are primarily funded by parcels within each district's boundaries. The method for calculating how much each parcel pays varies based on the type of district and ordinances adopted when the districts were formed. The most common method for calculating the rate per parcel is based on a variety of factors, including land use, parcel acreage, or use type (single-family or multi-family). The assessments or special taxes cannot exceed the maximum amount in the adopted ordinance without an additional vote of the affected community. At the time of formation, some of the ordinances included cost escalators, tied to a specific cost index, to allow special districts to increase the maximum rate each year to keep pace with inflation. The most commonly used cost indices are the Consumer Price Index (CPI) which measures the cost of consumer goods, and the Construction Cost Index (CCI) which measures the cost of construction materials and labor.

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Board of Supervisors Policy B-29: *Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery* (Board Policy B-29) directs departments to recover the full cost of services provided to agencies or individuals. Staff reviewed each district to determine if revenues were adequate for services or if rates should be increased or decreased based on the budget. Staff determined that the proposed rates for Fiscal Year (FY) 2024-25 are needed to fund services and to ensure compliance with Board Policy B-29. Rates are also necessary to maintain financial reserves to fund future services, facility repairs, improvements, or replacements. All proposed rates are in accordance with Articles XIII A-D of the California Constitution (Proposition 218), as amended to date. All proposed rates are within the maximum rates set forth in each district's adopted ordinance; and therefore, do not require voter approval from affected property owners. Under Proposition 218, voters must approve special district formations and the maximum amount that can be collected from property owners. Without the funds generated by assessments, services would be reduced, and maintenance would be deferred.

Permanent Road Division Zones (County District)

There are 67 Permanent Road Division (PRD) Zones managed by the County Department of Public Works (DPW). Forty-nine of the 67 PRD Zones levy property owner assessments or special taxes. The 18 PRD Zones that do not levy an assessment or special tax are funded by a portion of annual countywide property tax revenues that was allocated by formula to special districts as a result of Proposition 13 (1978) and subsequent legislation, including Assembly Bill 8 (1979). The revenue these PRD Zones receive is adequate for services planned in FY 2024-25. Private road maintenance services funded by these PRD Zones are provided in multiple unincorporated communities. The amount each parcel is charged is determined by factors such as the type of land use, parcel size, and the number of dwelling units, which is represented by "benefit units." Benefit units are used to quantify the specific level of benefit each parcel receives from the services. Rates will remain the same in 45 of the 49 PRD Zones that levy property owner assessments or special taxes. Four proposed rate increases will fund multi-year maintenance plans for road resurfacing, culvert repairs, and future road replacements. One PRD Zone will have a rate increase based on voter approval. Three PRD Zones will have rate increases based on their approved cost escalators. The approved cost escalator for the three PRD Zones is the Los Angeles Construction Cost Index (CCI), which measures construction labor and materials costs and is frequently used to account for inflation for construction projects in the San Diego region, as Los Angeles is the closest region to have a CCI for these zones. The four (4) proposed rate increases are:

1. PRD Zone 104–Artesian Road is located in the unincorporated community of San Dieguito (District 3). The proposed rate will increase from \$9.00 to \$85.00 per benefit unit based on a property owner-approved rate increase, with the average single-family residence assigned 13.3 benefit units, or \$1,130.50 annually. The current revenues are insufficient to fund recommended and community supported maintenance and repairs. The additional revenue will help fund planned pavement repairs and ongoing road and culvert maintenance to maintain the roads and culverts in good condition.

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2. PRD Zone 117–Legend Rock is located in the unincorporated community of Hidden Meadows (District 5). The proposed special tax will increase from \$1,586.54 to \$1,730.28 per parcel, based on the voter approved cost escalator. The increase is due to inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. Additional revenue will provide funding for planned road and culvert maintenance at current costs.
3. PRD Zone 133–Ranch Creek Road is located in the unincorporated community of Valley Center (District 5). The proposed rate will increase from \$1,595.64 to \$1,740.20 based on the voter approved cost escalator, with a single-family residence assigned one and a quarter benefit unit, for a total of \$2,175.26 annually. The increase is due to inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. Additional revenue will provide funding for planned road and culvert maintenance at current costs.
4. PRD Zone 1017–Kalbaugh/Haley/Toub Streets is located in the unincorporated community of Ramona (District 2). The proposed rate will increase from \$277.34 to \$302.47 based on a voter approved cost escalator, with a single-family residence assigned two benefit units, for a total of \$604.93 annually. The increase is due to inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. Additional revenue will provide funding for ongoing road maintenance at current costs.

County Services Areas (County District)

There are 10 County Services Areas (CSA) funded by assessments that are managed by multiple County departments based on the services provided. CSAs provide maintenance and operations for parks, landscaping, flood control, open space management, and emergency medical/paramedic services in multiple unincorporated communities and six incorporated cities (Del Mar, Solana Beach, Encinitas, Santee, and portions of Poway and the City of San Diego). Rates will remain the same in six of the 10 CSAs that levy assessments because revenues can fully fund planned services. The approved cost escalator for CSAs is the San Diego Consumer Price Index (CPI), which is based on a broad range of labor costs, goods, and services. Four rate increases are proposed, which are based on the voter-approved San Diego CPI increase of 3.80%:

1. CSA 83A–San Dieguito Local Parks District is managed by the Department of Parks and Recreation and provides park amenities and services in the unincorporated community of 4S Ranch (District 2). The proposed rate will increase from \$148.84 to \$154.49 per single-family residence. The increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023, with a voter-approved maximum cost escalator of 5%. It is anticipated that the additional revenue will be sufficient to fund increased costs for park maintenance and operations for FY 2024-25.
2. CSA 17–San Dieguito Emergency Medical Services is managed by San Diego County Fire and provides services to the cities of Del Mar, Solana Beach, Encinitas, and the City of San Diego communities of Del Mar Heights, and Del Mar Terrace, the unincorporated communities of Rancho Santa Fe, 4S Ranch, and a portion of Elfin Forest. (Districts 2 &

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3). The proposed maximum annual special tax will increase from \$36.69 to \$38.08 per single-family residence. The increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023. The additional revenue will ensure the CSA has adequate working capital.

3. CSA 26 Zone A–Cottonwood Village is managed by DPW and provides open space fire-fuel management and landscape maintenance services in the unincorporated community of Rancho San Diego (District 4). The proposed rate will increase from \$112.00 to \$116.26, per average single-family residence. The rate increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023. The increase will ensure the CSA can fund annual fire-break services and maintain adequate working capital.
4. CSA 26 Zone B–Monte Vista is managed by DPW and provides landscape maintenance services in the unincorporated community of Rancho San Diego (District 4). The proposed rate will increase from \$199.44 to \$200.00 per single-family residence. The 0.28% rate increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023 and the district’s maximum rate of \$200.00. The increase will ensure the CSA can fund routine landscape maintenance services and maintain adequate working capital.

San Diego County Fire Protection District (Fire District)

There are 10 zones in the San Diego County Fire Protection District funded by assessments or special taxes managed by San Diego County Fire that provide funds to supplement the cost of fire protection and emergency medical services across multiple unincorporated communities. Rates will remain the same in nine of the 10 zones that levy assessments or special taxes because revenues are adequate to fully fund services; in addition, there is no voter approved cost price escalator for these nine zones. One rate increase is being proposed:

1. Fire District–Palomar Mountain provides services within the unincorporated community of Palomar Mountain (District 5). The proposed maximum annual special tax will increase from \$175.61 to \$180.88 per single-family residence. The increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023, with a voter approved maximum cost escalator of 3%. The additional revenue will be used to fund firefighting personnel and fire protection equipment and apparatus.

Flood Control District Stormwater Maintenance Zones (Flood Control District)

There are three Stormwater Maintenance Zones (SMZ) funded by assessments managed by the Flood Control District in DPW that provide maintenance of flood control facilities in multiple unincorporated communities. Rates will remain the same in two of the three zones that levy assessments because revenues can fully fund planned services. One rate increase is being proposed:

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1. SMZ No. 4-4249-3-Lake Rancho Viejo is located in the unincorporated community of Fallbrook (District 5). The proposed special tax will increase from \$351.12 to \$405.65 per single-family residence, based on the voter approved cost escalator. The increase is due to inflation, based on a 15.53% escalation in the Los Angeles CCI from September 2022 to September 2023. The additional revenue will be used to provide funding for planned stormwater facility maintenance and operations.

This is a request for the Board to adopt resolutions to confirm assessments and special taxes and authorize levies for the 72 special districts administered by the County, the Fire District, and the Flood Control District. Upon adoption, the assessments and special taxes will be placed on the tax roll for FY 2024-25. These actions are discretionary after consideration of public testimony.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Find that the proposed activity is not a project subject to review under the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3), as activities outlined in CEQA Guidelines Section 15378, such as the establishment of government funding mechanisms without a commitment to any particular project, are exempt from CEQA review under Section 15378(b)(4) because the activity is the establishment of government funding mechanisms without a commitment to any particular project which may result in a significant impact on the environment.
2. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO ACTING AS THE GOVERNING BODY OF SAN DIEGO COUNTYWIDE PERMANENT ROAD DIVISION NO. 1000 ZONES, ADOPTING ASSESSMENTS AND SPECIAL TAXES AND CONFIRMING REPORTS RE: LEVIES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT A)
3. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO ACTING AS THE GOVERNING BODY OF COUNTY SERVICE AREAS CSA 26A–COTTONWOOD VILLAGE AND CSA 26B–MONTE VISTA, ADOPTING ASSESSMENTS AND CONFIRMING REPORTS RE: LEVIES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT B)
4. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO ACTING AS THE GOVERNING BODY OF COUNTY SERVICE AREA CSA 136–SUNDANCE DETENTION BASIN, ADOPTING ASSESSMENTS AND CONFIRMING REPORTS RE: LEVIES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT C)

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5. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO ACTING AS THE GOVERNING BODY OF COUNTY SERVICE AREA NO. 26–RANCHO SAN DIEGO LOCAL PARK DISTRICT, COUNTY SERVICE AREA NO. 128–SAN MIGUEL LOCAL PARK DISTRICT, COUNTY SERVICE AREA NO. 83, ZONE A–SAN DIEGUITO LOCAL PARK DISTRICT 4S RANCH, ADOPTING CHARGES AND CONFIRMING REPORTS RE: LEVIES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT D)
6. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO ACTING AS THE GOVERNING BODY OF COUNTY SERVICE AREA NO. 135, ZONES B–DEL MAR, H–SOLANA BEACH, AND F–POWAY, ADOPTING LEVIES AND CONFIRMING REPORTS RE: SPECIAL TAXES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT E)
7. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO ACTING AS THE GOVERNING BODY OF COUNTY SERVICE AREA NO. 17–SAN DIEGUITO EMERGENCY MEDICAL SERVICES DISTRICT, ADOPTING LEVIES AND CONFIRMING REPORTS RE: SPECIAL TAXES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT F)

Acting as the Board of Directors, San Diego County Fire Protection District:

1. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ACTING AS THE GOVERNING BODY OF THE SPECIAL ASSESSMENT SERVICE ZONES, ADOPTING SPECIAL ASSESSMENTS AND CONFIRMING REPORTS RE: SPECIAL ASSESSMENTS TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT G)

Acting as the Board of Directors, San Diego County Flood Control District:

1. Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FLOOD CONTROL DISTRICT ACTING AS THE GOVERNING BODY OF STORMWATER MAINTENANCE ZONES 3-4978-1 BLACKWOLF, 4-4249-3 LAKE RANCHO VIEJO, AND 3-5142-1 PONDEROSA, ADOPTING ASSESSMENTS AND CONFIRMING REPORTS RE: LEVIES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT H)

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EQUITY IMPACT STATEMENT

Today’s action continues the County’s commitment to providing programs and services that enhance our communities. Assessments and special taxes fund services that include fire protection, flood control protection, private road maintenance, landscaping, parks, emergency communication, and paramedic services which improve the health and safety of our local communities.

SUSTAINABILITY IMPACT STATEMENT

Today’s action to confirm special district assessments and taxes supports economic stability, promotes the health and well-being of citizens, and provides equitable access to County services. Maintaining roads in a timely manner prevents more costly maintenance in the future, contributing to economic sustainability. Fire protection, flood control protection, emergency communication and paramedic services protect the health and well-being of citizens and their properties. County parks provide citizens equitable access to outdoor recreation and nature opportunities. This action will help maintain a strong and resilient community.

FISCAL IMPACT

The proposed assessment revenues are included in Fiscal Year (FY) 2024-25 Operational Plan for the Departments of Public Works (DPW), Department of Parks and Recreation (DPR), Sheriff’s Department, San Diego County Fire (County Fire), San Diego County Flood Control District (Flood Control District), and the San Diego County Fire Protection District (Fire District). The proposed rate increases for 10 special districts will result in increases in revenue from property owner assessments of \$168,502 for DPW, \$75,098 for County Fire, \$92,012 for DPR, \$2,145 for the Fire District, and \$15,486.52 in total for the Flood Control District. There is no proposed change in rates for 62 special districts. The funding source is the assessment levies on property owners within the identified districts. There will be no change in net General Fund cost and no additional staff years.

If the Board of Supervisors, acting on behalf of the County and other independent districts, does not adopt the resolutions, the proposed assessments and special taxes cannot be placed on the tax rolls for FY 2024-25. Without the funds generated by assessments, services for flood control protection, private road maintenance, parks, and landscape services would be reduced, and maintenance would be deferred. Fund balance would be leveraged to fill the gap for public safety communications systems, structural fire protection, and emergency medical services, which would impact the funding available for working capital.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

Special districts are created by residents of a community to deliver specialized services the local County or City does not provide. Some special districts are large; many are very small, all serving diverse regions of the county, including incorporated cities. There are a variety of special districts, and each type is governed under different State laws. The County of San Diego (County), Flood Control District, and Fire District use special districts as a funding mechanism to provide services, such as fire protection, flood control protection, private road and landscape maintenance, parks, emergency communication, and paramedic services across the unincorporated region and six incorporated cities in San Diego County (Del Mar, Solana Beach, Encinitas, Santee, and portions of Poway and San Diego).

Services are primarily funded by property owners through assessments or special taxes that are collected through annual property tax bills, reducing the cost to ratepayers by eliminating the administrative costs from annual billing and payment collection. District boundaries were established at the time of formation by voters or as a condition of development. The method for calculating how much each parcel pays varies based on the type of district and ordinances adopted when the districts were formed. The most common methods are based on a variety of factors, including land use, parcel acreage, or use type (single-family or multi-family), which are represented as benefit units. Benefit units are assigned to each parcel based on the factors adopted in the ordinance and used to quantify the specific level of benefit each parcel receives. At the time of formation, some of the ordinances included cost escalators, tied to a specific cost, to allow special districts to increase the maximum rate each year to keep pace with inflation. The most commonly used cost indices are the Consumer Price Index (CPI), which measures the cost of consumer goods, and the Construction Cost Index (CCI) which measures the cost of construction materials and labor.

All proposed rates are in accordance with Articles XIII A-D of the California Constitution (Proposition 218), as amended to date and are within the maximum rates set forth in each district's adopted ordinance,¹ and therefore do not require voter approval from affected property owners. Under Proposition 218 (The Right to Vote on Taxes Act), which was approved by the California voters on November 6, 1996, voters must approve special district formations, the maximum amount that can be collected from property owners, and an increase in property-based fees above the rate approved by voters. Without the funds generated by assessments, services would be reduced, and maintenance would be deferred.

Board Policy B-29: *Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery* (Board Policy B-29) directs all County departments to recover the full cost for services. This Policy ensures there are sufficient revenues to pay for services. District rates were reviewed to confirm if increases are needed or if rates could be reduced. Staff determined that the proposed

¹ https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CONS&article=XIII%20D

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rates for FY 2024-25 are needed to fund the costs of all services in accordance with Board Policy B-29. A list of all districts and proposed rates are included in Attachment I.

To levy the assessments or special taxes on the annual property tax bills, a public hearing is required to approve the rates. In the County, property taxes are due in two installments. The first installment is due in November and the second installment is due in February. This item is to confirm Fiscal Year (FY) 2024-25 levies for 72 special districts administered by the County, Fire District, and Flood Control District. Levies will be collected in the following Supervisorial Districts.

The following table shows the type of special district by Supervisorial District.

Board of Supervisors District	Permanent Road Division	County Service Area	Fire Protection District	Stormwater Maintenance Zone	Totals
1	-	1	-	-	1
2	21	3	5	2	31
3	4	2	-	-	6
4	5	2	-	-	7
5	19	-	2	1	22
1 & 2	-	-	1	-	1
2 & 3	-	1	-	-	1
2 & 4	-	1	-	-	1
2 & 5	-	-	2	-	2
Total Districts	49*	10*	10	3	72*
Districts with Proposed Increases	4	4	1	1	10
Total Parcels	5,872	113,508	9,260	342	128,982

*Two County Service Areas and 18 Permanent Road Division Zones do not currently levy assessments or special taxes and do not propose to levy in Fiscal Year 2024-25.

Department of Public Works Permanent Road Division Zones (Districts 2, 3, 4 & 5)

Permanent Road Division (PRD) Zones are special districts that provide private road maintenance services and are governed under Streets and Highways Code Section 1160, et seq. Prior to 1998, County Service Areas (CSA) were used as a funding mechanism for property owners to pay for private road maintenance. The County’s PRD Program was approved by the Board of Supervisors (Board) on February 17, 1998 (20). On June 21, 2000 (18), the Board formed the Countywide PRD No. 1000, and each of the existing private road maintenance CSAs became separate zones within the countywide PRD. The County’s PRD Program is administered by the Department of Public Works (DPW) and provides maintenance of approximately 100 miles of private roads in multiple unincorporated communities. Regular road maintenance helps keep the overall repair costs down, protects the residents’ investments in their properties, and enhances road safety by providing maintained access to homes and the community.

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Each PRD Zone is full cost recovery and does not receive County General Purpose Revenue. To maintain fiscal stability, DPW staff communicate annually with property owners to review road conditions, recommended maintenance plans, and prepare budgets. Most of the approved ordinances do not include a cost escalator index. If additional funding is needed, DPW conducts outreach to property owners through mailings and public meetings to discuss options for funding the recommended maintenance plans.

There are 67 PRD Zones managed by DPW, including 49 PRD Zones that levy property owner assessments or special taxes. The 18 PRD Zones that do not levy an assessment or special tax are funded by a portion of annual countywide property tax revenues that was allocated by formula to special districts as a result of Proposition 13 (1978) and subsequent legislation, including Assembly Bill 8 (1979). The revenue these PRD Zones receive is adequate for services planned in FY 2024-25.

Rates will remain the same in 45 of the 49 PRD Zones that levy assessments or special taxes. Services include proactive maintenance including road resurfacing; road, culvert, and slope safety repairs; and future road replacement. The amount each parcel is charged is determined by factors such as the type of land use, parcel size, and the number of dwelling units (represented by “benefit units”). Staff is proposing four rate increases to fund multi-year maintenance plans and establish emergency reserves:

- 1. PRD Zone 104–Artesian Road (District 3):** PRD Zone 104–Artesian Road maintains 1.77 miles of road, includes 133 parcels, and is located in the unincorporated community of San Dieguito (District 3). The proposed rate will increase from \$9.00 to \$85.00 per benefit unit based on a property owner-approved rate increase, with the average single-family residence assigned 13.3 benefit units, or \$1,130.50 annually. The proposed rate will result in additional revenues of \$135,888 which will provide funding for planned road and culvert maintenance. The current revenues are insufficient to fund recommended and community supported maintenance and repairs. Without the additional revenue, maintenance will be deferred and road conditions will deteriorate which will result in future more-costly repairs.
- 2. PRD Zone 117–Legend Rock (District 5):** PRD Zone 117–Legend Rock maintains 1.75 miles of road, includes 112 parcels, and is located in the unincorporated community of Hidden Meadows (District 5). The proposed maximum annual special tax will increase from \$1,586.54 to \$1,730.28 per parcel with a single-family residence charged \$1,730.28 annually. The increase is due to rising inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. The proposed rate will result in additional revenues of \$15,093 which will provide funding for planned road and culvert maintenance. Without the additional revenue, maintenance will be deferred and road conditions will deteriorate which will result in future more-costly repairs.

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- 3. PRD Zone 133–Ranch Creek Road (District 5):** PRD Zone 133–Ranch Creek Road maintains 0.71 miles of road, includes 25 parcels, and is located in the unincorporated community of Valley Center (District 5). The proposed maximum annual special tax will increase from \$1,595.64 to \$1,740.28, with the average single-family residence assigned one and a quarter benefit unit, or \$2,175.26 annually. The increase is due to rising inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. The proposed rate will result in additional revenues of \$4,337 which will provide funding for planned road and culvert maintenance. Without the additional revenue, maintenance will be deferred and road conditions will deteriorate which will result in future more-costly repairs.
- 4. PRD Zone 1017–Kalbaugh/Haley/Toub Streets (District 2):** PRD Zone 1017–Kalbaugh/Haley/Toub Streets maintains 0.97 miles of road, includes 59 parcels, and is located in the unincorporated community of Ramona (District 2). The proposed maximum annual special tax will increase from \$277.34 to \$302.47, with a single-family residence assigned two benefit units, or \$604.93 annually. The increase is due to rising inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. The proposed rate will result in additional revenues of \$2,990 which will provide funding for ongoing road maintenance. Without the additional revenue, maintenance will be deferred and road conditions will deteriorate which will result in future more-costly repairs.

County Service Areas and Stormwater Maintenance Zones (County District)

County Service Areas (CSAs) provide a variety of services including park and landscape maintenance, flood control/stormwater management facilities, emergency medical services, and regional emergency communication services. The CSAs were formed under Government Code Section 25210, et seq. or the predecessor Government Code to these sections.² The CSAs are detailed in the next sections, organized by managing department.

Department of Parks and Recreation CSAs (Districts 1, 2, 3 & 4)

The Department of Parks and Recreation (DPR) manages three CSAs that levy assessments to fund park operations and maintenance. The CSAs are full cost recovery and do not receive County General Purpose Revenue. The proposed annual assessment will remain at the current rate for CSA 26 in the unincorporated community of Rancho San Diego (District 2 & 4) and CSA 128 in the unincorporated community of Spring Valley (District 1) because current revenues can fully fund planned services. There is not an approved escalator index for the two districts; however, both

²Government Code Sections 25215.4 and 25215.5 authorize the collection of charges on the tax roll and Government Code Section 25210.3(d) authorizes the collection of charges on the tax roll for ordinances adopted prior to January 1, 2009. In 2009, the authority to collect CSA assessments on the tax roll was moved within the Government Code. Today's action includes assessments that are collected pursuant to ordinances that were adopted under former Government Codes but remain valid under Government Code Section 25210.3(d). The County has retained the reference to Sections 25215.66a and 25210.77a in the resolutions establishing the annual assessments to help explain the origin of the authority to collect on the tax roll.

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have additional sources of revenue, including park user fees, which allow DPR to maintain service levels. Staff is proposing one rate increase:

1. **CSA 83 San Dieguito Local Parks District Zone A (District 3):** CSA 83 San Dieguito Local Parks District Zone A (CSA 83A) includes 4,960 parcels and is located in the unincorporated community of 4S Ranch (District 3). The proposed maximum annual assessment rate will increase from \$148.84 to \$154.49 per single-family residence. The increase is due to rising inflation, based on a 3.80% escalation in the San Diego CPI for 2023, with a voter approved maximum cost escalator of 5%. The proposed rate will result in additional revenues of \$92,012 which will be used to fund increased costs for water utilities and staff at 4S Ranch parks, including the Sports Park, Community Park, Homestead Park, Heritage Park, Patriot Park, and Liberty Park. Without the additional revenue, maintenance will be deferred which will result in future more-costly repairs.

Sheriff’s Department CSAs (Districts 2 & 3)

CSA 135 has three zones that are managed by the Sheriff’s Department that levy assessments to fund access to the 800 MHz (radio) Regional Communications system for public safety in the cities of Del Mar, Poway, and Solana Beach (Districts 2 & 3). The system provides radio communications to public service agencies. The zones are full cost recovery and do not receive County General Purpose Revenue. There are no approved escalator indexes for the three CSAs. The proposed annual assessment will remain at the current rate and funding is adequate for services planned in FY 2024-25.

San Diego County Fire CSAs (Districts 2 & 3)

The San Diego County Emergency Medical Services Office in San Diego County Fire administers one CSA that levies assessments to fund emergency medical (paramedic) services in the cities of Del Mar, Solana Beach, Encinitas, and the City of San Diego communities of Del Mar Heights and Del Mar Terrace, the unincorporated communities of Lakeside, Rancho Santa Fe, 4S Ranch, and a portion of Elfin Forest (Districts 2 & 3). The CSA is funded with property owner assessments and user transport fees and does not receive County General Purpose Revenue or other forms of ongoing revenue. Staff is proposing a rate increase in the CSA to fund increased contractor costs:

1. **CSA 17–San Dieguito Emergency Medical Services (Districts 2 & 3):** CSA 17–San Dieguito Emergency Medical Services includes 56,155 parcels and serves the cities of Del Mar, Solana Beach, Encinitas, the City of San Diego communities of Del Mar Heights and Del Mar Terrace, the unincorporated communities of Rancho Santa Fe, 4S Ranch, and a portion of Elfin Forest (Districts 2 & 3). The proposed maximum annual special tax will increase from \$36.69 to \$38.08 per single-family residence. The increase is due to rising inflation, based on a 3.80% escalation in the San Diego CPI for 2023, which is the voter-approved escalation index. The proposed rate will result in additional revenues of \$75,098 which will fund ongoing emergency medical services. Without the additional revenue, the fund balance would be leveraged to continue services, which would impact funding available for working capital.

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Department of Public Works CSAs (District 4)

DPW manages two CSAs that levy assessments to fund open space fire-fuel management and landscape maintenance services. The CSAs are funded with property owner assessments and do not receive County General Purpose Revenue. Staff is proposing two rate increases:

1. **CSA 26 Zone A–Cottonwood Village (District 4):** CSA 26 Zone A–Cottonwood Village (CSA 26A) includes 1,327 parcels and is located in the unincorporated community of Rancho San Diego (District 4). Property owner assessments fund open space fire-fuel management and landscape maintenance services. The proposed FY 2024-25 rate will increase from \$112.00 to \$116.26, with the average single-family residence assigned one benefit unit or \$116.26 annually. The increase is due to rising inflation, based on a 3.80% escalation in the San Diego CPI for 2023. The formation document of CSA 26A allows for the annual assessment rate to be increased within the voter-approved maximum rate of \$200. The proposed rate will result in additional revenues of \$9,806 which will be used to fund fire-break services and maintain current service levels. Without the additional revenue, fund balance would be leveraged to fill the gap, which would impact funding available for working capital, and could result in deferred maintenance and reduced services.
2. **CSA 26 Zone B–Monte Vista (District 4):** CSA 26 Zone B–Monte Vista (CSA 26B) includes 704 parcels and is located in the unincorporated community of Rancho San Diego (District 4). Property owner assessments fund open space management and landscape maintenance services. The proposed FY 2024-25 rate will increase from \$199.44 to \$200.00, with the average single-family residence assigned one benefit unit or \$200.00 annually. The increase is due to rising inflation, based on a 3.80% escalation in the San Diego CPI for 2023 and the district’s maximum rate. The formation document of CSA 26B allows for the annual assessment rate to be increased within the voter-approved maximum rate of \$200. Because applying the San Diego CPI would result in a rate greater than the maximum rate, the new rate will be the maximum rate. The proposed rate will result in additional revenues of \$388.70 which will be used to maintain current landscape maintenance service levels. Without the additional revenue, fund balance would be leveraged to fill the gap, which would impact funding available for working capital, and could result in deferred maintenance and reduced services.

San Diego County Fire Protection District (Fire District) (Districts 2 & 5)

The San Diego County Fire Protection District (Fire District) provides comprehensive fire protection and emergency medical services across 1.73 million acres to over 40 unincorporated communities through 39 fire stations and over 500 first responders. The Fire District manages ten zones that collect special assessments for structural fire protection and emergency medical services. The zones are full cost recovery and additional fire protection services are provided within the Fire Districts through a General-Purpose Revenue funded contract with the California Department of Forestry and Fire Protection (CAL FIRE). The proposed annual assessment will

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remain at the current rate for nine of the service zones because they do not include a voter-approved escalator. Staff is proposing one rate increase:

1. **Fire District–Palomar Mountain (District 5):** Fire District–Palomar Mountain includes 808 parcels and serves the unincorporated community of Palomar Mountain (District 5). The proposed maximum annual special tax will increase from \$175.61 to \$180.88 per single-family residence. The increase is due to rising inflation, based on a 3.80% escalation in the San Diego CPI index for 2023, resulting in an increase of 3%, the maximum amount established by the ordinance. The proposed rate will result in additional revenues of \$2,145 which will be used to maintain service levels and includes funding for firefighting personnel and fire protection equipment and apparatus. Without the additional revenue, fund balance would be leveraged to fill the gap, which would impact funding available for working capital, and could result in deferred equipment purchases and reduced services.

San Diego County Flood Control District (Flood Control District) (Districts 2 & 5)

The San Diego County Flood Control District (District) maintains one CSA and three Stormwater Maintenance Zones (SMZs)³ that fund the maintenance of flood control facilities and water quality detention basins in the communities of Alpine, Fallbrook and Lakeside (Districts 2 & 5). The CSA and SMZs are funded with property owner assessments and do not receive County General Purpose Revenue. The proposed FY 2024-25 annual assessment will remain at the current rates for two of the three SMZs and one CSA as revenues can fully fund planned services in FY 2024-25. Staff is proposing one rate increase:

1. SMZ No. 4-4249-3-Lake Rancho Viejo is located in the unincorporated community of Fallbrook (District 5). The proposed special tax will increase from \$351.12 to \$405.65 per single-family residence, based on the voter approved cost escalator. The increase is due to inflation, based on a 15.53% escalation in the Los Angeles CCI from September 2022 to September 2023. The additional revenue will be used to provide funding for planned stormwater facility maintenance and operations.

Special Districts Not Included in Today’s Action

There are 18 PRD Zones administered by DPW and two (2) CSAs administered by DPR that do not currently levy assessments or special taxes. These special districts are funded with a portion of annual countywide property tax revenues that was allocated by formula to special districts as a result of Proposition 13 (1978) and subsequent legislation, including Assembly Bill 8 (1979)⁴. The revenue these PRD Zones and CSAs receive is adequate for services planned in FY 2024-25.

³ Section 17.5 of the San Diego County Flood Control District Act (West’s Code App 105.1, et seq.) authorizes the formation of SMZs to provide ongoing maintenance and administration of stormwater management facilities required by private developments.

⁴ Prop 8 allocation information: <https://www.sandiegocounty.gov/auditor/pdf/apportionment101.pdf>

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ENVIRONMENTAL STATEMENT

Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines provides that activities defined in CEQA Guidelines Section 15378 are not projects subject to CEQA review. Section 15378(b)(4) provides that the creation of government funding mechanisms that do not involve a commitment to a project that may have a significant impact on the environment are not projects subject to CEQA review. The proposed activity consists of the confirmation and approval of annual levies for the purpose of providing a variety of services such as road maintenance, park and landscape maintenance, fire protection, flood control/stormwater management facilities, emergency medical services, and regional emergency communication services. The activity includes funding of ongoing operations without a commitment to a specific project and hence is not a project subject to CEQA review.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed actions to confirm levies to be placed on the tax rolls support the Community and Sustainability Initiatives in the County of San Diego’s (County) 2024-2029 Strategic Plan by providing funding to maintain fiscal stability of the Permanent Road Division Zones, County Service Areas and Zones, Fire Protection District Zones, and Stormwater Maintenance Zones. Services funded through special districts enhance the safety of our communities and increase the well-being of County residents and visitors.

Respectfully submitted,



AMY HARBERT
Interim Deputy Chief Administrative Officer

ATTACHMENT(S)

- Resolution of the Board of Supervisors of the County of San Diego, Acting as the Governing Body of San Diego Countywide Permanent Road Division No. 1000 Zones, Adopting Assessments and Special Taxes and Confirming Reports Re: Levies to be Collected on the Tax Roll for Fiscal Year 2024-25
- B. Resolution of the Board of Supervisors of the County of San Diego, Acting as the Governing Body of County Service Areas CSA 26A–Cottonwood Village and CSA 26B–Monte Vista, Adopting Assessments and Confirming Reports Re: Levies to be Collected on the Tax Roll for Fiscal Year 2024-25
- C. Resolution of the Board of Supervisors of the County of San Diego, Acting as the Governing Body of County Service Area CSA 136–Sundance Detention Basin, Adopting Assessments and Confirming Reports Re: Levies to be Collected on the Tax Roll for Fiscal Year 2024-25

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- D. Resolution of the Board of Supervisors of the County of San Diego, Acting as the Governing Body of County Service Areas No. 26–Rancho San Diego Local Park District, County Service Area No. 128–San Miguel Local Park District, County Service Area No. 83, Zone A–San Dieguito Local Park District 4S Ranch, Adopting Charges and Confirming Reports Re: Levies to be Collected on the Tax Roll for Fiscal Year 2024-25
- E. Resolution of the Board of Supervisors of the County of San Diego, Acting as the Governing Body of County Service Area No. 135, Zones B–Del Mar, H–Solana Beach, and F–Poway, Adopting Levies and Confirming Reports Re: Special Taxes to be Collected on the Tax Roll for Fiscal Year 2024-25
- F. Resolution of the Board of Supervisors of the County of San Diego, Acting as the Governing Body of County Service Areas No. 17–San Dieguito Emergency Medical Services District and No. 69–Heartland Paramedic Services District, Adopting Levies and Confirming Reports Re: Special Taxes to be Collected on the Tax Roll for Fiscal Year 2024-25
- G. Resolution of the Board of Directors of the San Diego County Fire Protection District Acting as the Governing Body of the Special Assessment Service Zones, Adopting Special Assessments and Confirming Reports Re: Special Assessments to Be Collected on the Tax Roll for Fiscal Year 2024-25
- H. Resolution of the Board of Directors of the San Diego County Flood Control District Acting as the Governing Body of Stormwater Maintenance Zones 3-4978-1 Blackwolf, 4-4249-3 Lake Rancho Viejo, and 3-5142-1, Ponderosa, Adopting Assessments and Confirming Reports Re: Levies to be Collected on the Tax Roll for Fiscal Year 2024-25
- I. Fiscal Year 2024-25 Rate Table for Permanent Road Division Zones, County Service Areas and Zones, and Stormwater Maintenance Zones