



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: General Services Department

Subject: Public Hearing for CSA 48 and CSA 4 FY 2025-26 Fire Protection Assessments

Meeting Date: June 24, 2025

Formal Title: Hold public hearing to consider County Service Area 48 (CSA 48 2020 & CSA 48) and County Service Area 4 (CSA 4) Fire Protection special benefit assessment charge reports for Fiscal Year 2025-26, and take related actions

Recommended Actions

1. Hold a public hearing to hear objections or protests, if any, to the proposed County Service Area (CSA) Fiscal Year (FY) 2025-26 special benefit assessment charge reports for County Fire (CSA 48 2020 & CSA 48) and CSA 4 Pajaro Dunes; and
2. Upon conclusion of the public hearing, adopt the resolutions confirming special benefit assessment charge reports for County Fire (CSA 48 2020 & CSA 48) and CSA 4 Pajaro Dunes.

Executive Summary

Conduct the public hearing on the FY 2025-26 special benefit assessment charge reports for CSA 48 2020, CSA 48, and CSA 4, and upon conclusion, adopt resolutions confirming said reports.

Discussion

On June 10, 2025, the Board adopted a resolution setting a public hearing on today's agenda to consider the proposed FY 2025-26 special benefit assessment charge reports for County Fire (CSA 48 2020 & CSA 48) and CSA 4 Pajaro Dunes.

CSA 48 Rates

The proposed FY 2025-26 rates for CSA 48 and CSA 48 2020 reflect the allowed Consumer Price Index (CPI) increase of 2.8%. CSA 48's rate will increase to \$97.18 per fire flow unit, a \$2.65 increase over the rate of \$94.53 in FY 2024-25.

In January 2020, a new additional and separate assessment was passed by the property owners in CSA 48. The new assessment was approved at that time to be placed on the tax roll and is included as part of today's proceedings. The CSA 48 2020 special benefit assessment base rate for a Single Family Equivalent (SFE) unit will increase from \$168.01 to \$172.71. The full charge assessed to a given parcel will be calculated using the established SFE rate and is based on the particular characteristics of that property.

CSA 4 Rates

For CSA 4 Pajaro Dunes, the proposed FY 2025-26 rate is \$1,630.92 per fire flow unit, plus \$1,630.92 per duration benefit unit, which is status quo to the FY 2024-25 rate. Resolution 193-2024, adopted by the Board on August 13, 2024, authorizes and levies an assessment for fire protection services within CSA 4 Pajaro Dunes and grants the Board discretion to adjust the assessment for FY 2025-26 by increasing the FY 2024-25 Assessment Rate for each parcel by a percentage not to exceed the Consumer Price Index (“CPI”), All Urban Consumers for the San Francisco-Oakland-Hayward Metropolitan Area, as published by the U.S. Department of Labor, Bureau of Labor Statistics for the prior fiscal year. The resulting amount is established as the “Maximum Assessment Rate” for that parcel, which for FY 2025-26, reflecting the allowable CPI adjustment of 2.8%, results in \$1,676.59 per fire flow unit, plus \$1,676.59 per duration benefit unit.

Following public comments received at the June 10, 2025 Board meeting and a subsequent review of funding needs and available resources, it was determined that maintaining the current FY 2024-25 assessment rate for FY 2025-26 will provide sufficient funding to support CSA 4’s fire protection services for the upcoming fiscal year. Accordingly, it is proposed to apply the existing FY 2024-25 rate of \$1,630.92 per fire flow unit, plus \$1,630.92 per duration benefit unit as the CSA 4 Adjusted Assessment Rate for FY 2025-26.

A summary of the proposed rates for CSA 48 and CSA 4 are provided in Table 1 below:

County Service Area	Assessment	Current Rate FY2024-25	Proposed Rate FY2025-26
CSA 48	Fire Flow Unit	\$94.53	\$97.18
	Single Family Equivalent (2020)	\$168.01	\$172.71
CSA 4	Fire Flow Unit	\$1,630.92	\$1,630.92
	Duration Benefit Unit (2024)	\$1,630.92	\$1,630.92

In order to complete proceedings for the above CSAs, it is now necessary for the Board to conduct the public hearing, take testimony, and consider objections and protests, if any, to the proposed reports, and at the conclusion of the public hearing, adopt the attached resolution confirming the reports. These reports, which detail each Assessor’s parcel number with their related charge, were available with the Clerk of the Board on June 10, 2025, which allowed for public review two weeks prior to today’s public hearing. As required by law, these reports must be approved by the Board and forwarded to the Auditor-Controller by August 10, 2025 in order to be included on the 2025-26 property tax assessment roll.

Financial Impact

These CSA CPI based rate increases result in additional fee revenue of approximately \$85,219 for CSA 48. The recommended CPI rate changes increase total fee revenue from the base level of \$3,021,453 to new total of \$3,106,672, which has been included in the Proposed 2025-26 Budget for County Fire. Foregoing CPI increases for CSA 4

rates will not materially impact the Proposed 2025-26 Budget.

Strategic Initiatives

Operational Plan - Sustainable Environment

Submitted By:

Michael Beaton, General Services Director

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.