



County of San Diego
Department of Public Works
Special Districts Administration



PERMANENT ROAD DIVISION
INFORMATION SHEET
(FAQs)

What Are PRD Zones?

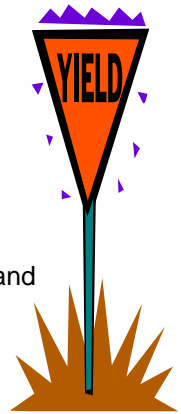
A Permanent Road Division (PRD) Zone is a special district established at the request of property owners with a common road related need in a specific area. California law allows counties to establish these districts to provide a higher level of service than is normally provided in other areas of the unincorporated portions of the County.

What Services Do These Districts Provide?

A PRD Zone may only be used for road-related services, such as road repair and maintenance.

What Are The Criteria For Formation of a PRD Zone?

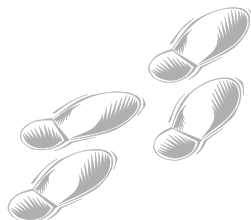
1. The road(s) must be in the unincorporated area of the County.
2. The road(s) must be paved.
3. The road(s) must have a name prior to PRD formation. For information on naming an un-named road go to the following link:
www.sdcounty.ca.gov/dplu/docs/DPLU%20096.pdf
4. The minimum paved width must be 20 feet.
5. The road must connect directly to a publicly maintained road.
6. More than twenty-five (25) parcels must receive benefit from the road repair and maintenance.
7. Upon district formation, the road is declared public and access cannot be denied.



What Costs Are Involved?

Property owners must pay all costs. These costs are paid by a special *benefit assessment* or *parcel charge assessment* on their tax bill. The benefit assessment is levied on all properties within the boundaries of the district. Under State Law, the cost to the individual property owners is determined by the benefit the property receives as a result of the road repair and maintenance.

County funds, through an interest-bearing loan, may be available to finance a portion of the initial work. Interest on the County loan is at a fixed rate that is determined by the County Treasurer at the time the district is formed and/or when County funds are made available to perform the work. If borrowing demand is high for this loan fund, there may be a waiting list for available funds. State law also authorizes the use of private bank loans to finance these kinds of projects. Property owners are required to repay the loan principal and interest (fixed rate) over a period of time, not to exceed ten years. In most cases, the loan term is five years.



What Are The First Steps For The Property Owners?

Property owner proponents need to complete a considerable amount of work before the district actually forms. A PRD Committee, consisting of three to five interested property owners, must be formed and a Chairperson selected. A letter is then sent to the Department of Public Works (Attn: Special Districts, Mail Stop O384), 5500 Overland Avenue, Suite 315, San Diego, CA 92123-1295) stating a purpose and desire to form as well as the names, addresses, and phone

numbers of the Chairperson and PRD Committee members.

What Preliminary Step Does The County Take?

After receiving the letter, County staff prepares and sends to the Chairperson:

1. A map which PRD Committee members can review and on which they mark both the proposed work area and the recommended boundaries of the benefit area. These boundaries should encompass all properties that will benefit from the proposed service. The final boundary determination is approved by the assessment engineer as mandated by State Law.
2. An "Expression of Interest" form to be signed by greater than 60 percent of the owners of those properties which would benefit from the service(s) and which would be included within the district boundary.
3. An address list of property owners within the boundary considered by County staff to benefit from the proposed service.

What Happens Next?

Upon receipt and verification of the "Expression of Interest" form and marked boundary map:

Work Program

County staff will arrange to meet on site with the district Chairperson and PRD Committee members. Together they review the road needs and discuss the wishes of the property owners.

A work program is then developed which describes the road work to be done and cost estimates. This information, in spreadsheet form, is sent to the Chairperson for approval. In some cases, the County may send out a survey to determine continued interest by the property owners after the cost estimate is determined.

Engineer's Report

Once interest of 60% of the property owners is confirmed, the County will hire a third-party assessment engineer to prepare the Engineer's Report. This report will delineate the PRD boundary, benefit formula and how it will apply to the parcels, and the assessment diagram. The County will provide the Engineer's Report to the PRD Committee as well as posting it on the Special Districts website so property owners can review the information prior to the ballot proceedings.

Property Owners Meeting

If a meeting request is received from the PRD Committee, County staff sends a meeting notice to each property owner in the proposed district.

At the property owners meeting, County staff and the assessment engineer explain PRD law, the proposed work program, estimated cost and benefit formula, and answers any questions regarding the process or the Engineer's Report.

Information Collected

If the property owners decide to proceed with formation, the PRD Committee submits the "Petition for Permanent Road Division Formation" with signatures of property owners representing at least 60 percent of the affected parcels. In addition, proponents will be given Public Road Declaration forms to sign, which attest that the identified work area has been open to public use for at least five years. Once the PRD Committee submits the required signed petitions to the County, and those signatures are verified, the formation process continues.

COMPLETION OF THE ABOVE STEPS DOES NOT COMMIT EITHER THE PROPERTY OWNERS OR THE COUNTY TO THE FORMATION OF THE DISTRICT.

Do Homeowners In The Area Get To Vote On Forming A Special District?

Proposition 218 (incorporated into the State Constitution) requires voter approval of new or increased annual assessments within a special district. County staff mails a parcel-specific notice and ballot to each property owner in the proposed PRD Zone. These documents explain the work program and estimated cost of maintenance. Major maintenance typically consists of road preparation, repair and asphalt overlays. The amount of proposed annual assessment, as well as the "maximum" annual assessment is identified on the ballot. The maximum assessment typically takes into account the estimated budget necessary to repair a major portion of the PRD roads in case of a significant event causing damage. Setting this maximum should avoid having to re-ballot if unanticipated severe damages occur. Typically the highest assessments that property owners are charged occur in the first few years when loans financing the major road repair is being repaid. The new PRD Zone may make contributions up front or begin collecting charges on their tax bills toward road work at a later date. In future years, assessments tend to be lower since the primary funding need is for ongoing routine maintenance, repair and administration of the district.

The "weighted majority" of ballots received determines the result of the election. Individual parcels are weighted based on the benefit they will receive from the improvements.

How Are PRD Zones Formed?

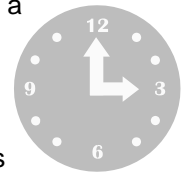
Usually, three Board of Supervisors meetings are necessary to form a PRD Zone. Property owners may attend the Board meetings and may speak for or against the formation. After the first Board meeting, ballots are sent to property owners within the proposed PRD. At the second hearing, public testimony is received and acceptance of ballots is closed. Ballots are counted at the third and final Board meeting, and the PRD can be approved if at least 51% of the weighted ballots are in favor of formation.

What Is The Role Of The Local Agency Formation Commission (LAFCO)?

PRD law does not require that PRD formations go through LAFCO.

How Much Time Does It Take To Form The District?

A PRD Zone typically takes about 12 to 18 months to form. The time it takes to form a district is dependent on how fast the PRD Committee returns paperwork to the County and the County's workload. Available funding, road work costs, and the timing of County contracts influence the timing of actual road maintenance work. In some cases, property owners must raise the funds for costs in excess of the available loan(s). The County uses the Job Order Contracting (JOC) Program that ensures that all contractors have participated in a competitive bid process. In addition, the JOC Program ensures compliance with licensing, bonding, performance, quality, and warranty to County standards.



What About Continuing Maintenance?

Where continuing maintenance is a part of the program, County staff evaluates and recommends the appropriate project maintenance plans and their associated costs. The budgets are then provided to the PRD Committee each year for review and comment. If the Committee requests a maintenance program different from that recommended, their suggestions will be considered whenever possible. If proposed changes can be accommodated, the cost estimate will be revised. Upon County staff advice, the Board of Supervisors makes the ultimate decision on all PRD Zone matters.

County staff takes into consideration the health and safety of the community and the costs associated with the proposed changes. County staff will not recommend or perform work that does not meet sound industry standards since it is not in the best interest of either party.

Additional Information:

The responsibility for the administration of PRD Zones within the Department of Public Works is assigned to Special Districts Section staff. If you would like more information, please contact us at (858) 694-2198 or visit the Special Districts website at:

<http://www.sdcounty.ca.gov/dpw/specialdistricts/index.html>

IMPORTANT UPDATE: The PRD Zone program is extremely popular and there is limited formation funding available to front district formation costs.