# COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

**BOARD OF SUPERVISORS**

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**DATE:** **June 24, 2026, and December 9, 2026** **07**

**TO:** **Board of Supervisors**

**SUBJECT**

**CALL A SPECIAL ELECTION TO LEVY SPECIAL TAX IN PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A PALA MESA ZONE A IN FALLBROOK AND RELATED CEQA EXEMPTION (DISTRICT: 5)**

**OVERVIEW**

A Permanent Road Division Zone (PRD Zone) is a district that provides property owners with a mechanism to pay for private road maintenance in a geographically defined area. There are 67 PRD Zones within the unincorporated county that provide maintenance of about 94 miles of roads that are not County-owned or maintained roads. There are 345 taxable parcels in the boundaries of Pala Mesa Zone A. Permanent Road Division Zone No. 13A – Pala Mesa Zone A is located within the Fallbrook community of the North County Metro Sub Region. The 5.77 miles of roads within Pala Mesa Zone A require maintenance and potential repairs to ensure safe access, and the existing assessment methodology for this PRD, which was established in the 1970s, is insufficient to fully fund these needs now and in the future.

PRD 13A currently collects approximately $150 per year from the average property, based on the PRD's longstanding Equivalent Benefit Unit structure. Staff has determined that this level of funding is not sufficient or sustainable to maintain the PRD's approximately 5.77 miles of private roads and associated infrastructure. On June 30, 2025, the Department of Public Works (DPW) conducted a Community Outreach event with the residents of PRD 13A. Notice of the meeting was provided to property owners, and staff presented multiple proposals outlining options for funding long-term road and drainage maintenance needs. The community feedback was mixed, reflecting a wide range of views on both the future structure and funding of PRD 13A. Subsequently, on February 2, 2026, an informal survey was mailed out to 355 property owners within PRD 13A. The purpose of the survey was to identify how much community support existed for a special tax of $1,786 per year. Staff received 138 responses, with 91 property owners (67%) responding that they would vote yes to an increased rate of $1,786 per property per year.

Today's request is to replace the existing assessment with a special tax determined by a public finance consultant to adequately fund the needed work and ensure the viability of the PRD for many years to come. If the existing assessment structure is maintained, current revenues will remain insufficient to complete necessary culvert and roadway repairs, and only limited routine maintenance can continue until available funds are depleted. Per Board Policy J-16, all costs

associated with formation, administration, maintenance, improvement, and rate increases of a PRD Zone, including incidental expenses, engineering, and special tax reports, shall be funded by PRD Zone revenues collected from residents through a special tax levied on County property tax bills.

Per California Proposition 218, all new special taxes imposed by a County must be approved by the impacted voters. Therefore, staff is requesting the Board call for a special tax election in Pala Mesa Zone A to increase the revenue for the PRD and allow for long-term maintenance of safe roads. The special election will be consolidated with the November 3, 2026 Gubernatorial General Election. Following the election, the Board is scheduled through the Clerk of the Board to declare the results and officially repeal the existing Pala Mesa Zone A assessment measures on December 9th, 2026. If the special tax is not approved by the voters, the Board will be requested at the second hearing to adopt an ordinance dissolving Pala Mesa Zone A.

The special tax will not be implemented unless two-thirds of the votes cast by the registered voters within the boundary of Pala Mesa Zone A vote "yes" on the special tax. A "yes" vote would result in the replacement of the current assessment with a special tax determined by a public finance consultant to provide long-term road maintenance. The current assessment is $50 a benefit unit, which means a single-family home pays approximately $150 per year. Under the proposed special tax, the maximum rate would be $1,786.00 per year for each developed property and $893.00 per year for each undeveloped property. The maximum rate will be subject to adjustment by up to 5% each year using the Los Angeles Construction Cost Index.

Without approval of the new special tax, staff will request the Board dissolve PRD 13A and return road maintenance responsibility to the property owners, consistent with Board policy. Today's proposed action requires two hearings. At today's hearing, the Board will be asked to make a CEQA finding, call an election, designate the ROV as the election's official, and introduce an ordinance to replace the existing assessment used to fund the PRD with a special tax. If two-thirds voter approval is received for the special tax, adopt the ordinance introduced at the prior hearing, or, if the requisite vote was not received, be asked to dissolve PRD 13A Pala Mesa Zone A without an election.

**RECOMMENDATION(S)**
**CHIEF ADMINISTRATIVE OFFICER**
**On June 24, 2026:**

1. Find that the proposed project is exempt from the California Environmental Quality Act (CEQA) as specified under Section 15061(b)(3) of the State CEQA Guidelines because the activity involves establishment of a funding mechanism with no commitment to any specific project so that it can be seen with certainty there is no possibility the action may have an impact on the environment.

2. Accept the Special Tax Report for San Diego County Countywide Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A on file with the Clerk of the Board and in the Department of Public Works and available online at https://www.sandiegocounty.gov/content/sdc/dpw/specialdistricts/prd/prd-13a-special-tax/.

3. Adopt the resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO CALLING FOR A SPECIAL ELECTION WITHIN PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A – PALA MESA ZONE A, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA FOR THE PURPOSE OF IMPOSITION OF A SPECIAL TAX FOR ROAD MAINTENANCE SERVICES AND ORDERING SAID SPECIAL ELECTION TO BE CONSOLIDATED WITH THE NOVEMBER 3, 2026 GENERAL ELECTION.

4. Direct the Registrar of Voters to consolidate the special election with the November 3, 2026 Gubernatorial General Election.

5. Approve the introduction of the Ordinance (first reading), and waive further reading of an Ordinance entitled: AN ORDINANCE OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS APPROVING SPECIAL TAX REPORT AND LEVYING OF SPECIAL TAXES WITHIN PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A – PALA MESA ZONE A AND REPEALING ORDINANCE NO. 9171 ESTABLISHING ASSESSMENTS IN THE PRD.

**If on June 24, 2026, the Board takes the actions recommended in Items 1-5, then on December 9, 2026, the following recommendations will be considered:**

1. Receive the election certification from the Registrar of Voters for the Special Tax Election within the boundaries of Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A.

2. Adopt a resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO DECLARING RESULTS OF SPECIAL ELECTION WITHIN PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A – PALA MESA ZONE A, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA FOR THE PURPOSE OF IMPOSITION OF A SPECIAL TAX FOR ROAD MAINTENANCE SERVICES.

3. Approve Special Tax Report for San Diego County Countywide Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A, on file with the Clerk of the Board and in the Special Districts office of the Department of Public Works and available online at https://www.sandiegocounty.gov/content/sdc/dpw/specialdistricts/prd/prd-13a-special-tax/.

If the special tax vote passes:

4. Adopt the Ordinance entitled: AN ORDINANCE OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS APPROVING SPECIAL TAX REPORT AND LEVYING OF SPECIAL TAXES WITHIN PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A – PALA MESA ZONE A AND REPEALING ORDINANCE NO. 9171 ESTABLISHING ASSESSMENTS IN THE PRD.

If the special tax vote fails:

5. Adopt a Resolution entitled RESOLUTION OF THE BOARD OF SUPERVISORS ORDERING DISSOLUTION OF SAN DIEGO COUNTYWIDE PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A - PALA MESA ZONE A WITHOUT AN ELECTION.

6. Authorize the Director, Department of Public Works and the Auditor & Controller, and their designees, to take any action necessary to fully dissolve Permanent Road Division No. 1000, Zone No. 13A - Pala Mesa Zone A; including, without limitation, closing out all residual funds and transferring funds to the General Fund as authorized by applicable law.

**EQUITY IMPACT STATEMENT**
Today's action continues the County of San Diego's (County) commitment to provide programs and services that enhance communities. Special taxes and assessments fund services for Permanent Road Divisions (PRDs), which support the health, safety, and economic interests of local communities by maintaining safe and reliable road infrastructure. Calling a special election to levy a special tax in PRD No. 1000, Zone No. 13A (Pala Mesa Zone A in Fallbrook) will have a direct impact on residents in these communities by providing a mechanism to fully fund continued access to safe and well-maintained roads. This action promotes equity by ensuring that residents within these zones, who are directly impacted by the condition of local roads, have a fair and transparent process to participate in funding decisions that affect their daily safety, mobility, and long-term community sustainability.

**SUSTAINABILITY IMPACT STATEMENT**
Today's action supports the County of San Diego's (County) Sustainability Goals to protect the health and wellbeing of residents, ensure equitable access to services, and strengthen community resilience by continuing to fund the operation, maintenance, and improvements of local roads. Well-maintained roads promote public safety, support economic sustainability by preventing more costly reconstruction in the future, and ensure reliable access for residents, emergency services, and local businesses. Maintaining roads in good condition also reduces vehicle wear, lowers greenhouse gas emissions from inefficient travel, and extends the lifespan of existing infrastructure.

**FISCAL IMPACT**
Funds for this request are included in the Fiscal Year 2026-27 Operational Plan in the Department of Public Works Permanent Road Division, Zone No. 13A Pala Mesa Zone A. If approved, this request will result in costs and revenue of approximately $2,000 to $5,000 in Fiscal Year 2026-27 for a special election. The funding source is property owner-paid special taxes within Permanent Road Division (PRD) No. 1000, Zone No. 13A (Pala Mesa Zone A in Fallbrook). If approved, today's action will authorize a special election allowing registered voters within the affected PRD to determine by a vote to levy special taxes to fully fund the operation and maintenance of local roads. The proposed special taxes will recover all costs associated with maintaining these facilities

and the staff and engineering costs associated with today's action as required by Board Policy B-29. Accordingly, there is no projected unrecovered cost and a waiver of Board Policy B-29 is not needed. There will be no change in net General Fund cost and no additional staff years required.

**BUSINESS IMPACT STATEMENT**
N/A

**ADVISORY BOARD STATEMENT**
N/A

**BACKGROUND**
Special districts are created and funded by residents of a community to provide new or enhanced local services and infrastructure. Special districts vary in size and serve diverse regions of the county. Each type of special district is governed by different State laws. The County of San Diego (County) uses Permanent Road Division (PRD) Zones to fund local road maintenance and improvements in unincorporated areas. Services are funded by property owners through special benefit assessments or special taxes that are collected through annual property tax bills, reducing administrative costs associated with separate billing and collection. PRD Zone boundaries were established either by voters or as a condition of development at the time of formation. Road maintenance services are managed by the Department of Public Works (DPW) and financed by assessments or special taxes that must be approved by property owners within the zones.

On October 28, 1968 (80), the Board approved formation of County Service Area No. 13 – Pala Mesa. Pala Mesa Zone A currently maintains roads within the Fallbrook community. Property owners in Pala Mesa Zone A currently pay a benefit assessment of $50 per benefit unit. On average, a single-family home pays $150 per year. The maximum assessment of $150 per year per taxable parcel, however, is not adequate to fully fund the required maintenance, and additional funding is needed. The maximum special tax proposed is $1,786.00 per developed parcel and $893.00 per undeveloped parcel to help ensure the long-term safety and sustainability of this road. The maximum rate will be subject to adjustment by up to 5% each year using the Los Angeles Construction Cost Index (LACCI) or a similar index should the LACCI become unavailable to account for inflation.

In 2008, California's Streets & Highways Code was amended to add Streets & Highways Code section 1179.5, clarifying that PRDs may impose special taxes in addition to benefit assessments. Special taxes help ensure PRDs are fully funded because they can cover the full cost of needed work whereas special assessments must be reduced by any general benefit which often leaves assessment supported PRDs underfunded. On May 4, 2016 (7), the Board amended Policy J-16 to provide PRD Zones with the option of using a special tax to fund maintenance.

Calling a special election to levy a special tax in PRD No. 1000, Zone No. 13A (Pala Mesa Zone A in Fallbrook) will provide voters in the PRD with the opportunity to determine by a two-thirds vote whether to approve the necessary funding to ensure continued access to safe and reliable roads. Staff's assessment indicates that under the current rate structure, revenues are already insufficient to complete required culvert and roadway repairs, and while limited routine

maintenance such as minor pothole repairs can continue in the short term, the PRD does not have adequate funding to address significant deferred maintenance needs. Without approval of the new special tax, staff will request the Board dissolve PRD 13A and return road maintenance responsibility to the property owners, consistent with Board policy.

Today's action includes a request to submit the Special Tax Report to the Board and adopt a resolution to call for a special tax election. In addition, an ordinance to enact the special tax and repeal the existing, inadequate assessments within Pala Mesa Zone A will be introduced, and introduce a resolution to dissolve the PRD should the special tax vote not pass by two-thirds of the registered voters in the PRD.

**Special Tax Methodology**
A special tax may be apportioned to the parcels in the PRD based on any reasonable apportionment methodology. The County retained a public finance consultant who has reviewed the cost to adequately maintain roads in the community and apportioned that cost to benefited properties. This methodology is outlined in a Special Tax Report for San Diego County Countywide Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A on file with the Clerk of the Board and in the Department of Public Works and available online at https://www.sandiegocounty.gov/content/sdc/dpw/specialdistricts/prd/prd-13a-special-tax/.

The Special Tax Report describes the amount of the special tax and the apportionment method proposed to replace the existing assessment. The maximum special tax proposed is $1,786.00 per developed parcel and $893.00 per undeveloped parcel and will be used to pay for road repairs, establish a contingency reserve, and provide for administration and ongoing maintenance of roads within Pala Mesa Zone A. Road and culvert maintenance will be completed as funds become available.

PRD Zone 13A receives an allocation of County tax increment revenue. The total allocation of tax increment revenue is about $100,000 a year, generally double the assessments that property owners pay which under the current max assessment rate is about $50,000 a year. The tax increment revenue was allocated to the PRD in response to the enactment of Proposition 218 in 1996 so that the cost of any general benefit, including the exemption from assessment of public agency parcels, was not shifted to the property owners in the PRD even though the assessment procedures of Proposition 218 are not applicable to existing districts established for street improvement and maintenance per Art. XIIID, Sec. 5, of the California Constitution. If the voters in PRD Zone 13A approve the special tax, the allocation of tax increment revenue will continue to be collected and applied to road maintenance in the district.

All annual special taxes, beginning in year 1, are subject to adjustment based on the annual cost-of-living increase established by the Engineers News Record (ENR) Construction Cost Index for the Los Angeles area (LACCI), as recommended in the Special Tax Report, with a minimum annual percentage change of zero percent (0%) and a maximum annual increase of five percent (5%) per fiscal year. The actual tax rate imposed in any given year must be determined by the Board before being placed on the tax roll; however, in no event can this rate exceed the maximum voter-approved amount. Staff have analyzed the impact of the special tax on the tax burden for parcels within Pala Mesa Zone A.

In order to impose the proposed special tax, it must be approved by two-thirds of the registered voters in the PRD. The action the Board is being asked to take today will provide voters with an opportunity to express their position on fully funding the PRD by way of a special election on the proposed special tax.

**Property Owner Support**
While special taxes are approved by registered voters rather than property owners, Board Policy J-16 calls for obtaining property owner support for a special tax, particularly if the proposal comes from the community. This is important because some property owners may not be registered voters, and the policy helps ensure that those whose real estate would be subject to the tax are fully informed and have input on the process.

On June 30, 2025, the Department of Public Works (DPW) conducted a Community Outreach event with the residents of PRD 13A. Notice of the meeting was provided to property owners, and staff presented multiple cost proposals outlining options for funding long-term road and drainage maintenance needs. At the outreach meeting, some attendees expressed support for increasing the existing PRD rate to a level that would adequately fund ongoing maintenance. Others raised concerns about the magnitude of the proposed increase and the financial burden on property owners. Additionally, a portion of attendees indicated support for dissolving the Permanent Road Division altogether rather than pursuing a higher rate. As a result, community feedback was mixed, reflecting a wide range of views on both the future structure and funding of PRD 13A.

On February 2, 2026, an informal survey was mailed out to 355 property owners within PRD 13A. The purpose of the survey was to identify how much community support existed for a special tax of $1,786 per year. Staff received 138 responses, with 91 property owners (67%) responding that they would vote yes to an increased rate of $1,786 per property per year.

The roads within Pala Mesa Zone A have deteriorated over time, even with routine maintenance, and need resurfacing and rehabilitation. The Pala Mesa Zone A PRD road committee has met with property owners to discuss the funding options. There are 345 taxable parcels in the boundaries of Pala Mesa Zone A. Information on excluded parcels can be found in Attachment C – Special Tax Report for San Diego County Countywide Permanent Road Division No. 1000 Zone No. 13A – Pala Mesa Zone A.

**Resolution of the Board of Supervisors Calling Special Election**
To initiate the election process and designate the Registrar of Voters as the election official, among other requirements, a Resolution to Call a Special Election is included with the proposed action. Upon approval of this resolution, a ballot will be mailed to all registered voters within the Pala Mesa Zone A boundaries. Additionally, notice of the special tax election will be published and posted along roads within the PRD Zone in accordance with Streets and Highways Code Sections 1195 and 1196. Mailed notice of the special tax election will also be sent to property owners who do not reside in the community, as required by Government Code § 54930. The special election will be consolidated with the November 3, 2026 Gubernatorial General Election. The Registrar of Voters will certify the election and present the results to the Board through the Clerk of the Board on December 3, 2026.

**SUBJECT:** CALL A SPECIAL ELECTION TO LEVY SPECIAL TAX IN PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A PALA MESA ZONE A IN FALLBROOK AND RELATED CEQA EXEMPTION (DISTRICT: 5)

During the second hearing for this item, the Board will be asked to either adopt an ordinance to impose the special tax if the community approves the tax or adopt a resolution to order the dissolution of the district if the special tax is not approved. In either event, the new special tax or the dissolution would be effective beginning Fiscal Year 2027-28, July 1, 2027-June 30, 2028. This means that the existing assessment structure for the PRD will remain in place until July 1, 2027, at which point it will cease to apply either because it is replaced by a special tax or the District is dissolved and an annual assessment will no longer be confirmed for the PRD.

**Special Tax Passage**
If two-thirds of the ballots cast a "yes" vote on the special tax, Pala Mesa Zone A will have the capability to fund future road maintenance. After the Registrar of Voters certifies the election results, the Board may adopt the Ordinance Approving the Special Tax Report and Levy of Special Taxes. The effective date of the Ordinance and the initial levy of the special tax will commence in Fiscal Year 2027–28, aligning the implementation with the next applicable property tax cycle. If the special tax is confirmed and approved, it may be continued in future years and may be increased in future years by an adjustment tied to the Engineers News Record (ENR) Los Angeles construction cost index (LACCI), which is the cost index recommended by the public finance consultant and a standard frequently used for construction projects in the San Diego region. The annual adjustment will have a minimum percentage change of zero percent (0%) and a maximum annual increase of five percent (5%) per fiscal year. Each year, in compliance with State law, DPW will return to the Board to request adoption of the special tax rate for the upcoming year, and the special tax will be included in the property owner's property tax bill.

**ENVIRONMENTAL STATEMENT**
Section 15061(b)(3) of the State CEQA Guidelines exempts from CEQA review activities that can be seen with certainty to have no impact on the environment. The project consists of the approval of action to provide a funding mechanism for the maintenance of existing roads within an established PRD. The roads have been maintained by the County as part of a CSA and then a PRD since the 1970s. No new roads or facilities are proposed as part of this action. Therefore, the proposed action is categorically exempt from CEQA review pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**
Today's proposed action to conduct a special tax election supports the Operational Excellence Initiative in the County of San Diego's 2026-2031 Strategic Plan by providing funding to maintain fiscal stability for the maintenance of roads within Permanent Road Division No. 1000, Zone No. 13A Pala Mesa Zone A.

**SUBJECT:** CALL A SPECIAL ELECTION TO LEVY SPECIAL TAX IN PERMANENT ROAD DIVISION NO. 1000, ZONE NO. 13A PALA MESA ZONE A IN FALLBROOK AND RELATED CEQA EXEMPTION (DISTRICT: 5)

Respectfully submitted,

DAHVIA LYNCH
Deputy Chief Administrative Officer

**ATTACHMENT(S)**
Attachment A - Vicinity Map

Attachment B - Parcel Map

Attachment C - Special Tax Report for San Diego County Countywide Permanent Road Division No. 1000 Zone No. 13A – Pala Mesa Zone A

Attachment D - Resolution of the Board of Supervisors of the County of San Diego Calling for a Special Election Within Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A, County of San Diego, State of California for the Purpose of Imposition of a Special Tax for Road Maintenance Services and Ordering Said Special Election to Be Consolidated with the November 3, 2026 General Election

Attachment E - Resolution of the Board of Supervisors of the County of San Diego Declaring Results of Special Election Within Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A, County of San Diego, State of California for the Purpose of Imposition of a Special Tax for Road Maintenance Services and Ordering Said Special Election to Be Consolidated with the November 3, 2026 General Election

Attachment F - An Ordinance of the San Diego County Board of Supervisors Approving Special Tax Report and Levying of Special Taxes Within Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A and Repealing Ordinance No. 9171 Establishing Assessments in the PRD

Attachment G - Resolution of the Board of Supervisors Ordering Dissolution of San Diego Countywide Permanent Road Division No. 1000, Zone No. 13A – Pala Mesa Zone A Without an Election