

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Request to Form or Annex to Assessment and Special Tax Districts for New Developments

**Policy  
Number**

I-112

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Purpose

To establish conditions under which the County will consider the formation of or annexation to assessment and special tax districts for new developments.

Background

The County Service Area Law (Government Code Sections 25210.1, et seq.), Permanent Road Division Law (Streets and Highways Code Sections 1160 through 1197), and the Landscape and Lighting Act of 1972 (Streets and Highways Code Sections 22500, et seq.) were enacted because residents and developers requested higher levels of service than normally provided by local agencies such as the County. Assessment and special tax districts (“Districts”) may be formed to provide certain services within a defined geographical area. Within these areas, assessments are levied on parcels through tax rolls, and funds accrued through these assessments are used by the County to provide specific services.

County Service Areas (CSAs) are used for special benefit areas and may provide maintenance of roads, street lights, landscaping, parks, or drainage facilities, as well as other services authorized by law, including fire-related services. Establishing a CSA requires a majority vote of the benefitting parcels.

Permanent Road Divisions (PRDs) are used for special or general benefit and provide maintenance of road related items including resurfacing, grading, paving, drainage structures, and roadway landscaping on private roads. Establishing a PRD requires a majority vote of the benefitting parcels for an assessment district or a two-thirds voter approval for a special tax district.

Landscape Maintenance Districts, established under the Landscape and Lighting Act of 1972, are used for special benefit areas and may provide for public lighting and landscaping as well as park and recreation acquisition and maintenance. Establishing a Landscape Maintenance District requires a majority vote of the benefitting parcels (See Board Policy J-37).

There is also a funding mechanism for general benefit areas called Community Facilities District, also known as a Mello Roos district, which provides for a variety of infrastructure and services (see Board Policy I-136).

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Proceedings to form or annex to a District may be initiated by the Board of Supervisors or by petition of benefiting property owners. Developers may request formation of or annexation to a District to provide or maintain public improvements connected with their projects as an alternative to using homeowners associations or other private funding. However, thorough discussions and determinations about the appropriate maintenance funding tool must take place between developers and County staff prior to drafting conditions of approval for any development project. The role of County staff is to protect both future property owners who must pay the assessment and taxpayers who could share liability for unfunded requirements. Therefore, it is important to separate public and private responsibility and provide guidelines for when Districts may be utilized for private developments. Districts are not tools to fund private maintenance requirements.

Policy

It is the policy of the Board of Supervisors that:

1. Districts may only be used to maintain public improvements on public property or easements dedicated to public use. Communal maintenance of private improvements or private property is provided through a homeowners association, maintenance agreement, or other mechanism.
2. A developer may request formation of or annexation to a District for maintenance of the following:
  - a. Private roads dedicated for public use.
  - b. Landscaping of slopes, parkways, or medians within public rights of way (see Board Policy J-37)
  - c. Public drainage facilities such as detention basins. (see Board Policy I-24)
  - d. Public park landscaping and/or facilities. (see Board Policy J-37)
  - e. Public safety or other public facilities allowed by law.
3. The developer must pay all costs to form or annex to the District, including, but not limited to, the preparation of an Engineer's Report by a third-party assessment engineering firm hired by the County; and the costs associated with ballot measures, if required, of the maximum levy rate, including a cost of living adjustment factor.

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4. The developer must construct all improvements to be maintained by the District in accordance with plans and specifications approved by the appropriate County department (or other public agency if applicable) responsible for administering the District.
5. The developer must deposit with the County sufficient funds to provide for the District's first year's maintenance and may be required to deposit additional funds, depending on the anticipated time before full assessments will be collected on the tax rolls.
6. Maintenance by the District will not begin until:
  - a. The public improvements and easements have been accepted by the County;
  - b. Landscaping, if any, has been satisfactorily established for two years; and
  - c. A maintenance contract has been awarded or other provision made for maintenance.
7. Prior to the County taking over maintenance, the developer will provide insurance naming the County an additional insured, and also enter into hold harmless and indemnification agreements with the County. Insurance requirements, hold harmless terms and indemnification language must be approved by the County.
8. No action under the provisions of this policy shall result in a negative impact on the amount of parkland available to the public. It is the policy of the Board to provide the maximum park acreage possible to the public.

Sunset Date

This policy will be reviewed for continuance by 12-31-23.

Board Action

03-16-88 (19)

06-15-93 (41)

11-17-99 (11)

08-07-02 (5)

02-24-10 (2)

12-14-16 (16)

CAO Reference

1. Department of Planning and Development Services
2. Department of Parks and Recreation
3. Department of Public Works
4. County Fire Authority