



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

**DATE:** February 1, 2012  
**TO:** Members, Planning Commission  
Members, Historic Preservation Commission  
**FROM:** John Rahaim, Planning Director  
**RE:** FY 2012-14 Draft Departmental Budget

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Department staff have been developing the Fiscal Year (FY) 2012-2014 budget over the past few weeks. This memo outlines recent case and permit volume trends, the draft revenue and expenditure budget for FY12-13 and FY13-14 including a discussion of revenue assumptions and other expenditure changes, grants budget, capital and technology budget requests, and the department's new performance measures. Please let us know if you would like any additional information by contacting Tom DiSanto at 575-9113 or [thomas.disanto@sfgov.org](mailto:thomas.disanto@sfgov.org).

## Case & Permit Volume Trends

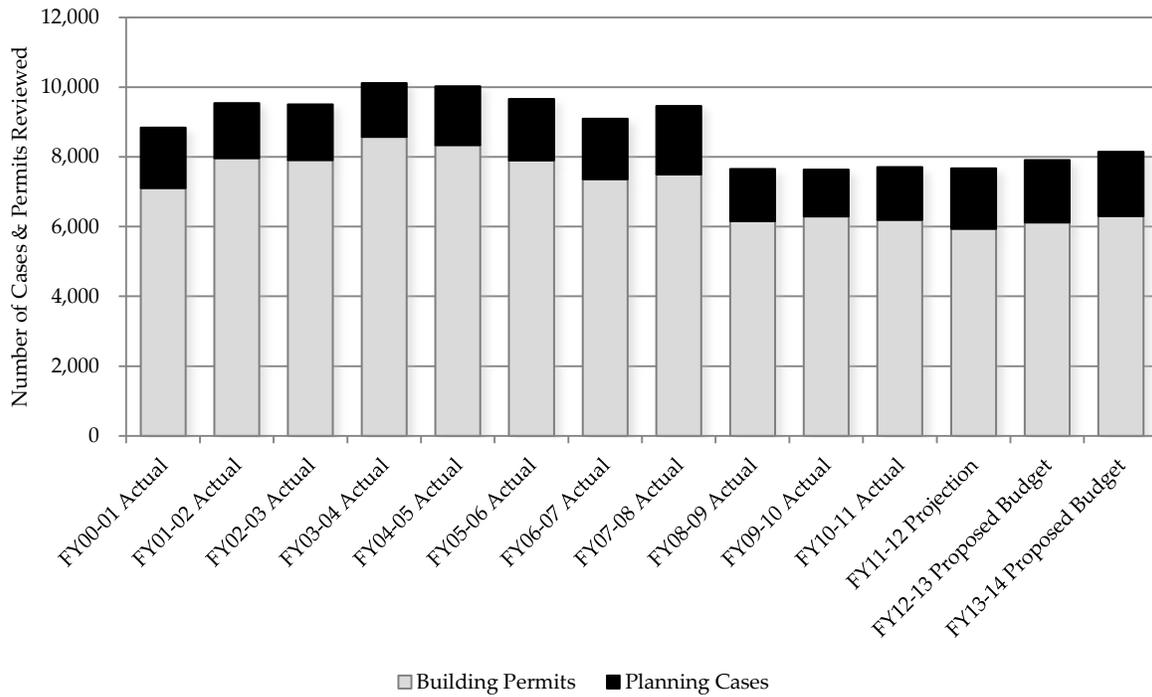
The department's volume of applications, which includes building permits requiring planning review and all other planning cases (i.e. conditional use, variance, and other applications), has stabilized over the past four fiscal years. Building permit review has represented more than 81% of the total department volume over the past decade. In FY08-09, the department experienced a significant decline in permit and application volume of approximately 18% from FY07-08 during the economic recession. This represented the most significant decline in volume over the prior eight fiscal years.

Last fiscal year, the department anticipated volume to increase by 3% in FY11-12. With six months of volume data complete during FY11-12, volume through December is relatively flat compared to the same time during FY10-11. The volume increase in FY11-12 has not materialized to date; however, volume in November and December, particularly with respect to Environmental cases, has ramped up more rapidly compared to the same time during FY10-11 suggesting that we might realize increased activity throughout the remainder of FY11-12 and into future years.

Department staff are anticipating building permit and case volume to increase by 3% in FY12-13 and FY13-14, which is in line with other economic indicators and assumptions.

Planning and Historic Preservation Commissions  
 FY 2012-14 Budget – Draft Departmental Budget

The graph below shows the actual building permit and case volume trend from FY00-01 through FY10-11, the projected volume in FY11-12, and the anticipated volume in FY12-13 and FY13-14. See Attachment I for more case and permit volume data.



**Budget Summary – FY 2012-14**

The table below summarizes the department's revenue sources in the department's operating, project and special revenue funds.

<b>Revenues</b>	<b>FY11-12 Adopted Budget</b>	<b>FY12-13 Proposed Budget</b>	<b>FY13-14 Proposed Budget</b>
Charges for Services	\$19,630,295	\$20,513,391	\$20,992,013
Grants	1,448,084	1,457,640	1,530,000
Development Impact Fees	0	160,000	160,000
Expenditure Recovery	1,620,709	1,254,202	976,219
General Fund Support	1,905,311	1,810,045	1,701,443
<b>Total Revenues</b>	<b>\$24,604,399</b>	<b>\$25,195,278</b>	<b>\$25,359,675</b>

As shown in the table above, the largest increase in revenues is for department fees which is attributed to the following:

1. The automatic Consumer Price Index (CPI) adjustments, assumed at 2% in FY12-13 and FY13-14, authorized under the Planning and Administrative Codes;
2. An assumed improvement in the volume of permits and cases reviewed at 3% in FY12-13 and FY13-14; and
3. The department anticipates implementing the recommendations of the Comprehensive Fee Study in FY13-14 which is currently underway.

Grant revenue is expected to be slightly higher in FY12-13 from FY11-12. The department will receive a small percentage of anticipated development impact fees that will be collected in FY12-13 and FY13-14 in order to recover costs associated with administering various development impact fee processes. And the department's expenditure recoveries from services the department provides to other City and County agencies is anticipated to decrease slightly in FY12-13 from FY11-12 due to the completion of major projects, such as the America's Cup 34.

The department's General Fund (GF) support of \$1.8 Million meets the Mayor's budget instructions of reducing the department's GF by 5% in FY12-13 and an additional 5% in

Planning and Historic Preservation Commissions  
 FY 2012-14 Budget – Draft Departmental Budget

FY13-14, and a 1% reduction of GF-supported full-time equivalent (FTE) positions in FY13-14.

The table below summarizes the department's expenditure uses in the department's operating, project and special revenue funds.

<b>Expenditures</b>	<b>FY11-12 Adopted Budget</b>	<b>FY12-13 Proposed Budget</b>	<b>FY13-14 Proposed Budget</b>
Salary & Fringe	\$19,819,535	\$19,536,833	\$19,790,607
Overhead	97,101	97,101	97,101
Non-Personnel Services	985,450	1,182,885	997,766
Materials & Supplies	160,613	158,560	167,867
Capital Outlay	11,140	67,399	60,740
Projects	164,700	460,000	415,000
Services of Other Departments	3,365,860	3,692,500	3,830,594
<b>Total Expenditures</b>	<b>\$24,604,399</b>	<b>\$25,195,278</b>	<b>\$25,359,675</b>
<b>Surplus / (Shortfall)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Salary and fringe expenditures for department staff continue to be the most significant portion of the department's overall expenditure budget representing 78% of all expenditures. Salary and fringe rate costs for all department staff are anticipated to increase by 4.2% in FY12-13 and 7.6% in FY13-14 from the prior year.

Since the economic downturn back in 2008 and the resulting ongoing citywide budget deficits, the department reduced its overall position count and made other budget reductions. Beginning in FY10-11, the department began to experience growth in its fee revenues. As a result of these positive economic changes, the department has been able to leverage this revenue growth to address staffing issues. This multi-year staffing effort began through the creation of the Planner Technician classification series and other support staff additions in FY10-11 and FY11-12 across multiple divisions. Additionally, the department has run civil service examinations for existing Planner classifications and has been filling Planner positions during FY10-11 and FY11-12.

To continue the implementation of this multi-year staffing strategy, the department is proposing to address staffing needs in the Commission Support function, administration, and website development and maintenance, by proposing the following new positions in FY12-13 and FY13-14:

1. **Assistant Commission Secretary positions:** With the increasing workload demands and challenging timelines to meet all Planning and Historic Preservation Commission requirements, the department is proposing to restructure the Commission support function. In FY12-13, an Assistant Commission Secretary position is proposed in the budget, and department staff will continue to work with the Commission to assess appropriate resources to support the Commission in the future;
2. **Payroll Technical Support:** Currently, the department has 1.25 FTE dedicated to Human Resources (HR) and payroll functions. With the implementation of the City's eMerge system, which will support HR, benefits, and payroll services citywide, in the coming months, the department will experience additional HR and payroll requirements. The department will create this position in FY12-13 to focus on payroll, which will allow current staff to focus on HR and other necessary administrative functions, such as billing; and
3. **Website/PPTS Support:** The department has utilized temporary staff resources in order to maintain and improve the department's website. The Web master implements web pages, maintains content and oversees day-to-day management of the Department's Website and Intranet assuring quality and filing integrity of all web pages. Additional resources are required to maintain the website and provide additional technical support to the Information Technology staff in implementing and providing ongoing maintenance of the Department's Intranet and enterprise content management system linked to the Permit and Project Tracking System (PPTS). The department will create this position in FY12-13 to focus on both efforts.

The department will also be substituting some current positions in FY12-13 and FY13-14 for new, more appropriate classifications that are more in line with functions of the department.

Non-personnel expenditures, which include professional service contracts, advertising, and postage, among other items, are anticipated to increase in FY12-13 due to additional contract resources to complete the EIR for the Health Care Services Master Plan (HCSMP) among various grant-funded contracts. Capital outlay and projects are

anticipated to increase in FY12-13 mainly due to replacing existing storage area network (SAN) equipment in line with the department's technology upgrade schedule. Also, the department will be replacing one of its two cars in order to comply with the City's Healthy Air and Clean Transportation Ordinance. Services of other departments, which include rent the department pays on its office space, the City Attorney legal services, and citywide technology support, is anticipated to stay relatively flat in FY12-13. The City Attorney's services are increasingly necessary for many of the planning cases which are now in litigation.

In collaboration with the Department of Building Inspection (DBI) and the Human Services Agency (HSA), the department will be consolidating its servers into one server room with DBI and HSA in FY12-13 located at 1660 Mission Street. Although this consolidation will require one-time costs of moving servers and related expenditures, cost savings and efficiencies will be realized in the long term. Also, the department plans to participate with the Treasurer/Tax Collector's Office (TTX) enterprise-wide solution for an upgraded Point of Sale (POS) system. This solution will allow for the processing of fees using credit cards, online payments, and wire transfers, among other improvements. One-time and ongoing maintenance costs are expected in FY12-13 and FY13-14. This POS solution is necessary to support the new Permit and Project Tracking System (PPTS) currently being implemented and to provide improved service for the department's customers.

No major expenditure changes are expected in the department's project or special revenue funds.

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## **Grants**

The department's current grants portfolio includes a total of \$3.9 Million in grants, which is funding several projects in FY11-12 and for several years to come. Although the Planning Department is the lead agency on these grant-funded projects, more than \$2 Million of the grant funds support the work of other City agencies, including the Department of Public Works (DPW) and the Municipal Transportation Agency (MTA), as well as local nonprofit organizations. The department's grants budget in FY12-13 is \$1,457,640, which is slightly higher than the budget in FY11-12 of \$1,448,084. The department anticipates the grants budget to increase by 5% in FY13-14 to \$1,530,000.

The table below lists the grants, their funders and amount in the FY12-13 budget.

Planning and Historic Preservation Commissions  
 FY 2012-14 Budget – Draft Departmental Budget

#	Grant Title	Funder	FY12-13 Budget
1	Green Connections	Sustainable Growth Council (SGC)	\$242,746
2	Urban Forest Master Plan	Sustainable Growth Council (SGC)	\$4,894
3	Strengthening Neighborhoods	Sustainable Growth Council (SGC)	\$400,000
4	Street Tree Inventory	California Department of Forestry & Fire Protection (Calfire)	\$200,000
5	Transportation Planning Grant – Mission St.	California Department of Transportation (Caltrans)	\$250,000
6	Living Alley Pedestrian Network (LAPN)	California Department of Transportation (Caltrans)	\$250,000
7	Food Planning	Urban Sustainability Directors Network (USDN)	\$50,000
8	Annual Grant	Friends of City Planning (FOCP)	\$60,000
	<b>Total</b>		<b>\$1,457,640</b>

**SGC Green Connections:** The goal of this project is to increase access to parks and open space in the City’s highest need areas – neighborhoods with low incomes, high population densities, and large populations of children and aging adults – by re-envisioning local city streets as ‘green connectors.’ This is a current department grant, and the FY12-13 amount represents the remaining appropriation authority required to complete the grant.

**SGC Urban Forest Master Plan:** Through a partnership with the Department of Public Work’s (DPW) Bureau of Urban Forestry (BUF) and the nonprofit Friends of the Urban Forest (FUF) the goal of this project is to create a management plan for all of San Francisco's publicly owned trees. This is a current department grant, and the FY12-13 amount represents the remaining appropriation authority required to complete the grant.

**SGC Strengthening Neighborhoods:** Through a partnership with the Office of Economic and Workforce Development (OEWD), the goal of this project is to partner economic development, land use and public realm design in various neighborhood commercial corridors.

**Calfire Street Tree Inventory:** Complementing the SGC Urban Forest grant described above which will create a management plan for all of San Francisco's publicly owned trees, the goal of this project is to complete a census of existing street tree conditions. In order for San Francisco to foster the truly sustainable and healthy urban forest that the City deserves, a complete census of existing conditions is necessary. The Planning Department has also submitted a \$300,000 capital request to the Capital Planning Committee to request funding to adhere to this grant's matching requirement.

**Caltrans Transportation Planning Grant – Mission St.:** In conjunction with the Municipal Transportation Agency's (MTA) Transit Effectiveness Project (TEP), the goal of this project is to complete public realm design on Mission Street between Division Street and 30th Street.

**Caltrans Living Alley Pedestrian Network:** The goal of this project is to complete alley design guidelines to increase pedestrian use of alleys, particularly in traffic-intensive areas, such as Hayes Valley.

**USDN Food Planning:** This proposed partnership with Vancouver, Canada will produce a joint report detailing how investments in "local food clusters," as part of a comprehensive urban economic development strategy, will ensure that the important economic contributions that the food sector makes to communities and regions are preserved and enhanced.

**FOCP Annual Grant:** This grant encompasses the annual funding that the Friends of City Planning provides to the department to support additional resources and initiatives of department staff, such as annual attendance to planning-related conferences, equipment, awards, and training.

## **Capital & Technology Budget Requests**

The table below lists the capital requests the department submitted to the Capital Planning Committee on January 20, 2012 and the technology request the department plans to submit to the Committee on Information Technology (COIT) on February 21, 2012.

#	Budget Request	Type	FY12-13 Budget	FY13-14 Budget
1	Better Market Street (BMS)	Capital	\$182,500	\$182,500
2	Pavement to Parks Program (P2P)	Capital	\$305,608	\$346,973
3	Street Tree Inventory	Capital	\$300,000	\$0
4	Permit & Project Tracking System (PPTS)	Technology	\$641,527	\$0
	<b>Total</b>		<b>\$1,429,635</b>	<b>\$529,473</b>

**Better Market Street:** In collaboration with various agencies, including DPW, MTA, and the Transportation Authority (TA), the department will provide planning, urban design, and environmental design services in FY12-13 and planning and urban design services in FY13-14 to the City's Better Market Street (BMS) project.

**Pavement to Parks Program:** This capital funding will allow the department to retain and formalize its Pavement to Parks Program (P2P) by funding the following: minimal capital improvements to the four current P2P plazas; design of new plazas now under development (McCoppin Stub and Mint Plaza); design and installation of one to two new Pavement to Parks plazas each fiscal year in locations to be determined; continue and expand the Parklets component of the Pavement to Parks Program; and establish new program initiatives.

**Street Tree Inventory:** This capital request will provide the necessary funding to adhere to the Calfire Street Tree Inventory grant's match funding requirement noted above.

**Permit & Project Tracking System:** In collaboration with the Department of Building Inspection (DBI), the department is currently in the implementation phase of this project. This final technology request will provide the department with the necessary funding for system development, application implementation, software licensing, and project management costs.

## Performance Measures

The Department is proposing to revise its performance measures, which are reported in the Mayor's Budget Book, the Controller's Government Barometer, and other reports, to focus more on outcomes, efficiency and customer service. These new measures will allow staff to more accurately track the work of the department and inform and

Planning and Historic Preservation Commissions  
 FY 2012-14 Budget – Draft Departmental Budget

encourage more performance-based decision making by department staff and management. The tables below summarize the performance measures for each division, including the type of measure and FY12-13 target.

#	Current Planning Performance Measure	Type	FY12-13 Target
1	Percentage of all building permits involving new construction and alterations review, approved or disapproved within 90 days	Efficiency	75%
2	Percentage of conditional use applications requiring Commission action approved or disapproved within 180 days	Efficiency	70%
3	Percentage of public initiated Discretionary Review applications approved or disapproved within 90 days	Efficiency	80%

The Current Planning Division reviews thousands of building permit and other applications every year. Due to the increasing complexity and additional requirements of the Planning Code and staffing levels staying relatively flat, the department has been unable to meet many of the completion targets during prior years. As a result, the department anticipates the time it takes to review building permits to increase from 60 to 90 days and conditional use applications to increase from 120 to 180 days in order to communicate a realistic message to department stakeholders regarding the review of projects.

#	Citywide Planning Performance Measure	Type	FY12-13 Target
1	Percent of community engagement event participants who rate the event as successful	Customer Service	90%
2	Percent of general plan referrals completed within 45 days	Efficiency	100%
3	Percent completion of the Transit Center District Plan	Outcome	100%
4	Percent of projected development impact fee revenue for the following 2 fiscal years programmed by fiscal year end	Outcome	75%

The Citywide Planning Division is engaged in a variety of complex activities throughout the year, much of which is challenging to track using performance measures. The division is proposing four new measures to assist division managers in tracking performance. The division plans to gather participant feedback from community engagement events in order improve future events. The division continues

Planning and Historic Preservation Commissions  
 FY 2012-14 Budget – Draft Departmental Budget

to complete general plan referrals in a timely manner. Multiple staff are currently working on the Transit Center District Plan, which is scheduled to be completed by the end of FY12-13. And the Plan Implementation group will be tracking the successful programming of development impact fee revenue collected throughout the year.

#	Environmental Planning Performance Measure	Type	FY12-13 Target
1	Percent of all environmental impact reports (EIRs) completed within 24 months	Efficiency	75%
2	Percent of Negative Declarations (Neg Decs), Class 32s, Community Plan Exemptions (CPEs), and Addenda completed within 9 months	Efficiency	75%
3	Percentage of categorical exemptions reviewed within 45 days	Efficiency	75%

The Environmental Planning Division reviews dozens of cases every year. Due to the increasing complexity and additional requirements of the California Environmental Quality Act (CEQA), EIRs continue to take two years, on average, to complete. The division also reviews other environmental applications which will be tracked.

#	Other Planning Performance Measure	Type	FY12-13 Target
1	Percent of complaints where enforcement proceedings have been initiated within 30 business days of complaint filing	Outcome	95%
2	Percentage of Ordinances initiated by an elected office that are reviewed by the Commission within 90 days or continued at the request of the elected official	Efficiency	85%
3	Percent completion of the Permit and Project Tracking System (PPTS) to be fully implemented for staff use by November of 2013	Outcome	88%
4	Planning core network uptime percent	Outcome	99.9%
5	Percent of helpdesk requests resolved within 24 hours	Customer Service	65%

Department staff are involved in many other activities that contribute to meeting the overall goals of the department. The Code Enforcement group continues to follow up on complaints received and strives to initiate proceedings in a timely manner. The Legislative Affairs staff continue to address various Planning Code changes in a timely manner. The department plans to successfully implement PPTS by November of 2013,

February 1, 2012

Planning and Historic Preservation Commissions  
FY 2012-14 Budget – Draft Departmental Budget

with 88% of the project scheduled to be implemented by the end of FY12-13. And the Office of Analysis and Information Systems (OASIS) supports department staff by maintaining the uptime of the department's network and responding to helpdesk requests for service.

The department also reports on the number of performance plans which have been successfully completed throughout the year, as required by the Mayor's Office and the Department of Human Resources (DHR). Internally, the department will track various other performance measures to assist department management in making strategic and operational decisions.

## **FY 2012-14 Budget Calendar**

Throughout February, department staff will provide budget presentations to the Commissions. These presentations will cover the details of the Department's revenue and expenditures budget, grants, capital and technology requests, performance measures, and work program. Upon completion of the Commission's review of the proposed budget, department staff will submit the proposed budget to the Mayor's Office for its review and consideration on February 21, 2012.

The table below lists the remaining dates for presenting updates to the Commissions for the budget approval process and other major deadlines:

<b>Date</b>	<b>Deadline</b>
<b>2/1/12</b>	Draft budget review with <b>HPC</b>
<b>2/2/12</b>	Draft budget review with <b>CPC</b>
<b>2/15/12</b>	Finalize budget and work program with <b>HPC</b>
<b>2/16/12</b>	Finalize budget and work program with <b>CPC</b>
<b>2/21/12</b>	Budget Submission to the Mayor
<b>5/16/12</b>	Review fee change legislation with <b>HPC</b> (if necessary)
<b>5/17/12</b>	Review fee change legislation with <b>CPC</b> (if necessary)
<b>6/01/12</b>	Mayor's Proposed Budget is published
<b>7/31/12</b>	Final Appropriation Ordinance Adopted

**Attachment I** – Case & Permit Volume Trends

**Attachment II** – Department Organizational Chart

**San Francisco Planning Department  
Case & Building Permit Volume Trend**

Fee Category	Suffix	FY00-01 Actual	FY01-02 Actual	FY02-03 Actual	FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Actual	FY07-08 Actual	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual	FY11-12 Projection	FY12-13 Proposed Budget	FY13-14 Proposed Budget
Transportation Study Analysis	!	31	15	21	14	23	12	29	24	13	10	11	6	6	6
Certificate of Appropriateness	A	50	47	46	39	45	43	35	58	43	45	38	66	68	70
Annual Limit Comp.	B	28	11	0	0	1	4	7	7	4	5	6	8	8	8
Conditional Use + CU Appeal	C	183	178	154	162	154	155	126	190	144	184	207	228	235	242
Discretionary Review	D	273	329	298	305	312	254	202	190	152	130	137	122	126	129
Environmental Evaluation + Appeals	E	123	121	153	187	211	117	98	108	91	91	85	70	72	74
Categorical Exemptions	E	1	1	2	8	66	184	286	455	303	294	314	368	379	390
Federal E Review for MOCD	F	61	36	95	49	30	20	16	9	5	5	10	154	159	163
Designate/Redesignate Bldg Rating	G	1	1	0	1	0	0	3	2	1	0	0	0	0	0
Permit to Alter	H	2	2	1	1	3	1	0	1	2	2	66	86	89	91
Institutional Master Plan	I	2	3	4	6	2	2	6	1	5	3	8	0	0	0
Statement of Eligibility Application	J	11	6	2	0	0	16	18	9	2	1	4	0	0	0
Shadow Study Analysis	K	87	45	45	51	53	47	51	42	43	30	13	20	21	21
Landmark Preservation / Historic District	L	10	9	3	9	4	12	10	2	0	2	13	14	14	15
General Plan Amendment	M	2	1	1	5	3	6	4	4	5	7	5	8	8	8
Application for Certificate of Transfer of TDR	N	29	9	7	7	15	35	33	35	3	3	4	2	2	2
Coastal Zone Permit	P	8	2	0	1	2	3	2	2	2	4	1	0	0	0
Condomium Conversion	Q	392	363	350	278	301	368	394	367	287	189	237	264	272	280
General Plan Referral	R	52	53	48	63	47	52	46	51	50	42	47	42	43	45
Subdivision of Land	S	80	84	80	84	80	71	71	58	60	39	39	40	41	42
Zoning Text Amendment	T	36	26	16	23	31	26	32	44	39	30	42	22	23	23
Mills Act or Other Usual Cases	U	0	3	2	4	7	7	6	14	38	43	40	72	74	76
Variance	V	223	223	248	226	268	282	240	255	170	156	168	116	119	123
Development Agreement	W	0	0	0	0	0	0	1	0	1	0	2	0	0	0
Downtown Control Exception	X	28	9	15	12	16	20	13	18	15	9	9	8	8	8
Application for Notice of Use of TDR	Y	11	2	1	0	0	3	2	4	2	0	1	0	0	0
Zoning Reclassification / Map Change	Z	9	7	4	9	18	20	9	16	15	12	13	18	19	19
Building Permits (New Construction)		368	221	258	237	225	222	215	131	82	53	123	78	80	83
Building Permits (Existing Alterations)		6,739	7,740	7,656	8,334	8,113	7,682	7,144	7,365	6,073	6,246	6,070	5,864	6,040	6,221
<b>Total</b>		<b>8,840</b>	<b>9,547</b>	<b>9,510</b>	<b>10,115</b>	<b>10,030</b>	<b>9,664</b>	<b>9,099</b>	<b>9,462</b>	<b>7,650</b>	<b>7,635</b>	<b>7,713</b>	<b>7,676</b>	<b>7,906</b>	<b>8,143</b>
<b>Percent Change from Prior Fiscal Year</b>			<b>8.0%</b>	<b>-0.4%</b>	<b>6.4%</b>	<b>-0.8%</b>	<b>-3.6%</b>	<b>-5.8%</b>	<b>4.0%</b>	<b>-19.2%</b>	<b>-0.2%</b>	<b>1.0%</b>	<b>-0.5%</b>	<b>3.0%</b>	<b>3.0%</b>

# High Level Functional Organization Chart

ATTACHMENT II

- 1. **CHIEF OF STAFF Role:**  
Senior Managers to report to Director "through" Chief of Staff, so report to Director on policy/ planning issues, and to Chief of Staff on management/ personnel matters.
- 2. **COMMUNICATIONS includes:**  
Public Records, Media, Community Outreach, Web
- 3. **OVERLAPPING FUNCTIONS:**  
Categorical Exemptions, Design Review, Mitigation Monitoring, Plan Implementation, Preservation, Project Assessment/Review, Transportation Planning
- + **MAJOR PROJECT OVERSIGHT PROPOSAL:**  
Management and Planner IVs.

