Municipal Service Review

ESCONDIDO REGION

FINAL • PART 2

REPORT SUMMARY | November 2022

General Themes and Conclusions

The Escondido region encompasses a geographically distinct subarea of "North County" removed from the coast and bisected by two of San Diego County's most traveled commute corridors in Interstate 15 and State Route 78. The region's distinctions are also reflected and tenured in local government with two of the earliest city and special district establishments in San Diego County with the City of Escondido incorporating in 1888 and the Escondido Irrigation District forming in 1891; the latter being subsequently dissolved with its water system eventually divided between the City and Rincon del Diablo MWD at the time of its formation in 1954. Deer Springs FPD's formation in 1981 completes the current and relatively confined concentration of local government in the region among these three agencies.

The City of Escondido and its full-range of municipal services anchors the region's social and economic interests and is the focus of this addendum.

A review of City of Escondido relative to San Diego LAFCO's growth management tasks and interests produces nine central themes or conclusions. These conclusions collectively address the availability, need, and adequacy of municipal services Escondido and range in substance from addressing governance dynamics to financial standing. The conclusions also address potential sphere of influence amendments. The conclusions are independently drawn and sourced to information collected and analyzed in the municipal service review prepared Escondido via Concordia Homes and substantively supplement by this addendum.

The City of Escondido is a general law municipality incorporated in October 1888 with a total population estimate of nearly 150,779. This estimate produces a population density of 6.3 residents per acre and makes the region the 4th largest City in San Diego County.

No. 1
Introductory Municipal Service Review

This municipal service review and addendum herein serve as the Commission's first comprehensive municipal service review covering the City of Escondido. The report and this addendum consequently serve as a dual introduction. This is marked by introducing Escondido and their constituents in real-time to an otherwise unfamiliar outside planning process. The introduction similarly introduces the Commission to Escondido and their service activities at depths previously unvisited with the underlying goal of establishing baseline information to track and measure going forward.

No. 2
Changes in Leadership + Governance

The City of Escondido has experienced significant changes in elected and appointed leadership at the end of the addendum period and suggests substantive transitions in the City's approach to governance – including goal and priority setting – will follow. Markedly, and without the imposition of term limits, four of the five Council positions changed during the period with three of the four being new to elected public office. This change in leadership also extends to several senior staff positions and highlighted by the City Council recently appointing its first outside candidate to City Manager since 1989.



Maple Street Plaza Arch Sign in Escondido.

No. 3
General Fund Stresses + High Debt Levels

Actuals during the addendum period signal the City of Escondido's General Fund is becoming imbalanced with the rate of new expenses surpassing the rate of new revenues by more than one-fifth and the inability to satisfy its own reserve policy in four of the five years covered. It appears the primary stress factor ties to increasing pension debt payments – which have risen by nearly one-half in the addendum period – and now account for nearly two-fifths of all payroll expenses. The cumulative effect of increasing pension costs plus other financing decisions has substantively cut Escondido's capital levels and reflected in a debt-to-net asset measurement of 101% at the end of the period.

No. 4
Adequate Service Capacities with a Big Qualifier

The City of Escondido has established adequate and excess service capacities and related resources in meeting current demands and highlighted in this addendum with respect to potable water, wastewater, and integrated fire protection, emergency medical, and ambulance. However, it is reasonable to apply qualifiers given increasing stresses in the General Fund will relatedly stress capacities and resources for associated City services and most notably community development, public safety, and parks and recreation. This dynamic suggests added caution for LAFCO in considering annexations and their potential impact – advantageous and disadvantageous – on the General Fund.

No. 5
Growth Challenges

Recent population growth in the City of Escondido has been relatively modest during the addendum period with an average annual change of 0.5%. This otherwise modest population growth has nonetheless proportionally exceeded housing construction in Escondido with LAFCO estimating an annual period shortfall of (64) housing units in the City necessary to maintain current household sizes. Pivoting forward, and in order to help curb this existing shortage, LAFCO estimates the average number of new housing units needed in Escondido in each of the next five years to proportionally keep pace with expected growth in population is 225 units.

No. 6
Growth Opportunities + LAFCO Support

The City of Escondido is favorably positioned to plan and accommodate additional growth and become a focal urban center for North County. This opportunity ties to Escondido's role as a full-service municipality and the controls it provides paired with its physical location along existing major transportation corridors as well as planned expansions – including a station stop on California's high-speed rail project. This opportunity further ties and can be supported by LAFCO's own interests and duties to facilitate orderly and city-centered growth.

No. 7
Connecting Escondido's Growth with Regional Influences

The City of Escondido's growth and development is the final responsibility of its City Council, but regional agencies – like LAFCO, SANDAG, and the County of San Diego – create policies that substantively influence the local decision-making. And while LAFCO can and should support Escondido's becoming of a focal urban center for North County, the policy direction of SANDAG, County, and others on this topic is less certain and merits attention to help connect and otherwise coordinate regional messaging for the benefit of the City.



Completed in 1988, City Hall was the first phase of the Escondido Civic Center.

No. 8
Becoming Whole: Literally + Figuratively

There are over a dozen unincorporated islands that are substantially or entirely surrounded by the City of Escondido with a LAFCO estimated population of 12,376. All of these islands lie within Escondido' sphere of influence and their continued existence perpetuate service inefficiencies for both the City and County of San Diego as well as raise social justice considerations for those within islands and/or for those outside the islands. It would be appropriate for Escondido and LAFCO to coordinate resources and work to gradually make the City whole with due consideration to the economic feasibility and impact on City resources.

No. 9
Assessing the Escondido + Rincon del Diablo Relationship

LAFCO concluded in Part One of the municipal service review it would be prudent to independently assess options to consolidate – politically or functionally and/or partially or entirely – the City of Escondido and Rincon del Diablo MWD. This earlier determination relied on preliminary analysis and highlighted by the agencies' overlapping boundaries and common service functions. Part Two of the municipal service review of this addendum further affirms this earlier conclusion and supports adding the governance study to the LAFCO workplan.

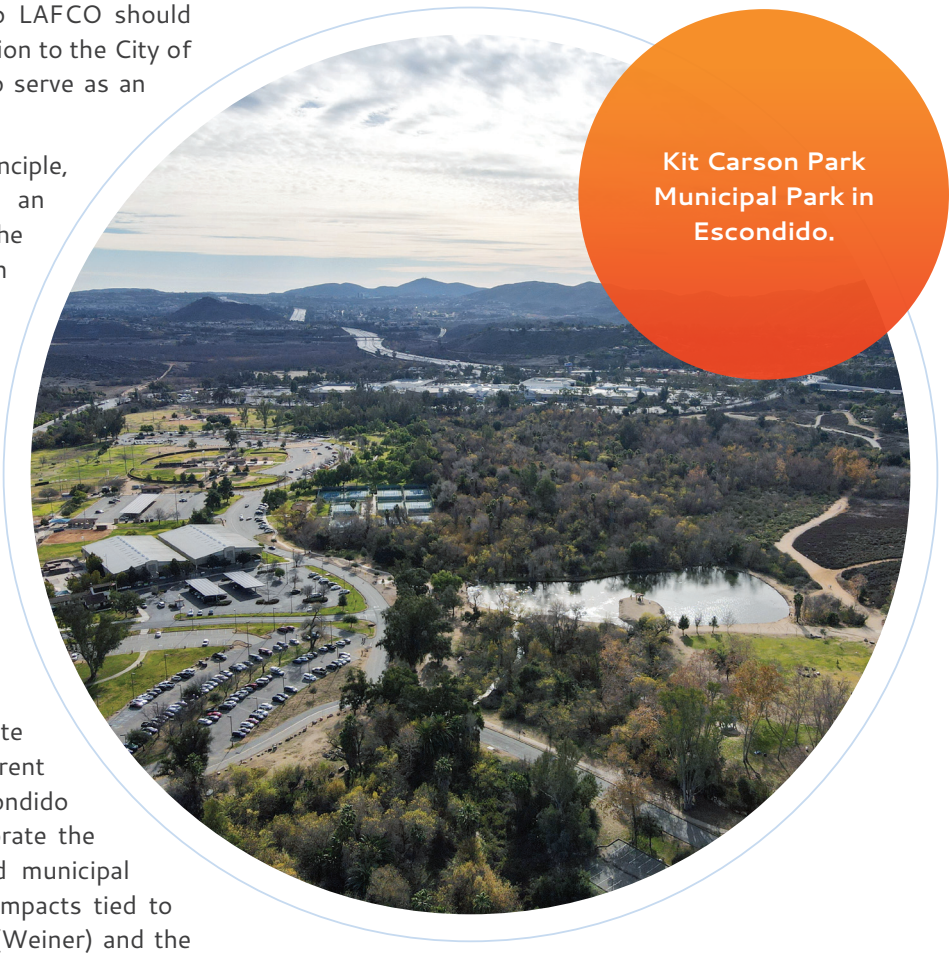
No. 10
Proceeding with a Limited Sphere of Influence Update

It would be appropriate for LAFCO to proceed with a limited sphere of influence update for the City of Escondido and defer an otherwise needed comprehensive action to a future municipal service cycle. The approach would involve proceeding with limited changes to the sphere to better align with parcel boundaries and/or other geographic markers. It would also – pertinently – establish one or more specific special study areas to memorialize areas the Commission would allow to come forward over the next five-year period without requiring a new municipal service review.

Recommendations

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

1. As a long-term principle, San Diego LAFCO should prioritize and direct growth in the region to the City of Escondido and its appropriate role to serve as an urban center.
2. In support of the preceding principle, San Diego LAFCO should prepare an informational report to assess the relationship of the Commission's own growth management policies – such as prioritizing City of Escondido as an urban growth center through sphere and jurisdictional changes – with other regional land use and housing policies. This includes – but not limited to – assessing connectivity to SANDAG's mobility hubs and the County of San Diego's recently adopted transportation study guide establishing vehicle miles traveled thresholds under Senate Bill 743.
3. San Diego LAFCO should coordinate with SANDAG to develop current buildout estimates in the City of Escondido and sphere of influence and incorporate the information into the next scheduled municipal service review. This should include impacts tied to the recent passage of Senate Bill 9 (Weiner) and the allowance for additional lot splitting.
4. As an immediate principle in the timeframe of this addendum, San Diego LAFCO should require all jurisdictional changes involving annexations to the City of Escondido demonstrate de minimis impacts to the City General Fund unless overriding policy considerations are made by the Commission on a case-by-case basis.
5. San Diego LAFCO should coordinate with the County of San Diego to identify the scope and scale of active groundwater wells and septic systems within the City of Escondido and the sphere of influence and incorporate this information into the next scheduled municipal service review.



Kit Carson Park Municipal Park in Escondido.

6. The City of Escondido should consider joint-use arrangements with local school districts to make available additional and needed greenery and play spaces to enhance recreational opportunities that are within walkable distance for residents.
7. San Diego LAFCO affirms its own previous determination that a governance study is merited to independently assess reorganization options to consolidate – politically or functionally – the City of Escondido and Rincon del Diablo MWD. The Commission should proceed with the governance study.



Pedestrian Bridge across Lake Hodges, the world's longest stress ribbon bridge

» Recommendations

8. San Diego LAFCO should exercise additional discretion when considering jurisdictional changes involving the City of Escondido to prompt and/or otherwise require concurrent or future annexation of the existing unincorporated islands in the sphere of influence. with due consideration to the economic feasibility and impact on City resources.

9. The City of Escondido should coordinate with San Diego LAFCO to ensure existing municipal services provided outside the City that are subject to material changes – intensify or de-intensify – remain in compliance with Government Code Section 56133.

10. San Diego LAFCO should proceed with a limited sphere of influence update for the City of Escondido. The limited update should focus on aligning the sphere of influence wherever practical with parcel boundaries, roads, and other geographic markers that have adjusted and/or emerged since the last Commission action in 2003.

    a) San Diego LAFCO should defer an otherwise merited comprehensive sphere of influence update for the City of Escondido to a future municipal service review.

    b) Notwithstanding other determinations, San Diego LAFCO should proceed to establish one or more special study areas for the City of Escondido sphere of influence as part of a limited update and provide the affected areas eligibility to proceed in the next five years with an actual amendment without necessitating a new municipal service review. This includes a special study area for the Harvest Hills (previously Safari Highlands) project site.

    c) Establishment of a special study area for the Harvest Hills project site and any subsequent accommodation to formally add to the City of Escondido's sphere of influence over the proceeding 60-month period should be conditioned on further evaluation and specifically potential fire risks and evacuation controls given local conditions – including community input to date.

11. San Diego LAFCO should revisit and expand on its inaugural analysis of pollution burdens and impacts on susceptible populations within the City of Escondido as part of future municipal service reviews.