



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

**DATE:** January 10, 2013  
**TO:** Members, Planning & Historic Preservation Commissions  
**FROM:** Thomas DiSanto, Chief Administrative Officer  
Keith DeMartini, Finance Manager  
**RE:** FY 2012-13 Supplemental Appropriation Request

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Under San Francisco Charter Section 4.102.3, *the department is requesting the Historic Preservation Commission's review and recommendation and the Planning Commission's review and approval of this Supplemental Appropriation budget request for Fiscal Year (FY) 2012-2013.*

Please let us know if you would like any additional information to explain these budget changes, or contact Tom at 575-9113 or [thomas.disanto@sfgov.org](mailto:thomas.disanto@sfgov.org) if you have any questions.

## **FY12-13 Revenue and Expenditure Update**

In the Department's FY12-13 adopted budget, overall volume growth of cases and building permits was projected at 3% from FY11-12. Through the first five months of FY12-13, overall department volume is anticipated to grow by 7%, with 3% growth projected in cases and over 8% growth projected in building permits. More than 75% of our case and permit activity comes from the review that department staff conducts on building permits. The Department is also projecting growth in variance and environmental categorical exemption applications while conditional use and discretionary review application volume is projected to decrease in FY12-13 compared to FY11-12.

With the greater than expected growth in case and building permit volume, the Department is projecting approximately \$6 million of additional fee revenues in FY12-13 compared to the budget. The department is projecting that its expenditures will meet the budget with very little variation among spending line items. Please refer to the revenue and expenditure tables below for additional information.

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**Revenues**

Revenues	FY12-13 Budget	FY12-13 Projection	Surplus / (Shortfall)	Ref.
Fees for Services	\$20,749,362	\$27,187,232	\$6,437,870	(a)
General Fund Support	\$2,085,449	\$2,085,449	\$0	(b)
<b>Total</b>	<b>\$22,834,811</b>	<b>\$29,272,681</b>	<b>\$6,437,870</b>	

- a) **Fees for Service:** The most significant factors contributing to this additional revenue are the additional fees collected from the volume increases, noted earlier, and higher building permit and environmental fees collected from many larger-scale projects, which are assessed higher fees based on the project’s estimated construction cost. Also, the Department has processed very few application refund requests than what are typically processed at this time compared to prior fiscal years.
- b) **General Fund Support:** At this time, the Department is anticipating utilizing its full General Funding, pending the outcome of the proposed supplemental appropriation request.

**Expenditures**

Expenditures	FY12-13 Budget	FY12-13 Projection	Surplus / (Shortfall)	Ref.
Salary & Fringe	\$18,860,901	\$18,573,596	\$287,305	(c)
Non-Personnel Services, Materials & Supplies & Work Orders	\$3,973,910	\$4,219,217	(\$245,307)	(d)
<b>Total</b>	<b>\$22,834,811</b>	<b>\$22,792,813</b>	<b>\$41,998</b>	
<b>Projected Net Revenue less Expenditures/Surplus/(Shortfall)</b>	<b>\$0</b>	<b>\$6,479,868</b>	<b>\$6,395,872</b>	

- c) **Salary & Fringe:** The department projects \$287,305 of salary savings from currently unfilled positions during FY12-13. This savings assumes continued hiring of a number of currently vacant staff positions in order to meet workload demands.
- d) **Non-Personnel Services, Materials & Supplies & Work Orders:** Similar to FY10-11 and FY11-12, the department projects the City Attorney work order billing to exceed

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its appropriation in FY12-13, but not to the same magnitude due to the additional appropriation we received to pay for their services. Also, the department anticipates using its entire contracts budget to fulfill many ongoing, important commitments.

*Given the uncertainty of the revenue projection noted above, the department will continue to monitor its revenues and expenditures over the coming months and make the necessary adjustments to ensure the department's budget balances at the end of the fiscal year.*

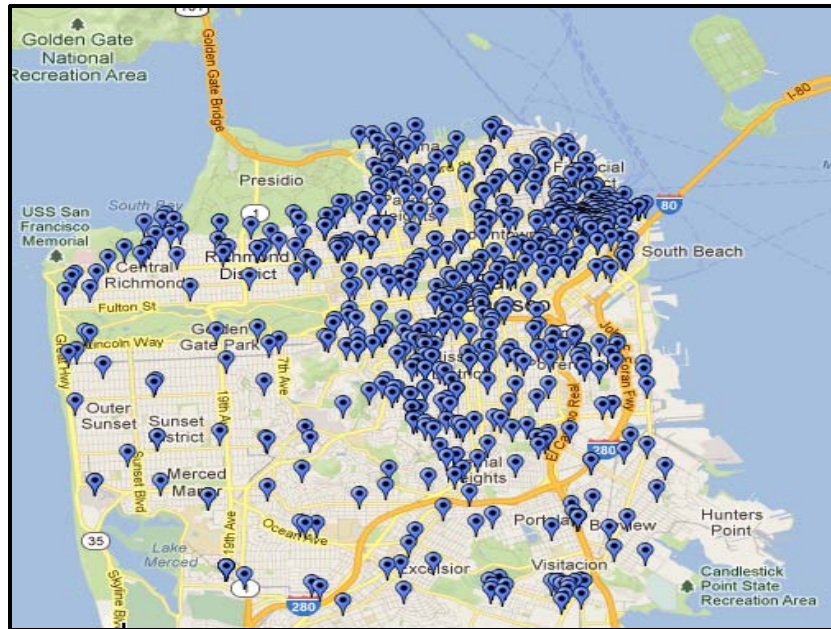
### **FY12-13 Supplemental Appropriation Budget Request**

The Department is proposing a Supplemental Appropriation request in order to appropriate projected additional fee revenue in the department's FY12-13 budget. Once adopted, the Department will allocate the approved resources in this request to reducing the backlog of cases and building permits requiring review and funding currently under-funded commitments. These resources will mostly fund additional staff to process the applications in the backlog as well as provide some additional authority to pay for consultants and materials and supplies. In order to provide a systematic approach to addressing the backlog, the Department is proposing to establish project schedules for larger projects, as well as assign case managers to any project that has more than one application with the Department. In total, the Department is requesting a Supplemental Appropriation of approximately \$3 Million for FY12-13.

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More than 220 cases and 120 building permits are in the department's backlog awaiting review from staff. The backlog level in FY12-13 is moderately higher compared to last fiscal year due to the volume increases and staffing levels dedicated to processing cases and building permits staying relatively flat year over year.



The map above shows the active caseload for all cases and building permits currently in review by department staff. Although active cases and building permits are scattered throughout the City, the vast majority are located in the Northeast and Southeast parts of the City.

Department staff will present the supplemental appropriation budget request to the Commissions at the following meetings:

Date	Budget Agenda Item at Commission Meeting
1/16/13	Requesting "recommendation of approval" of the supplemental appropriation request with the <b>Historic Preservation Commission</b>
1/17/13	Review of the supplemental appropriation request with the <b>Planning Commission</b>
1/24/13	Requesting "approval" of the supplemental appropriation request with the <b>Planning Commission</b>

The supplemental appropriation will include the following position and other changes to the FY12-13 budget:

## 1. Reduce the Backlog

#	Request	Division(s)	FY12-13 Supplemental Positions (FTEs)/Amount
1	Planner I	Zoning	1.00
2	Planner II	Current	1.00
3	Planner III	Current/Environmental	4.00
4	Support Staff	All	4.00
5	Office Space Reconfiguration	All	\$125,000
6	Records & Information Technology Improvements	All	\$522,000
7	Additions & Expansion Guidelines	Current	\$60,000
8	Refine CEQA Analysis Procedures	Current	\$50,000
9	Preservation Documents Revision	Current	\$50,000

***Records & Information Technology Improvements:*** This appropriation will fund various information technology upgrade projects, including digitizing historical case files located in the department’s file room in order to more efficiently locate historical files and respond to information requests, AutoCAD and transportation software for advanced analyses, department-wide WiFi access, printer replacement, and increasing the capacity of the department’s storage area network (SAN) to accommodate the additional digitized case files with a system backend replacement.

***Additions and Expansion Guidelines for Additions to Small and Medium Scaled Buildings:*** Other than the Residential Design Standards, there are no guidelines to inform the design of additions and expansions for small- and medium-scaled residential projects. This effort will fund staff and support the development of a guidelines document.

**Refine CEQA Analysis Procedures:** The results of this effort will establish a clearer process, more specific guidelines, and revised public documents. This appropriation will fund staff and support to develop revised documents outlining procedures, and enhance regulation.

**Preservation Documents Revision:** The Department’s Preservation Bulletins require updating and revision, including *Bulletin 16: CEQA and Historical Resources*. CEQA guidelines and procedures for known and potential historic resources also require clarification. This appropriation will fund staff and support to revise all Preservation Bulletins and outline procedures, resulting in a better defined and more publicly accessible process.

**2. Fund Under-Funded Current Commitments**

#	Request	Division(s)	FY12-13 Supplemental Amount
1	PPTS Training & Additional Configuration	Admin	\$45,000
2	Central Corridor EIR Funding	Environmental	\$250,000
	<b>Under-Funded Current Commitments Total</b>		<b>\$295,000</b>

**PPTS Training & Additional Configuration:** The implementation of the Permit and Project Tracking System (PPTS) is underway and on schedule to Go Live during the Summer of 2013. Staff is currently working on the configuration of the system. This appropriation will fund an online training tool for staff to become proficient using the system as well as provide additional resources for configuration needs, such as advanced system functionality and management reports.

**Central Corridor EIR Funding:** The Planning Department received a General Fund appropriation totaling \$350,000 in its FY12-13 and FY13-14 adopted budget and grant funding totaling \$600,000 from the Metropolitan Transportation Commission (MTC) for the Central Corridor EIR. This appropriation will be used to fund any additional analyses required in the EIR.