Municipal Service Review ON POWAY REGION

FINAL

REPORT SUMMARY | June 2021

General Themes and Conclusions

The Poway region encompasses a geographically distinct area and captures both "East" and "North" elements of San Diego County and their different social and economic interests. The region's development, accordingly, reflects both rural and urban landscapes paired with significant open-space resources and codified in the City of Poway's official maxim as the "City in the Country." The region's development also differs from other local municipalities given the impetus to incorporate the City of Poway was less about breaking from the County of San Diego and more about preserving its existing characteristics – developed under the County – and protecting against annexation to the City of San Diego. These characteristics are further defined by the slow-growth orientation of the City of Poway as the focal point of the region and as successor agency to five special districts; the latter of which – significantly – enables the City to directly sync services (i.e. water, wastewater, fire, etc.) with development within its jurisdictional boundary. Also serving to define the region is the high-performing Poway Unified School District and extensive cultural and recreational amenities.

A review of the City of Poway relative to the Commission's growth management tasks and interests produces eight central themes or conclusions. These conclusions collectively address the availability, need, and adequacy of services within the City of Poway as the consolidated service provider in the region and range in substance from addressing demand-to-capacity relationships to overall financial standing. The conclusions also address potential sphere changes. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2015 and 2019 with limited exceptions and detailed in the agency profile.

No. 1
Introductory Municipal Service Review

This report represents San Diego LAFCO's inaugural municipal service review dedicated to the Poway region and the lone subject agency of record – City of Poway. Consequently, the report serves as a dual introduction. This is marked by addressing relatively new LAFCO statute and responsibilities to the City of Poway in real-time while proceeding with an otherwise unfamiliar and relatively detailed service review process. The introduction similarly reorients the municipal service review for the Commission to focus on establishing baseline information with the intention of expanding and/or redirecting the analysis in future reports.

No. 2
Revisiting a Successful Reorganization

This report separately marks the first formal opportunity for San Diego LAFCO to revisit its approval in 1980 to comprehensively reorganize municipal services in the Poway region with the incorporation of the City of Poway and the concurrent dissolution of five special districts. The report confirms the reorganization has met Commission expectations 40 years later in effectively consolidating land use and municipal service planning within one local governmental entity and in doing so eliminating duplicative and fragmented government.



Sitting on Potato Chip Rock near the top of Mt. Woodson in Poway, California

No. 3
An Atypical Suburb

The region's geographic setting encompasses both "East County" and "North County" orientations and contributes to a unique growth footprint leading to an atypical suburban community in metropolitan San Diego County. This footprint equally blends rural and urban uses and purposefully guided by the region's social and economic anchor in the City of Poway and its adopted tagline as the "City in the Country." A tangible outcome of this footprint is measurably slower growth and development in the region compared to other suburban communities in San Diego County despite proximity to major transportation corridors.

No. 4
Creation of a Municipal Greenbelt

Close to one-third of the City of Poway jurisdictional boundary has been purchased by the City and dedicated as open space with compatible recreational uses. A considerable portion of this open space lies along Poway's eastern perimeter and – among other outcomes – produces a municipal greenbelt controlled by the City and protects against otherwise unwanted urban encroachment from adjacent unincorporated areas.

To read more about this report, go to: **sdlafco.org**



Spring wildflowers on Iron Mountain Trail in Poway, California

No. 5
Distinguishing Demographics

Demographic information for the region shows increasing affluency within its social and economic anchor – City of Poway – and headlined by substantially higher and rising household incomes paired with substantially lower and falling poverty rates relative to overall averages in San Diego County. Relatedly, Poway is increasingly home to white-collar workers with more than one-half of all adults 25 years of age or older in Poway having bachelor's degrees, almost double the countywide average.

No. 6
Housing and Impact on Orderly Growth

Only 385 new housing units have been constructed in the region and specially within the City of Poway since 2010 and represents an overall increase of 2.3%. This housing production is more than two times lower than the equivalent amount of new construction for the entire San Diego County – 5.9% – and underlies an increasing affordability challenge with the average monthly housing cost in Poway being one-half higher than the remainder of the county. It also – significantly – counters the Legislature's notion of orderly growth in LAFCO statute. The recent adoption of the Poway Road Specific Plan (2017) and its provisions to increase densities and heights along the City's main thoroughfare marks a substantive planning effort to generate new housing opportunities and merits future revisiting in terms of actual outcomes.

No. 7
Adequate and Excess Municipal Service Capacities

The City of Poway is the municipal service hub for the region and through the end of the report period has established adequate capacities to meet current demands relative to its core growth-supporting functions: fire protection and emergency medical; wastewater; potable water; parks and recreation; and community development. Notably, no substantive deficiencies have been identified and all core functions have excess capacities to accommodate anticipated growth within the immediate future.

No. 8
Positive Financial Standing with One Exception

The City of Poway improved its financial standing during the report period as measured by its audited net position with an overall 10% increase. This improvement has been aided by achieving an average total margin of 2% over the corresponding 60-month period and contributes to an ending General Fund balance sufficient to meet 12 months of operating expenses. A key exception similar to other municipalities in the immediate region involves an underfunded pension program with CalPERs and reflected in a low composite funded ratio of 70% at the end of the report period.

Recommendations

The following recommendations call for specific action either from San Diego LAFCO, City of Poway, or other local agencies based on information generated as part of this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations LAFCO action are dependent on a subsequent directive from the Commission and through the adopted workplan.

1. San Diego LAFCO should update its statutory program on disadvantaged unincorporated communities and concurrently revisit the eligibility of lands immediately to the north of the City of Poway's sphere of influence in San Pasqual Valley and the potential merit therein to extend municipal services consistent with the associated legislation.
2. It would be timely for the City of Poway to perform an update to the General Plan (1991) to reflect changes in State planning law as well as to reflect potential changes in community vision. An update to the General Plan also – pertinently – would aid San Diego LAFCO align its regulatory and planning duties going forward in step with current local conditions.
3. The limited progress in building new housing in the City of Poway over the reporting period merits City policies and/or procedures being revisited and revised to more effectively meet the needs for persons and families of all incomes and in doing so promote orderly development. An encouraging example of a new approach in meeting housing needs involves the recent approval of the Poway Road Specific Plan (2017) that measurably increases housing densities along an existing transportation corridor.
4. San Diego LAFCO should expand the analysis of this introductory document as part of the next scheduled municipal service review covering the City of Poway to more fully address other key service functions – including law enforcement, flood control, etc. – to provide a more complete accounting of public services in the City consistent with statutory intent.
5. San Diego LAFCO should revisit fire protection and emergency medical services in the City of Poway as part of an expected update to the Commission's countywide fire service study.



Picnic table and scenic view from summit of Iron Mountain in Poway, California

6. No reorganization alternatives have been identified by San Diego LAFCO that merit analysis at this time. It would be appropriate, nonetheless, for LAFCO to revisit potential reorganization opportunities in conjunction with completing future projects, including upcoming municipal service reviews on other local agencies in the region.
7. San Diego LAFCO should proceed to update the City of Poway's sphere of influence with no changes at this time. LAFCO should relatedly defer consideration of any individual sphere amendment requests to the next update unless special circumstances warrant otherwise.