

# Permanent Road District 1016

Public Outreach for Rate Increase

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# AGENDA

1. PRD Program Key Concepts
2. PRD 1016 History
3. 2024 Road Work in PRD 1016
4. Rate Increase Proposal
5. Next Steps

# OBJECTIVES

At the end of the presentation the audience will understand the:

- Operating policies and principals for PRDs
- Need for a rate increase for PRD 1016
- Process through which a rate increase for PRD 1016 will move forward



# PRD CONCEPTS

## PRD Zones

- Are special districts formed at the request of property owners or as a condition of development.
- Allow the County to collect funds and complete maintenance on private roads on behalf of private property owners.

## PRD Roads

- Are still privately owned by members of the PRD. They are open to the public, but not public roads.

## PRD Rates

- Are established by voters at the time of PRD formation.
- Can be increased by the Board of Supervisors within a range previously approved by the PRD.



# PRD CONCEPTS II

## PRD Funds

- Are kept in individual accounts which are similar to savings accounts.
- Are not shared with other PRD zones or other County programs.

## PRD Administration Fees

- Are required by Board of Supervisors Policy B-29, Full Cost Recovery.
- Include tax enrollment, liability insurance, responding to service requests, budgeting, etc.

## PRD Expenditures

- Are incurred by the County on behalf of the PRD and funded only out of the PRD's savings account.
- Cannot be covered by the County general fund as this would be a gift of public funds to select private property owners.



## PRD ZONE 1016 – EL SERENO WAY

- Formed in 2006; has 18 parcels.
- Contains 0.16 miles of private road.
- Currently has a rate of \$500/year.
- Maximum rate approved by voters at the time of formation was \$3,661/year.

## PRD ZONE 1016 – RATE HISTORY

- At the time of formation, road work was needed which was funded by loans.
- Historical rates varied, but were once significantly higher due to a previous loan.
- After 2012 when the loan was repaid, the amount was dropped to \$500/year and has remained steady since that time.





## PRD ZONE 1016 – 2024 ROAD WORK

- Work was initiated in 2023, but the original contractor did not complete the work.
- To finish the work, the County hired a new contractor, but market rates had increased. Work was completed in October 2024.

## PRD ZONE 1016 – ACCOUNT OVERDRAFT

- The PRD did not have enough funds available to pay for the full completion of the necessary road work, so the account is in deficit with a repayment plan needed.



# PRD ZONE 1016 – REPAYMENT OPTIONS

Staff propose two options for the community to consider that are within the PRDs current approved rate range.

Pay Back Option	Annual Total Property Tax Rate	Future Impacts
One year	\$2,000	Rate would be reduced after one year to a level needed to accrue fund balance for next road treatment in 7-10 years.
Five years	\$700	Rate is unlikely to be reduced at five years because it would be necessary to build a fund balance for future maintenance work.

# RATE INCREASE APPROVAL PROCESS

1

Outreach to  
Property  
Owners

2

Balloting for  
Property Owner  
Preference

3

Board Approval

4

New  
assessment on  
2025 tax  
enrollment



# NEXT STEPS

1. PRD 1016 will be mailed ballots in April to vote on the preferred rate increase.
2. Results of the ballot will be included in the annual Board Letter that establishes rates for all PRDs for the next Fiscal Year.
3. The Board of Supervisors will determine the rate for PRD 1016 for the next Fiscal Year.



# THANK YOU



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