



SAN FRANCISCO PLANNING DEPARTMENT

MEMORANDUM

To: Members, Planning Commission
Members, Historic Preservation Commission

From: John Rahaim, Director of Planning

Date: February 10, 2010

Subject: **FY 2010-2011 Budget Development: Draft Balanced Budget and Work Program**

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Introduction

At the December 17th Planning Commission meeting, staff presented the City's and Department's financial condition, projected budget deficit for FY2010-2011, and offered preliminary balancing options. On January 20th and January 21st, staff presented the Department's goals and proposed work program to the Historic Preservation and Planning Commissions, respectively. On January 28th, at a Joint Hearing, staff presented a draft FY2011 budget and options for resolving the deficit. Staff reviewed Commissioner comments and the recommendations of the Joint Labor Management Committee (JLMC) and is now submitting a balanced FY2011 budget and work program for the Commissions' review.

In making the trade-off decisions necessary to balance the budget, staff used the following principles:

- Allocate limited staff resources to core functions and completion of efforts already underway,
- Retain the Code Enforcement, Historic Preservation and Citywide Planning programs, which previously received General Fund support,
- Reduce staff impacts and honor the guidance of the JLMC,
- Distribute staff reductions across divisions and classifications, taking into account position deletions from last year, and
- Keep any fee increase below 5 percent for all application types, limit impacts on mid-sized projects, and do not increase fees for small scale projects.

The financial outlook - modest revenue improvement and a limitation of 5 percent on a fee increase combined with reduced General Fund, grant support and work order support from other Departments - requires the Department to propose significant staff reductions in order to present a balanced budget. The number of positions in the current

fiscal year is 154.60 FTEs. The budget proposal includes 134.42 FTEs, which is a 20.18 FTE or 13 percent reduction. This is a result of assumed reduced work schedules at 5.2 percent, 6 position deletions, a sharp reduction in temporary salaries, and an assumption of holding all but key positions vacant. This level of FTE reduction will impact every division of the Department and requires trade-off decisions that sacrifice important objectives in exchange for other more important objectives. It is important to remember that throughout the budget process, which will span through June of 2010, the financial condition may improve. I have directed staff to work closely with other City departments to secure work order agreements for planning and public project review, apply for grants, and collaborate with the City Attorney to ensure the realization of the Code Enforcement penalties and cost recovery assumed in the budget proposal. Improvements will be used to retain staff and restore key services, such as retaining the current quality of application review or allowing some resources to maintain the General Plan.

This document at the outset explains high-level changes from the projected budget deficit of \$1.47M reported at the last budget hearing, and then in more detail describes the revenue and expenditure budgets, responding to Commissioner questions about revenue and grant assumptions, and the fee proposal. The document then turns to the resource allocation at the department and division level, and describes the JLMC principles and demonstrates how these principles are reflected in the proposal. This document includes a review of the work program which is now balanced to the Department's resources. This work program shows the impacts of the position reductions. The memo also provides options for a landmark initiation program. Finally, the memo provides a summary of the external process the budget will follow over the next few months after the Planning Commission's final review and approval on February 18, 2010.

The following Attachments are also included:

- A – FY2011 Proposed Budget Summary
- B – FY2011 Expenditure Budget
- C - FY2011 Revenue Budget
- C.1 - FY2010 December Revenue Detail
- D – FY2011 Draft Work Program balanced to Department Resources
- E - Workorder Detail
- F - Recovery Detail
- G - Department Cost to Pursue Individual and District Designations

Summary of Budget Changes from January 28th

Source Changes:

Sources on January 28, 2010 \$22,362,734

Reductions in:

Work Order Reduction (109,080)

Fee Revenue (235,238)

Sources on February 8, 2010 \$22,018,416

Difference (\$344,318)

Use Changes:

Uses on January 28, 2010 \$23,829,172

Decreases:

Salary (1,280,765)

Fringe Benefits (524,251)

Miscellaneous other reductions (5,740)

Uses on February 8, 2010 \$22,018,416

Difference (\$1,810,756)

Sources on February 8, 2010 \$22,018,416

Uses on February 8, 2010 \$22,018,416

FY2011 Proposed Revenue Budget

The proposed revenue budget is as follows:

Sources	FY 2010 Adopted	FY 2011 Proposed	Increase/ (Decrease)	Percent Changed
Planning Department Fees	\$16,163,911	\$ 17,227,236	\$ 1,063,325	6.6%
Developer Impact Fees	104,532	-	(104,532)	-100.0%
Grants and Gifts	891,913	576,100	(315,813)	-35.4%
General Fund Support	2,507,806	1,542,332	(965,474)	-38.5%
Integrated Permit Tracking	855,000	-	(855,000)	-100.0%
GA Sign Program	281,000	704,608	423,608	150.8%
Code Enforcement Funds	104,000	104,000	-	0.0%
Expenditure Recovery	2,983,029	1,014,140	(1,968,889)	-66.0%
Use of Prior Year Savings	250,000	850,000	600,000	240.0%
Total	\$ 24,141,191	\$22,018,416	\$(2,122,775)	-8.8%

Fee Assumptions

As shown in the table above, the largest increase in the revenue budget is to Department fees, resulting from (1) slightly better actuals in the current year compared to budget, (2) a modest assumed improvement in the volume of applications filed next year at 2.5 percent, and (3) the proposed fee increase at 4.65 percent.

Commissioner comments at the Joint Hearing included questions regarding the validity of an assumed modest improvement in application filing next fiscal year. Staff has reviewed with the Controller's Office the outlook of a modest 2.5 percent improvement and at this point the projection is sound. The conclusion of most economic analysis is "cautiously" optimistic about next year because the results of the economic stimulus appear to be preventing further economic decline. The housing market may have reached the bottom in terms of price, or near bottom, which will likely encourage more building permit activity for alterations. The commercial market is less certain and will very likely not recover sufficiently to see a large number of development applications in FY2011. However, in the current year, despite the decline in commercial real estate, revenues are projected to come in over budget by approximately \$133K.

As described on Attachment C – *Revenue Budget*, while the current year revenues are tracking to budget, the volume of applications generally is declining from the prior two-year average. For some application types, such as initial studies and EIRs, the decline is 56 percent. The volume decline for most applications types has been steady since FY2008,

and is tracking 15 to 20 percent negative year to year. Like the overall outlook that the economic recession may have hit bottom, the Department believes that the reduction in the volume of applications likely has hit bottom in the current year. However, improvement in application volume is projected to be very modest (2.5 percent overall) because based on past economic recessions, the real estate market will not lead the recovery but will be the last sector to recover.

There are several positive indicators for FY2011, as follows:

- Refund requests for projects that are no longer seeking environmental review are much lower than last year,
- Environmental review fees were strong in December primarily because of two key project filings (Parkmerced and the Produce Market),
- Projects already under review in MEA that will require EIRs and EIR fee payment make up approximately 30 percent of the projected revenue for next year,
- Many project sponsors are taking advantage of phased payment plans, and are making consistent timely payments,
- Many environmental applications will be filed in advance of an economic recovery because sponsors will be planning for a long-term horizon, and
- Building permit revenue remains strong.

December Revenues

As shown in Attachment C.1, December revenues totaled \$1,348,721 for environmental review and entitlement applications which is 217 percent over the monthly budget assumption of \$620K for these application types. December made up for a weak first quarter. The key revenue types driving this were from environmental applications, phased payment plans, and time and materials billings.

Fee Increase

Commissioner comments regarding the proposed fee increase of 4.65 percent ranged from recommending no fee increase to encouraging exemptions for smaller scale projects, and limiting the increase to 5 percent. Not raising the fees at all would require more layoffs, which we believe would substantially impact project review times. The cost to project sponsors in more significant review delays and the cost to the City overall from reducing the quality of review would be more costly than a 4.65 percent fee increase.

In all prior years, fee increases have been matched with more resources for project review. However, for FY2011, because of the General Fund deficit for Code Enforcement and Preservation, the fee increase will NOT result in more resources for project review but instead will limit reductions to project review resources, and will allow for the continuation of the Code Enforcement and Preservation programs (described in more detail in the Neighborhood Planning Section below). This is a key example of having to

make a difficult decision to sacrifice an important objective – fee increases should result in improved service – for another, more important, objective. In this case, the fee increase will allow us to retain the Code Enforcement and Preservation programs but will not improve project review times.

With the Commission’s endorsement of the fee increase concept limited to no more than 5 percent (the proposed budget assumes 4.65 percent), staff will bring a detailed proposal to the Commission for review in the spring. The budget assumption responds to Commissioners’ comments to not raise fees for smaller projects, and to minimize impacts to mid-sized projects. The estimate for building permit increases and environmental review fees has been reduced from 4.65 percent to 2.1 and 3.6 percent respectively. This is because building permits and Historic Resource Evaluation Reports are most often associated with small and mid-sized projects.

Additional Commissioner comments pertaining to a potential fee increase, such as the need to increase appeal fees or to examine provisions exempting neighborhood organizations from paying fees, will be addressed in detail when staff brings a thorough fee revision to the Commission for review this spring.

Grants Assumptions

Commissioners requested more detail on the grants budget so as to evaluate whether the budget is reasonable. The grants budget is \$576K, which is \$316K less than the current year and is based on the following grants:

Grant	Budget	Description
Friends of City Planning	\$86,100	To fund training, professional development and information technology which the General Fund typically cannot afford. Projection based on two-year average of awards.
Showplace Square	100,000	Showplace Square open space planning grant. FY2011 funds Phase I of the design work.
Civic Center Sustainable Resource District	85,000	Grant awarded to the PUC. The Department will likely perform much of this work with up to \$320K of funding, subject to an MOU between Agencies. \$85K funds initial planning work.
Cesar Chavez Street grants	250,000	Caltrans (\$140K) and EPA (\$110K) grant for capital improvements to Cesar Chavez which include planning and design work funded at \$250K.
Safe Routes to Transit	35,000	Grant award to the MTA for Market Street design. The total award is \$200K. The Department's portion of the work totals \$35K.
Historic Preservation State Grant	20,000	State grant for Historic Preservation work. This year, the grant funds the <i>Modern Age Context Statement</i> .
<i>Total</i>	\$576,100	

The above listed grants, and potentially other awards, will be recognized in the budget as formal award letters arrive and MOUs are reached with other agencies. We believe the above list is reasonably secure.

Proposed FY2011 Expenditure Budget

The proposed FY2011 expense budget is as follows:

	FY 2010 Proposed	FY 2011 Proposed	Increase/ (Decrease)	Percent Changed
Salaries	13,429,428	12,130,525	(1,298,903)	-9.7%
Mandatory Fringe Benefits	4,823,538	5,003,735	180,197	3.7%
Overhead	-	379,614	379,614	100.0%
Non Personal Services	810,448	711,588	(98,860)	-12.2%
Materials and Supplies	179,660	148,128	(31,532)	-17.6%
Equipment	13,248	22,280	9,032	68.2%
Services of Other Depts	3,621,369	3,622,546	1,177	0.0%
Grant passthrough to DPW	408,500	-	(408,500)	-100.0%
Integrated Permit Tracking	855,000	-	(855,000)	-100.0%
Total	\$24,141,191	\$22,018,416	\$(2,122,775)	-8.8%

The details of the proposed expenditure budget are in Attachment B – *FY2011 Expenditure Budget*. The most significant changes on the expenditure side from the last review are in salaries and fringe benefits, as a result of a 20.18 FTE reduction. This is a result of the following assumptions:

- Reduced work schedules at 5.2 percent,
- 6 position deletions,
- A sharp reduction in temporary salaries because the General Fund augmentation received in this fiscal year for Japantown, Neighborhood Commercial Standards, and other projects is considered one-time, and
- Leaving unfilled all but key vacant positions.

Proposed Labor Reductions

At the Joint Hearing on January 28th, staff reported to the Commissions that the Department has initiated a Joint Labor Management Committee (JLMC) with participation by all three unions representing employees in the Department, and that the Committee’s first order of priority was to develop recommendations for how to address the FY2011 budget deficit, and in particular any solutions to the deficit that would involve labor reductions. Because labor costs make up more than three-quarters of the

Department's budget and because we have limited ability to increase revenues and reduce non-salary expenditures sufficiently to resolve the entire budget deficit, we determined that our FY2011 budget proposal will have to reduce labor costs.

At the last hearing, staff presented to the Commissions a table showing potential solutions to the deficit, as follows:

Option	Incremental Amount	Percent or Number Needed to Balance the Budget Using Only this Solution
1% Fee Increase	\$163,000	9% (<i>above 4.65% already proposed</i>)
1% Wage Decrease	\$135,000	10.9%
1 day unpaid Dept closure	\$41,000	34 days
Work schedule reduced by one hour per week (i.e., 39 hours total)	\$336,000	4.4 hours per week
1 layoff (average value)	\$129,000	11.4 FTE

The JLMC has considered these options, and has distributed to all staff in the Planning Department a draft recommendation for how to achieve the equivalent of \$1.5M in savings (or approximately 11.4 FTE). The Committee's final recommendation is pending review and comment from Department staff, but we expect to have it available to the Commission by the hearing on February 18th. The draft recommendation seeks to reduce, but not eliminate, the total number of layoffs required to balance the budget, and does so by proposing wage reductions which would be recognized through some form of reduced working hours. In developing its recommendations, the Committee relied on the set of principles shown below. The Committee also conducted a survey of Department staff to understand what approach the majority of staff believed was appropriate. Almost 85 percent of staff completed the survey, and almost 80 percent of respondents favored some form of wage reduction to reduce the number of layoffs required to balance the budget.

The JLMC's principles are as follows:

1. Impacts should be visible to the public.
2. Solutions should allow flexibility of individual employees' work schedules.
3. If layoffs are necessary, the process of staff reduction should be transparent and Civil Service procedures should be followed.

4. Balance revenue enhancement (fee increases) and labor concessions/cuts.
5. No loss of benefits.
6. Consider Department-wide wage concessions to minimize Department-wide job loss.
7. Consider layoffs across job classifications.
8. Encourage those who can afford to take more unpaid days voluntarily to do so and encourage Department leadership to lead by example.
9. We want to be ready for the economic recovery, i.e., fewer layoffs, maintaining the variety of expertise we have among the existing staff.
10. Define parameters of concessions, ensure no double hit and identify potential triggers for their sunset.
11. Consider functionality of Department when addressing labor reductions.
12. When considering labor reductions, account for prior years' concessions, reductions and promotions.
13. JLMC should be committed to involve the entire staff in their decision-making.
14. Continue to investigate non-labor cost saving recommendations; make this an ongoing Department effort.
15. Recognize that small expenditure reductions have symbolic meaning and add up (e.g., Commissioner's meals, photocopying costs).
16. Respect people's opinions. Everyone's opinion is worthy of deliberation.

Consistent with the JLMC's recommendation and with direction from the Joint Hearing to not further increase fees above the 4.65 percent, the proposed FY2011 budget reduces labor costs to solve the remaining deficit. This reduction is equivalent to a reduction of 11.37 FTE. In addition, the FY2011 budget proposes reductions to temporary salaries and increases in attrition savings which further reduce FTE by 8.81. The proposed budget spreads the FTE loss across the four divisions. A detailed discussion of the impact of the FTE loss by division and the work efforts the Department will be able to staff next fiscal year is provided below.

At the Joint Hearing, there was a question regarding whether the Department would seek to reduce costs by reclassifying positions to lower level positions and redistributing work. The Department did do some "downward substitutions", as they are called, in developing the current fiscal year budget. However, we are not currently contemplating implementing downward substitutions to filled positions. This is because the cost savings is insignificant compared to eliminating a position altogether, yet the effect on actual employees is the same – i.e., the employee is laid off and may bump to another

position, potentially setting off a chain of bumping effects and causing significant disruption. Moreover, changing a position's classification requires that the work performed by the position also change; therefore, this is most appropriate in situations where work efforts need to be adjusted.

There was also a concern raised during the Joint Hearing that in prior years the Administration Division had been disproportionately impacted by staff reductions and layoffs, and that administrative support positions had also been disproportionately impacted. In developing our approach to staff reductions in FY2011, we will take into consideration the impacts of last year's reductions in an effort to smooth reductions across categories. Layoff impacts last year were as shown below:

Class	FY2009 to FY2010 Percent Reduction	Class as a Percentage of Total Staffing
Non-Planner Professionals (e.g., Finance, IT staff)	- 13.8%	8.9%
Clerical Staff	- 13.3%	13.8%
Management Staff*	- 5.8 %	21.4%
Planners	- 5.1%	54.7%

**includes senior managers and Planner IVs*

The table above shows that layoff impacts were inversely related last fiscal year to total numbers of staff in each grouping. That is, Non-Planner Professionals, such as Finance or Information Technology staff, represented only 9 percent of the Department but their ranks were reduced by layoffs by almost 14 percent. On the other end of the spectrum, Planners represent 55 percent of the Department but had impacts of 5 percent. When the elimination of vacant positions is also included, management classes were reduced by 11 percent total, and planner classes by 9 percent.

To more fully inform decisions regarding reductions for FY2011, staff also analyzed staffing levels over time in the Department. This analysis shows that while the number of planners (both line staff and managing planners) has increased over time, both clerical and senior management positions have decreased. Non-Planner Professionals also decreased over time, although this is offset by the proposed addition of a grant-writer position in the FY2011 budget. The table on the following page provides more detail:

Class	FY2004	FY2011	Increase/ (Decrease)	% Change
Clerical	23	22	(1)	-4.3%
Planner Line Staff	76.2	78.6	2.4	3%
Managing Planners	17	21	4.	24%
Non-Planner Professional	17.75	18.15	0.4	2.3%
Senior Management	10	8	(2)	-17%
Total FTE*	145.23	149.11	(3.88)	2.7%

**Total FTE does not equal the sum of each column because temporary salary FTEs are not included. Attrition savings also is not included which is why the FTEs are higher than the salary budget.*

These changes over time have meant an increase in the ratio of staff to senior managers, from 14.5: 1 to 18.6: 1. Offsetting this change has been a decrease in the ratio of planners to planning managers, from 4.5: 1 to 3.7: 1. As shown, the Department's total FTE count has grown by 2.7 percent over this time period, from 145.23 FTE in FY2004 to 149.11 FTE in FY2011. However, this hides a significant increase in FTE in the interceding years, with FY2008 levels at 168.61 FTE. From that high in FY2008, the Department's staffing levels have decreased by almost 12 percent, or 19.5 FTE.

As noted above, any decisions regarding specific position eliminations will consider the impact of last year's layoffs and other reductions.

Neighborhood Planning Division Work Program

Division Overview

Neighborhood Planning – or, “Current” Planning reviews project applications by geographic quadrant, provides public information, implements the Historic Preservation Survey work program, and implements the code enforcement and sign inventory programs. For the past year and a half the Neighborhood Planning division has been actively engaged in the Department's Action Plan, including efforts related to DR Reform, Preliminary Project Assessment/Case Manager, Forms/Applications and Hand-Outs, and Conditions of Approval.

Budget-Driven Changes

To balance the budget requires a 7.72 FTE reduction from Neighborhood Planning, which results in reductions to every aspect of the Division's work.

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
NEIGHBORHOOD PLANNING		62.38	62.38	54.66	(7.72)
1	Application Review and Processing	19.43	18.52	16.76	(1.76)
2.	Historic Preservation (Total # of Preservation planners would be maintained at 11)	8.52	7.82	6.32	(1.50)
3.	Provide Public Information	7.38	8.44	7.72	(0.72)
4.	Code Enforcement	7.25	6.50	5.25	(1.25)
5.	Inter-Department/Agency Activities	2.10	2.10	1.85	(0.25)
6.	Process Maintenance & Improvements, Citywide Support, Staff Training, Performance Review, etc.	2.45	4.50	2.85	(1.65)
7.	Support Staff	8.00	6.50	6.16	(0.34)
8	Management	7.25	8.00	7.75	(0.25)

The need to reduce Neighborhood Planning staff resources by 7.72 FTEs requires some difficult choices. At present, staff feels it is imperative to assist with the economic recovery by processing applications of all types and approving quality projects that enhance or conserve neighborhood quality. Much of the Department's conditional use and miscellaneous permit work is related to small businesses and delays to these permit types would have a direct economic impact. The division currently has a significant backlog with HRER reports (3-4 months for completion), and building permit assignments have a small delay of between 2 to 4 weeks.

As the Commissioners are aware, the fee increase proposed in FY2011 is to support previously General Fund-funded programs and will not add resources to application review. The Department's FY2011 work program proposal cannot add resources to application review without untenable impacts to other work areas, but it does maintain the current level of resources, based on actual current year billing. Neighborhood Planning staff should be able to absorb the projected 2.5 percent increase in volume due to efficiencies from the Action Plan. However, if workloads increase beyond 2.5 percent in FY2011, backlogs will develop. Further, if Action Plan process improvements are not fully implemented, such as Discretionary Review Reform and Preliminary Project

Assessment, the efficiency gains that would allow Neighborhood Planning to accomplish the same level of work with fewer resources will not be realized, further exacerbating the backlog.

To maintain the current level of application review service requires reductions to all other aspects of the Neighborhood Planning work program, notably to Code Enforcement, the Public Information Counter (PIC), and Preservation Survey (options for preservation program discussed below). The proposal includes a 20 percent reduction in staffing for enforcement work but maintains the core work of both the general enforcement and general advertising sign program. PIC staffing will be reduced to reflect the JLMC's draft proposal to reduce working hours, potentially through Department closure days. This will have a direct impact to public service, but does signal to the public that the Department has fewer resources and therefore cannot provide the same levels of service. All other ongoing Neighborhood Planning activities such as training, Citywide support, Inter-Departmental coordination, procedures and project review have been reduced to bare-minimum levels.

Historic Preservation Options

Below are three possible options for staffing the Historic Preservation work program. The first option is the Department's proposed FY2011 work program and budget and assumes reductions in staffing across all functional lines in Neighborhood Planning. The second option maintains the existing level of staffing in the Preservation Survey program. This results in a disproportionate allocation of staff to the Preservation Survey work program while all other Division efforts are reduced, but it would enable approximately 2.0 FTEs to be devoted to designation work, which has been requested by some Commissioners. The third option summarizes the level of effort required to implement all designations in the Market & Octavia plan area, as has been requested by some members of the HPC.

Summary of Preservation Program Options

Item	January 28th Proposed	Option 1 (Department proposal)	Option 2 (Maintain existing survey staffing)	Option 3 (Staff M&O designations)
<i>Application Review</i>	18.52	16.76	15.20	10.44
<i>Overall Preservation Staffing</i>	7.82	6.32	8.32	19.08
<i>Preservation Survey Program*</i>	1.57	1.07	3.07 (includes 2.00 FTE for designations)	14.13 (includes 11.06 FTE for designation work)
<i>Public Info</i>	8.44	7.38	6.88	3.88
<i>Code Enforcement</i>	6.50	5.25	5.25	2.25

**Preservation Survey Program FTE are included in the ‘Overall Preservation Staffing’ number as well.*

Option 1 – Department Proposal: Reduce survey staffing and other programs to retain service levels for application review

During the Joint Hearing, multiple Commissioners suggested that the Department’s first priority is to review applications. The Neighborhood Planning Division’s FY2011 proposed work program allocates the same number of FTE to application processing as has been needed in the current fiscal year, based on current year actuals. As discussed above, we believe that we can maintain service levels in application review despite an assumed 2.5 percent application volume increase because of the efficiency improvements resulting from implementation of the Action Plan. In order to preserve this level of resources for application review, the work program reduces all other categories of effort, including the PIC, Enforcement and Preservation Survey programs.

In this option, the Preservation Survey work program is reduced by 1.50 FTE from the initially proposed work program, and by 2.20 FTE from the FY2010 budget. The Survey program is reduced to 1.07 FTE and staffing for HRERs is reduced to 1.80 FTE. This proposal retains the increase of 0.30 FTE to staff the priorities of the Historic Preservation Commissions, such as landmark designations. Survey staff are proposed to be allocated as follows: 0.25 FTE clerical support, 0.25 FTE Modern Age context statement, 0.37 FTE completion of current survey work (adoption of findings), 0.10 FTE database integration of survey findings, and 0.10 FTE staff review of community surveys. We believe that this level of survey staffing will allow the Department to provide recommendations for nominations in the Market & Octavia survey area, as well as to bring completed Eastern Neighborhoods survey findings to the HPC for adoption.

Option 2 – Keep Preservation Survey staffing at current year actual levels and reduce application review accordingly

In prior hearings when the Department has proposed reducing staffing to the survey effort, some public and Commissioner comment has indicated a desire to undo that reduction. This option provides the same level of FTE to the Preservation Survey program as is actually provided in the current fiscal year (3.07 FTE). It retains HRER staffing at 1.80 FTE, and retains the proposed allocation of 0.30 FTE to support other HPC priorities, such as landmark designation requests.

In order to accommodate this level of resource allocation to the Preservation program, a reduction to application review and processing below current year billing levels would be required. The result would be a sizeable increase in the backlog of case and permit processing, even if current workloads do not grow. The length of time to assign a building permit for processing could be expected to double, and the timeframes for review of cases would increase far beyond current performance targets. The reductions to PIC and Enforcement would be the same as under Option 1 above.

This level of staffing for the Preservation Survey program would allow for an increased amount of designation work to be performed, but staff does not believe that it would allow for every eligible property and district in the Market & Octavia survey area to be designated.

Option 3 – Increase Preservation staffing to allow for all eligible properties and districts in the Market & Octavia survey area to be designated and reduce all other programs accordingly

As described in the February 10th memorandum “Department Cost to Pursue Individual and District Designations” (included as Attachment G), staff estimates that it would take 11.06 FTE to prepare the designation reports for each eligible individual and district property in the Market & Octavia survey area, at the appropriate levels (local, state, federal). Importantly, this figure **does not include** staff time associated with performing the necessary community outreach. As the memo describes in more detail, this figure is reduced to 4.11 FTE if California Register districts and individual properties are excluded.

The level of effort required for the Department to perform this work comprehensively is significant. In addition to the amount of work required to prepare the nominations, the Department would also need to engage in significant community outreach. Because the Department would be proposing landmark designations, the community outreach and consensus-building work normally performed by impacted property owners would need to be conducted by staff. It is hard to overestimate the amount of work this could entail,

especially if not all property owners are supportive of designations. Moreover, the Department is not practiced in performing landmark designations. Therefore, its work on this will, at least initially, be inherently less efficient than would the work of an organized community group or group of neighbors.

While we recognize that it may be more efficient for outside consultants to perform designation work, staff is not proposing to increase its contracts budget to provide this consultant work. Civil Service rules require the Department to prove that having external consultants perform work currently performed or proposed to be performed in-house would be more cost-effective, and requires the Department to complete a "Proposition J" process, which ultimately requires approval of outsourcing at the Board of Supervisors. Generally speaking, the Board has been unsupportive of such efforts when the result is an increase in layoffs, which this would certainly be. Moreover, the concept of outsourcing work at a time when the Department is "tightening its belt" to perform as much work in-house as possible is contrary to the principles we have operated under in the past few difficult economic years.

As a result, this third option proposes staffing levels of 11.06 FTE to a landmarks designation program, increasing the total Preservation program by 10.76 FTE over Option 2. The reductions necessary in other programs to accommodate this increase would essentially decimate those other programs and would result in immediate and severe backlogs and deterioration of service.

Citywide Planning Division Work Program

Division Overview

The Citywide Division provides long-range planning for the City. This includes developing community plans; determining how to allocate projected growth; maintaining and updating the City's General Plan; and providing urban design services to other City agencies and to the City at large. Over recent years, the Citywide Division has experienced a growing and changing role. Its success in completing major Area Plans such as the Market & Octavia, Balboa Park, and Eastern Neighborhoods Plans, has led to an increased demand from the public and from City policymakers to develop and implement a growing number of community plans. This includes, for example, the Northeast Embarcadero Study and the Fisherman's Wharf planning effort. In addition, the adoption of major Area Plans has resulted in the need for the Department to steward the implementation of those Area Plans. After years of working with the community, the Citywide Division is best situated to ensure that the City delivers upon the agreements and priorities reached through the Planning process. It is because of this that the Department implemented a new "Plan Implementation" function this fiscal year.

In addition to the demands placed on the Division as a result of successfully completing Area Plans, there has also been a shift in the Division's work which recognizes the Division's expertise in planning and urban design. Until fairly recently, many other City agencies conducted much of their planning and urban design work in-house. However, as the Planning Department has proved over recent years its skill in this area and demonstrated to other agencies and the public the value of these functions, there have been more and more requests for the Division to provide planning and urban design services to other agencies and community groups and to include these functions in most citywide projects. For example, in the current year the Division is providing planning and urban design services to the Port, the San Francisco Redevelopment Agency, and the Recreation and Parks Department. The Citywide Division is also collaborating with the Department of Public Works and the Public Utilities Commission on major projects, such as the redesign of Cesar Chavez and Jefferson Streets. We believe that this is an appropriate role for the Division and for the Department to play in the City, and that it is more effective and efficient from a citywide perspective to have the Planning Department perform this work on multiple public projects than for each City department to maintain its own in-house expertise, with all of the associated costs of sustaining those resources and the possible loss of focus.

As mentioned above, the Citywide Division has been collaborating with DPW and the PUC on a redesign of Cesar Chavez Street. This effort is indicative of another major trend in the Division's work efforts in recent years: the move to providing public realm planning services for the City. There has existed no single agency or department responsible for public realm planning for the City. In order to ensure effective collaboration and to appropriately fill this gap, the Citywide Division instituted the City Design Group. It is this group which developed the Better Streets Plan, the Mission Streetscape Plan, and the Fisherman's Wharf Public Realm Plan. This group is also involved in a number of priority City projects, such as the redesign of Market Street, and the development of an Open Space plan and subsequent Open Space design for Showplace Square – an item which is identified as a priority project in the Eastern Neighborhoods Plan implementing legislation. While much of this group's work is funded through outside sources, the Department does allocate some of its own funding to support the group's work, as we see this work as central to the Department's role and mission in the City.

Finally, the Citywide Division has put more emphasis on its Data and Reporting functions in recent years. This is a critical part of monitoring and implementing the adopted Area Plans, as well as providing information on important efforts such as the update to the Housing Element and the Census 2010.

In addition to these efforts, the Division also must continue its function as stewards of the General Plan. The Division has recently updated the Community Safety Element and has

published a public review draft of the Recreation and Open Space Element, and will complete the Housing Element early in the next fiscal year. However, with the exception of the Housing Element, there has been insufficient funding to conduct environmental review of these Elements; therefore, they are being withheld for adoption pending the completion of environmental review and their utility is compromised. Nonetheless, the ongoing development and maintenance of the General Plan remains an important component of the Division’s responsibilities.

Changes to the Proposed Work Program

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
CITYWIDE PLANNING		35.19	35.19	28.80	(6.39)
1.	General Plan Elements	3.60	2.00	0.95	(1.05)
2.	Sustainable Development Strategy	0.92	3.60	1.90	(1.70)
3.	Area Plans, Sub-Area Plans	10.79	8.89	6.71	(2.18)
4.	Area Plan Implementation	1.50	1.86	1.47	(0.39)
5.	City Design Group	5.68	5.35	5.96	0.61
6.	Data Information and Analysis	4.00	3.70	2.95	(0.75)
7.	Action Plan	0.50	0.20	0.17	(0.03)
8.	Other. Management, Support, Training and Development	8.20	9.59	8.70	(0.89)

As with the other divisions in the Department, it was necessary to reduce the FTE allocation to the Citywide Work Program in FY2011. While I still believe that an economic downturn is a particularly important time to do long-range planning so that we can provide the framework and “ground rules” for the return of development activity, the magnitude of labor reductions required in FY2011 does not allow any one division or program to remain unaffected. That said, in considering how to best staff the Citywide Division’s work efforts, there are some programs which have dedicated funding sources and those do remain staffed to the level of funding provided.

The primary changes to FTE levels provided to the proposed Citywide Work Program in FY2011 are increases in attrition savings, reductions in temporary salaries, and the assumption that all staff in the Department will work fewer hours in FY2011, as described in the JLMC’s draft recommendation. Together, these reductions result in an FTE loss of 4.79 in the Citywide Division in FY2011. As is the case Department-wide, the increase in

attrition savings means that all but key existing vacancies are assumed to remain vacant next fiscal year. Temporary salaries are reduced substantially, as in the current year they were increased at the end of the FY2010 budget process to recognize an additional \$300k allocation from the General Fund, part of which funds Citywide work efforts in this year only.

As mentioned above, in considering FTE allocations in the proposed FY2011 Citywide Work Program, funded efforts were staffed at least at the level of known funding. Funding sources include work orders from other departments, grants, and fees. These projects include the following:

- 1D. General Plan Referrals
- 1H. Community Plan Exemptions
- 3A. Southeast Planning Projects (partially funded)
- 3B. Transit Center District Plan
- 3C. Fourth & King Railyards
- 3E. Civic Center Sustainable Resources District
- 3J. Parkmerced
- 5E. Cesar Chavez Phase I and Phase II
- 5H. Market Street Redesign (partially funded)
- 5J. Showplace Square
- 5M. Urban Design Support to the Port
- 8C. Preliminary Project Assessment

In addition, work which is necessary to complete a previously-initiated planning effort, such as the Transit Center District Plan, Japantown, Western SoMa, and Glen Park efforts, and work which is required, such as the Sustainable Development Strategy (see below), were also prioritized.

It is because of these prioritization criteria that only the Sustainable Development Strategy (required) and City Design Group (dedicated funding) show increases in FTE from FY2010 to FY2011. The remaining categories have fewer resources allocated next fiscal year. The exception is the "Management, Support, Training and Development" line item, where an increase in PIC shifts and the transfer of an existing clerical position to the Citywide Division results in a budgeted, though not actual, FTE increase.

SB 375 and the Sustainable Development Strategy

At the Joint Hearing on January 28th, multiple Commissioners asked for an explanation of which components of the Sustainable Development Strategy work effort are required in order to comply with California Senate Bill 375 (SB 375).

The two mandatory components of SB 375 involve regional coordination and local workplace accommodation:

1. SB 375 demands significant cooperation regionally - cooperation that we must be at the forefront of, as the centerpiece of the region. This necessitates working closely with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) as they develop the state-mandated "*Sustainable Communities Strategy*" which lays out how emission reductions will be met, via a Regional Transportation Plan that is linked to a Regional Land Use Plan. San Francisco's development pattern and the transportation network will be major components of any regional plan to reduce greenhouse gases, so we need to make sure that our voice is heard loudly, and our concerns reflected clearly, as this regional plan is developed. We estimate this will require at least 1 FTE in the coming fiscal year.
2. SB 375 requires that Regional Projections forecast accommodate all of the region's growth - both residents and workers - within the Bay Area; accordingly, San Francisco will have to demonstrate how we are going to meet those growth needs locally. This will necessitate a citywide evaluation of land and space appropriate for growth; more specifically it will require a detailed analysis of employment growth demands (similar to what the Department must do now with respect to housing demands in the Housing Element). Without this analysis, we cannot strongly advocate for the correct allocation of growth, nor comfortably accommodate it without negative repercussions. We estimate this will require at least 1 FTE in FY2011.

Additionally, there is local land use planning and transportation coordination that should be completed if the City is to receive the benefits of SB 375, which include eligibility for state and federal transportation grants, financial assistance for sustainable regional transportation systems, and streamlined CEQA review. For San Francisco, this means a City-wide plan illustrating how our land use policies reduce auto travel, afford transportation alternatives, and provide citizens with housing options near where they work and live. This may include updating the City's Housing, Transportation and Open Space Elements of the General Plan to be substantially consistent with the "*Sustainable Communities Strategy*", and should responsibly include additional review or planning work in areas that may receive a significant amount of growth. We estimate these types of efforts will require two to three additional FTE, but these efforts can occur over a longer time span than the coming fiscal year, if cost savings are required. Therefore, the

minimum effort the Department can allocate to meeting the requirements of SB 375 in FY2011 is 2 FTE.

Impacts of Changes to the Proposed Work Program

The currently proposed FY2011 work program includes substantial changes to the way the Citywide Planning Division will program its work. Those changes are summarized below. It should be kept in mind that reduced resources will result in changes not just in the focus of the work undertaken, but also to the pace of that work, as less staff is stretched over a still-substantial list of projects.

- **General Plan Work.** In the proposed budget, the Citywide Division would undertake only minor efforts for the clean-up of adopted Area Plans that are necessary parts of such adoption. The remaining General Planning work would be limited to General Plan Referrals and Community Plan Exemptions, which are fee funded. Work on ongoing tasks like the ROSE and Community Safety Element would be held until funding sources could be identified to complete them. This substantially underfunds the Department's stewardship of the General Plan; it is inevitable that the General Plan's relevance and usefulness as the City's guiding document for land use decisions will diminish somewhat until attention can be returned to keeping it up-to-date.
- **Sustainable Development Strategy.** The proposed Citywide work program in FY2011 now includes 1.90 FTEs dedicated to the Sustainable Development Strategy, nearly half that proposed in the initial work program. The reduction in staffing for this important work means that work will focus primarily on those issues specifically targeted towards addressing AB 32 and SB 375; some earlier proposed leadership and stewardship efforts will need to be deferred.
- **Area Planning and Subarea Planning.** The proposed Citywide work program would be directed towards completing three legacy projects – Japantown, Glen Park and Western SoMa – while the remaining efforts primarily would focus on projects for which the Department expects to receive fees or work-order funding. These include the Southeast Planning Projects, Fourth and King Railyards Study, and the Central Subway Corridor Planning. The growing community interest in long-range community and area planning will need to be held in abeyance until funding can be restored.
- **Area Plan Implementation, Monitoring, Funding and Community Improvements.** Rather than increase as was proposed initially, this work effort would remain at levels equal to those in FY2010.

- **City Design Group.** Two public realm planning efforts — the Mission Streetscape Plan and the Fisherman’s Wharf Public Realm Plan — will be completed in FY2010 and will not be carried into FY2011. Because the Department has received a grant to continue its work on the Showplace Square Open Space Design, additional resources will be put into this effort in FY2011. Urban design review to the Department will continue but at minimal levels. Two popular public realm design initiatives, Market Street Redesign and Pavement to Parks, would be continued. The remaining work of this group would be shifted to projects for which there is grant or work-order funding. General street and public realm design and urban design non-fee services would be terminated. It is likely that the leadership position this group has taken in improving the City’s public realm will be diminished.
- **Data Information and Analysis.** The work of this group would be substantially reduced, likely through conscious decisions to not complete several of the reports this group now completes annually.
- **Other. Management, Support, Training and Development.** Work under this category would increase by 0.50 FTE overall, as described above. The change primarily comes through reduced support for Board of Supervisors and Mayor’s Office requests, offset by an increase in staffing for PIC shifts and the transfer of an existing clerical position to the Citywide Division.

In total, the proposed FY2011 Citywide Division Work Program is reduced by 6.39 FTE, or 18 percent, from 35.19 FTE to 28.80 FTE.

Major Environmental Analysis Division Work Program

Division Overview

The Major Environmental Analysis division (MEA) is responsible for preparing state and federally mandated environmental review documents for the City and County of San Francisco. These documents must be legally adequate and present information to decision-makers and the public in a manner that facilitates informed decision-making. This includes preparing, or directing the preparation of, Environmental Impact Reports, Negative Declarations, General Rule Exclusions and Exemption Determinations, with ancillary supporting documents, as required by State law for all discretionary actions taken by the City.

The Environmental Review Division had an assignment backlog (time from project application filing date to planner assignment) of over 1 ½ years in FY2006. This issue has been remedied through a hiring program that resulted in more resources overall and

which established a transportation function, and from a variety of initiatives which have streamlined environmental review. The application volume has declined significantly in the past two years, which has allowed MEA staff to focus on completing applications in the backlog. At present, MEA has approximately 14,000 staff hours of effort remaining to complete applications already filed (reflects deferred credit account).

Budget-Driven Changes

In the current year, MEA has been unable to review many Department-initiated projects such as Fisherman’s Wharf, the Recreation and Open Space Element, and the Community Safety Element because the Division has not had the staff resources or funding to do so. In the budget year, application volume is expected to increase only 2.5 percent from the current year, and several major projects will be complete reducing the effort needed next year to address older applications.

The estimated funding for MEA is as follows:

Source	Amount	Number of FTEs	FTEs Adjusted for Non-Project Work
MEA cost with Overhead	\$4,521,492		
General Fund supported projects	435,459	2.14	1.86
Fee revenue (67 percent is for direct service)	3,665,516	17.98	15.69
Work orders	402,836	1.98	1.72
Grant (Friends of City Planning)	17,681	0.09	
Non-Project Work			2.90
Total	\$4,521,492	22.18	22.18

Non-project work is equal to 2.90 FTEs for other transportation initiatives, training, procedures, Action Plan implementation, and performance evaluations.

The proposed funding for next year leaves only 1.86 FTEs for public projects which is far fewer staff resources than is needed to accomplish environmental review of the Preservation Element, Fisherman’s Wharf, the Recreation and Open Space Element, the India Basin Plan, and the Mid-Market Redevelopment Plan in-house (there is no contract support for these efforts). Staff will need to prioritize which projects are most important. The need to balance the budget requires that we sacrifice a key objective of completing what we start, given that environmental review of the General Plan elements, and of Fisherman’s Wharf represents the completion of these planning efforts. The Department is not able to allocate additional General Fund to these efforts at this point because the remaining limited General Fund (\$1.1M) is needed in Neighborhood Planning.

In order to balance the FY2011 budget, the MEA division is being reduced by 4.95 FTEs, which, as is the case Department-wide, is a combination of work schedule reductions, position deletions, and reduction to temporary salaries. A reduction of this scale impacts all aspects of MEA's work, which is demonstrated in the table below:

Staff resources for private applications are notably reduced from the current year (by 2.27 FTE), and further (0.97 FTE) as a result of the proposed reallocation. This reduction in resources for private applications combined with pressure to complete public project

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
MAJOR ENVIRONMENTAL ANALYSIS		27.13	27.13	22.18	(4.95)
1.	Training and support.	0.85	0.85	0.64	(0.22)
2.	Prepare environmental documents.	24.32	24.43	20.19	(4.24)
	A. Private EIRs and Negative Declarations	14.11	12.81	11.84	(0.97)
	B. Public EIRs and Negative Declarations	2.51	4.32	1.86	(2.46)
	C. Appeals	2.00	2.00	1.50	(0.50)
	F. Transportation Analysis	3.60	3.60	3.40	(0.20)
	H&I Other environmental documents	2.10	1.70	1.59	(0.11)
3.	Update internal procedures for citywide CEQA compliance.	0.40	0.40	0.35	(0.05)
4.	Development and Implementation of the Action Plan 2008-2010 (New Section)	1.11	0.20	0.19	(0.01)
5	Other environmental applications, performance evaluations, public information, support to Citywide and procedures.	0.45	1.25	0.82	(0.43)

review, is expected to cause delays in assigning and processing all cases. Because of the high volume of cases handled by each MEA planner, typically fifteen or more cases each, any staff reductions will cause presently assigned work to revert to the backlog until other MEA planners can absorb additional cases. This may also impact MEA's ability to expedite priority cases (including public projects), which will further accentuate delays impacting non-priority projects. The extent of these impacts depends on staff's ability to

address older cases in the current year, and the volume and complexity of new cases next year.

While these reductions will translate into significant delays, they should not transition MEA back to the FY2006 situation where casework exceeded staff resources to the extent that a 1½ year backlog to assign cases developed. I have asked staff to develop a temporary staffing solution which would be used if a situation developed next year where new application workloads were mismatched to staff resources. MEA's deferred credit account would afford the division the ability to hire staff on a temporary basis until a permanent solution could be found.

The overall impact of this proposed work program is an inability to conduct environmental review for several public projects, which keeps the Department from finishing the work we have started, and significant delays to completing environmental review for private projects.

Administration Division Work Program

Division Overview

In the budget, the Administration Division includes the Director's Office; the Zoning Administrator and Assistant Director functions, including Legislative Affairs and Personnel; the Commissions; and Administration, including Finance, Information Technology, Operations, and Records Management. In December 2008, I implemented a reorganization which established Assistant Director level responsibility for certain functions. Under one Assistant Director (also the Zoning Administrator), are the Project Coordination, Design Review, Legislation, Ombudsman, and Major Projects functions. Under the other Assistant Director are the Personnel, Action Plan/Strategic Initiatives Implementation, Area Plan Implementation, and Special Projects functions. However, from a budgetary standpoint, many of these functions reside in the Division to which they are most closely related.

The FY2011 work program for the Administration Division is weighted towards overall Department management and the provision of Department-wide support services, such as Information Technology and payroll processing. Given that the Administration Division provides core support services to the Department, the Division's work in FY2011 remains largely the same as its work in FY2010. Nevertheless, the FY2011 proposed budget does include both functional and budget-driven changes.

Functional Changes

In the current fiscal year, the Operations function was transferred to the Administration Unit from the Commissions Unit, and the Records Management function is in the process of being shifted from the Commission Secretary to the Administration Unit. These changes were made in order allow the Commission Secretary sufficient time to staff both the Planning Commission and the Historic Preservation Commission. In the FY2010 budget, an additional administrative support position was also provided to the Commissions function, to support the HPC. Because the Operations function has always been shown separately from the Commissions function in the Work Program, this change in responsibility is not easily visible in the FY2011 proposed budget.

In addition to transferring responsibility for Operations from unit to another, an additional resource is provided to Operations in the FY2011 proposed budget. This position is a reassignment from the Neighborhood Planning Division, and offsets an existing vacancy in the Operations function. Because it offsets an existing vacancy which is assumed to remain vacant throughout FY2011, this reassignment results in a “net zero” change to the Operations Work Program.

As noted above, we have already begun shifting responsibility for the Records Management function away from the Commissions Secretary and to the Administration Unit. In order to most effectively provide Records Management services, the FY2011 proposed budget increases the resources allocated to this function by 0.47 FTE. As we reported in the January 26th memorandum to the Commissions, the Department believes it needs to make significant improvements in the area of Records Management and responding to public information requests. Lack of funding and staff resources has resulted in a decentralized and inefficient system both for the public and for staff, without clear procedures and technological support to ensure compliance. The additional resource to this work effort comes from substituting a vacant Planner III position to a Planner IV position, 0.50 FTE of which is to provide support to the Director of Neighborhood Planning, and the other 0.50 FTE of which will be reassigned from Neighborhood Planning to Records Management. The proposed duties of the 0.50 FTE Planner IV positions are as follows:

- Coordinate timely and complete responses to public information requests,
- Develop policies and procedures for compliance with the Sunshine Ordinance and for open and free information exchange,
- Train staff on these procedures,
- Represent the Department before the Sunshine Ordinance Task Force, and
- Manage efforts to make information available electronically.

The other notable functional change made to the Administration Work Program in FY2011 is the proposed addition of a grant-funded Grant Writer position. This position is funded through a grant in the current fiscal year, and is tasked with developing and implementing a comprehensive Grants program for the Department. As we have reported to the Commissions previously, we believe that it is prudent to diversify our funding sources, and the addition of a staff position to develop and manage the securing of grant sources is an important step in that direction. The position is proposed to be operating budget funded in FY2011, as we believe that the position will be revenue-generating. The position is tasked first with establishing and securing grant sources for planning work, and second with identifying and securing grant sources for capital projects identified in adopted Area Plans. The position will be responsible for locating and securing grant sources for as many aspects of the Department's work program as can be reasonably grant-funded.

At the January 28th Joint Hearing, it was mentioned that securing grants then requires managing and administering grants, which is an additional work effort. While we have not increased staffing levels in the proposed FY2011 budget and work program for this effort specifically, our experience over prior years in administering grants leads us to believe that we can manage this effort with existing resources, at least in the first year of the program. The new grant-funded Grant Writer position is seen in the proposed FY2011 Administration Division Work Program at 0.95 FTE.

Budget-Driven Changes

In addition to the functional changes to the Administration Work Program described above, the proposed FY2011 Work Program includes a number of budget-driven changes. In order to balance the FY2011 budget, the Administration Division was required to reduce FTE by 2.54, or 8.5 percent. As noted above in the *Labor Reductions* section, this reduction is on top of significant reductions made to Administration staffing in FY2010. While the FY2011 proposed Work Program for the Administration Division shows an FTE reduction of 1.12 FTE (3.8 percent), that number includes the addition of the Grant Writer and Records Management positions, which were accommodated by the larger FTE reduction of 2.54 positions.

To accomplish this reduction, the proposed Work Program eliminates two positions in the Finance Unit and replaces them with one position. Specifically, the 0923 Finance Manager and 1824 Contracts Manager positions are deleted, and are replaced by an 1825 position which will serve as both Finance Manager and Contracts Manager. Because the 1824 position was shared with the Citywide Division in the Plan Implementation function, this also reduces the number of positions available to Plan Implementation. Although I feel strongly that a Finance Manager position is critical for the Department to function, and indeed the Department is in the process of filling that position now, when

staff reviewed the positions in the Administration Division in order to accommodate the needed FTE reductions, it was determined that the two functions of Finance Manager and Contracts Manager could be provided through one position in a different classification. This change results in labor cost savings, and reduces the FTE count by 1.00.

While in general staffing levels are decreasing throughout the Administration Division, the FY2011 proposed Work Program shows an increase in FTE for the IT function. In prior years, the Department's GIS position was funded through the Permit and Project Tracking System (PPTS) project, by project funds. The GIS position has completed the work necessary to support implementation of the new PPTS; yet, the Department still needs the skills and services provided by the position. Therefore, the position in FY2011 is moved from the project budget to the operating budget. This results in an increase to IT staffing levels as shown in the Work Program, although there is no actual increase in the number of IT staff.

To offset this increase, and to meet the total FTE reduction described above, the Administration Division Work Program also increases attrition savings in FY2011. That is, it assumes that existing vacancies will remain vacant throughout FY2011, with the exception of the Finance Manager position described above. This means, for example, that current vacancies in Operations will not be filled.

Finally, the Administration Division proposed FY2011 Work Program assumes reduced hours worked by all staff in the Division in FY2011. We expect that this will be part of the final recommendation provided by the Joint Labor Management Committee. As such, in the Administration Division we have assumed a reduction of approximately five percent of working hours for each position in the Division.

In the Finance Unit, reduced working hours will result in slower service. For example, it will mean slower revenue collections, as staff has fewer hours available to do billing. Until recently, the Department was behind in its billing by two fiscal years. In order to avoid this situation in the next fiscal year yet still accommodate the reduced FTE, the Finance Unit will have to shift staff away from analytical and performance management reporting work to billing. Therefore, the Unit will be less able to support the Department and its internal improvement efforts, will be slower in responding to citywide reporting requests, and will have less time available to monitor, analyze, and correct the fee schedule. Moreover – and especially with the change described above to the Contracts position – the Unit's ability to let and manage contracts will be severely constrained. While the Department's FY2011 budget proposes very limited funding for contracts, there are existing contracts that require management, and response times and service levels for these will be significantly impacted. Any new contracts are expected take additional months to process, beyond the three to six months currently averaged.

In the Division's other functions, we again expect an impact to service turnaround times. Requests for IT reports, IT programming, and GIS services will take longer to complete. Responses to the public for information requests will likewise be impacted, although we anticipate that the addition of a resource to this work will offset the worst of the impacts. In the Personnel function, payroll processing must be prioritized as strict deadlines exist, despite any reduction in working hours. Therefore, all other personnel services will take longer to provide. Similarly, staff will be under increased pressure to meet mandatory legislative review turnaround times, meaning that fewer hours will be available to proactive development or review of legislation.

In total, the changes described above result in a proposed FTE level for the Administration Division of 28.78 in FY2011, compared with an FTE count of 29.90 in FY2010, as demonstrated in the table below.

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
IV.	ADMINISTRATION	29.90	29.90	28.78	(1.12)
1.	Director's Office	3.50	3.50	2.99	(0.51)
2.	Zoning Administrator	4.00	4.00	3.79	(0.21)
3.	Administrative Services	9.65	9.65	8.77	(0.88)
4.	Information Technology	5.00	5.00	5.41	0.41
5.	Records Management and Public Information	0	0	0.47	0.47
6.	Operations	4.75	4.75	4.50	(0.25)
6.	Commissions	3.00	3.00	2.84	(0.16)

Next Steps

Staff will incorporate direction provided at the February 11th hearing for action on the proposed FY2011 budget and work program on February 18th. On February 17th, staff will present the proposed budget to the HPC for review and input. Once the Commission has reviewed and approved the proposed FY2011 budget, staff will provide the Department's official budget submittal to the Mayor. Over the next few months, staff will work with

both the Mayor's Office and the Board of Supervisors to refine and adjust the budget as necessary. Significant changes to the budget will be brought back to the Commission for review. Final budget adoption by the Board of Supervisors will occur no later than August 1, 2010.



SAN FRANCISCO PLANNING DEPARTMENT

MEMORANDUM

To: Members, Planning Commission
Members, Historic Preservation Commission

From: John Rahaim, Director of Planning

Date: February 10, 2011

Subject: **FY 2010-2011 Budget Development: Draft Balanced Budget and Work Program**

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Introduction

At the December 17th Planning Commission meeting, staff presented the City's and Department's financial condition, projected budget deficit for FY2010-2011, and offered preliminary balancing options. On January 20th and January 21st, staff presented the Department's goals and proposed work program to the Historic Preservation and Planning Commissions, respectively. On January 28th, at a Joint Hearing, staff presented a draft FY2011 budget and options for resolving the deficit. Staff reviewed Commissioner comments and the recommendations of the Joint Labor Management Committee (JLMC) and is now submitting a balanced FY2011 budget and work program for the Commissions' review.

In making the trade-off decisions necessary to balance the budget, staff used the following principles:

- Allocate limited staff resources to core functions and completion of efforts already underway,
- Retain the Code Enforcement, Historic Preservation and Citywide Planning programs, which previously received General Fund support,
- Reduce staff impacts and honor the guidance of the JLMC,
- Distribute staff reductions across divisions and classifications, taking into account position deletions from last year, and
- Keep any fee increase below 5 percent for all application types, limit impacts on mid-sized projects, and do not increase fees for small scale projects.

The financial outlook - modest revenue improvement and a limitation of 5 percent on a fee increase combined with reduced General Fund, grant support and work order support from other Departments - requires the Department to propose significant staff reductions in order to present a balanced budget. The number of positions in the current

fiscal year is 154.60 FTEs. The budget proposal includes 134.42 FTEs, which is a 20.18 FTE or 13 percent reduction. This is a result of assumed reduced work schedules at 5.2 percent, 6 position deletions, a sharp reduction in temporary salaries, and an assumption of holding all but key positions vacant. This level of FTE reduction will impact every division of the Department and requires trade-off decisions that sacrifice important objectives in exchange for other more important objectives. It is important to remember that throughout the budget process, which will span through June of 2010, the financial condition may improve. I have directed staff to work closely with other City departments to secure work order agreements for planning and public project review, apply for grants, and collaborate with the City Attorney to ensure the realization of the Code Enforcement penalties and cost recovery assumed in the budget proposal. Improvements will be used to retain staff and restore key services, such as retaining the current quality of application review or allowing some resources to maintain the General Plan.

This document at the outset explains high-level changes from the projected budget deficit of \$1.47M reported at the last budget hearing, and then in more detail describes the revenue and expenditure budgets, responding to Commissioner questions about revenue and grant assumptions, and the fee proposal. The document then turns to the resource allocation at the department and division level, and describes the JLMC principles and demonstrates how these principles are reflected in the proposal. This document includes a review of the work program which is now balanced to the Department's resources. This work program shows the impacts of the position reductions. The memo also provides options for a landmark initiation program. Finally, the memo provides a summary of the external process the budget will follow over the next few months after the Planning Commission's final review and approval on February 18, 2010.

The following Attachments are also included:

- A – FY2011 Proposed Budget Summary
- B – FY2011 Expenditure Budget
- C - FY2011 Revenue Budget
- C.1 - FY2010 December Revenue Detail
- D – FY2011 Draft Work Program balanced to Department Resources
- E - Workorder Detail
- F - Recovery Detail
- G - Department Cost to Pursue Individual and District Designations

Summary of Budget Changes from January 28th

Source Changes:

Sources on January 28, 2010 \$22,362,734

Reductions in:

Work Order Reduction (109,080)

Fee Revenue (235,238)

Sources on February 8, 2010 \$22,018,416

Difference (\$344,318)

Use Changes:

Uses on January 28, 2010 \$23,829,172

Decreases:

Salary (1,280,765)

Fringe Benefits (524,251)

Miscellaneous other reductions (5,740)

Uses on February 8, 2010 \$22,018,416

Difference (\$1,810,756)

Sources on February 8, 2010 \$22,018,416

Uses on February 8, 2010 \$22,018,416

FY2011 Proposed Revenue Budget

The proposed revenue budget is as follows:

Sources	FY 2010 Adopted	FY 2011 Proposed	Increase/ (Decrease)	Percent Changed
Planning Department Fees	\$16,163,911	\$ 17,227,236	\$ 1,063,325	6.6%
Developer Impact Fees	104,532	-	(104,532)	-100.0%
Grants and Gifts	891,913	576,100	(315,813)	-35.4%
General Fund Support	2,507,806	1,542,332	(965,474)	-38.5%
Integrated Permit Tracking	855,000	-	(855,000)	-100.0%
GA Sign Program	281,000	704,608	423,608	150.8%
Code Enforcement Funds	104,000	104,000	-	0.0%
Expenditure Recovery	2,983,029	1,014,140	(1,968,889)	-66.0%
Use of Prior Year Savings	250,000	850,000	600,000	240.0%
Total	\$ 24,141,191	\$22,018,416	\$(2,122,775)	-8.8%

Fee Assumptions

As shown in the table above, the largest increase in the revenue budget is to Department fees, resulting from (1) slightly better actuals in the current year compared to budget, (2) a modest assumed improvement in the volume of applications filed next year at 2.5 percent, and (3) the proposed fee increase at 4.65 percent.

Commissioner comments at the Joint Hearing included questions regarding the validity of an assumed modest improvement in application filing next fiscal year. Staff has reviewed with the Controller's Office the outlook of a modest 2.5 percent improvement and at this point the projection is sound. The conclusion of most economic analysis is "cautiously" optimistic about next year because the results of the economic stimulus appear to be preventing further economic decline. The housing market may have reached the bottom in terms of price, or near bottom, which will likely encourage more building permit activity for alterations. The commercial market is less certain and will very likely not recover sufficiently to see a large number of development applications in FY2011. However, in the current year, despite the decline in commercial real estate, revenues are projected to come in over budget by approximately \$133K.

As described on Attachment C – *Revenue Budget*, while the current year revenues are tracking to budget, the volume of applications generally is declining from the prior two-year average. For some application types, such as initial studies and EIRs, the decline is 56 percent. The volume decline for most applications types has been steady since FY2008,

and is tracking 15 to 20 percent negative year to year. Like the overall outlook that the economic recession may have hit bottom, the Department believes that the reduction in the volume of applications likely has hit bottom in the current year. However, improvement in application volume is projected to be very modest (2.5 percent overall) because based on past economic recessions, the real estate market will not lead the recovery but will be the last sector to recover.

There are several positive indicators for FY2011, as follows:

- Refund requests for projects that are no longer seeking environmental review are much lower than last year,
- Environmental review fees were strong in December primarily because of two key project filings (Parkmerced and the Produce Market),
- Projects already under review in MEA that will require EIRs and EIR fee payment make up approximately 30 percent of the projected revenue for next year,
- Many project sponsors are taking advantage of phased payment plans, and are making consistent timely payments,
- Many environmental applications will be filed in advance of an economic recovery because sponsors will be planning for a long-term horizon, and
- Building permit revenue remains strong.

December Revenues

As shown in Attachment C.1, December revenues totaled \$1,348,721 for environmental review and entitlement applications which is 217 percent over the monthly budget assumption of \$620K for these application types. December made up for a weak first quarter. The key revenue types driving this were from environmental applications, phased payment plans, and time and materials billings.

Fee Increase

Commissioner comments regarding the proposed fee increase of 4.65 percent ranged from recommending no fee increase to encouraging exemptions for smaller scale projects, and limiting the increase to 5 percent. Not raising the fees at all would require more layoffs, which we believe would substantially impact project review times. The cost to project sponsors in more significant review delays and the cost to the City overall from reducing the quality of review would be more costly than a 4.65 percent fee increase.

In all prior years, fee increases have been matched with more resources for project review. However, for FY2011, because of the General Fund deficit for Code Enforcement and Preservation, the fee increase will NOT result in more resources for project review but instead will limit reductions to project review resources, and will allow for the continuation of the Code Enforcement and Preservation programs (described in more detail in the Neighborhood Planning Section below). This is a key example of having to

make a difficult decision to sacrifice an important objective – fee increases should result in improved service – for another, more important, objective. In this case, the fee increase will allow us to retain the Code Enforcement and Preservation programs but will not improve project review times.

With the Commission’s endorsement of the fee increase concept limited to no more than 5 percent (the proposed budget assumes 4.65 percent), staff will bring a detailed proposal to the Commission for review in the spring. The budget assumption responds to Commissioners’ comments to not raise fees for smaller projects, and to minimize impacts to mid-sized projects. The estimate for building permit increases and environmental review fees has been reduced from 4.65 percent to 2.1 and 3.6 percent respectively. This is because building permits and Historic Resource Evaluation Reports are most often associated with small and mid-sized projects.

Additional Commissioner comments pertaining to a potential fee increase, such as the need to increase appeal fees or to examine provisions exempting neighborhood organizations from paying fees, will be addressed in detail when staff brings a thorough fee revision to the Commission for review this spring.

Grants Assumptions

Commissioners requested more detail on the grants budget so as to evaluate whether the budget is reasonable. The grants budget is \$576K, which is \$316K less than the current year and is based on the following grants:

Grant	Budget	Description
Friends of City Planning	\$86,100	To fund training, professional development and information technology which the General Fund typically cannot afford. Projection based on two-year average of awards.
Showplace Square	100,000	Showplace Square open space planning grant. FY2011 funds Phase I of the design work.
Civic Center Sustainable Resource District	85,000	Grant awarded to the PUC. The Department will likely perform much of this work with up to \$320K of funding, subject to an MOU between Agencies. \$85K funds initial planning work.
Cesar Chavez Street grants	250,000	Caltrans (\$140K) and EPA (\$110K) grant for capital improvements to Cesar Chavez which include planning and design work funded at \$250K.
Safe Routes to Transit	35,000	Grant award to the MTA for Market Street design. The total award is \$200K. The Department's portion of the work totals \$35K.
Historic Preservation State Grant	20,000	State grant for Historic Preservation work. This year, the grant funds the <i>Modern Age Context Statement</i> .
<i>Total</i>	\$576,100	

The above listed grants, and potentially other awards, will be recognized in the budget as formal award letters arrive and MOUs are reached with other agencies. We believe the above list is reasonably secure.

Proposed FY2011 Expenditure Budget

The proposed FY2011 expense budget is as follows:

	FY 2010 Proposed	FY 2011 Proposed	Increase/ (Decrease)	Percent Changed
Salaries	13,429,428	12,130,525	(1,298,903)	-9.7%
Mandatory Fringe Benefits	4,823,538	5,003,735	180,197	3.7%
Overhead	-	379,614	379,614	100.0%
Non Personal Services	810,448	711,588	(98,860)	-12.2%
Materials and Supplies	179,660	148,128	(31,532)	-17.6%
Equipment	13,248	22,280	9,032	68.2%
Services of Other Depts	3,621,369	3,622,546	1,177	0.0%
Grant passthrough to DPW	408,500	-	(408,500)	-100.0%
Integrated Permit Tracking	855,000	-	(855,000)	-100.0%
Total	\$24,141,191	\$22,018,416	\$(2,122,775)	-8.8%

The details of the proposed expenditure budget are in Attachment B – *FY2011 Expenditure Budget*. The most significant changes on the expenditure side from the last review are in salaries and fringe benefits, as a result of a 20.18 FTE reduction. This is a result of the following assumptions:

- Reduced work schedules at 5.2 percent,
- 6 position deletions,
- A sharp reduction in temporary salaries because the General Fund augmentation received in this fiscal year for Japantown, Neighborhood Commercial Standards, and other projects is considered one-time, and
- Leaving unfilled all but key vacant positions.

Proposed Labor Reductions

At the Joint Hearing on January 28th, staff reported to the Commissions that the Department has initiated a Joint Labor Management Committee (JLMC) with participation by all three unions representing employees in the Department, and that the Committee’s first order of priority was to develop recommendations for how to address the FY2011 budget deficit, and in particular any solutions to the deficit that would involve labor reductions. Because labor costs make up more than three-quarters of the

Department's budget and because we have limited ability to increase revenues and reduce non-salary expenditures sufficiently to resolve the entire budget deficit, we determined that our FY2011 budget proposal will have to reduce labor costs.

At the last hearing, staff presented to the Commissions a table showing potential solutions to the deficit, as follows:

Option	Incremental Amount	Percent or Number Needed to Balance the Budget Using Only this Solution
1% Fee Increase	\$163,000	9% (<i>above 4.65% already proposed</i>)
1% Wage Decrease	\$135,000	10.9%
1 day unpaid Dept closure	\$41,000	34 days
Work schedule reduced by one hour per week (i.e., 39 hours total)	\$336,000	4.4 hours per week
1 layoff (average value)	\$129,000	11.4 FTE

The JLMC has considered these options, and has distributed to all staff in the Planning Department a draft recommendation for how to achieve the equivalent of \$1.5M in savings (or approximately 11.4 FTE). The Committee's final recommendation is pending review and comment from Department staff, but we expect to have it available to the Commission by the hearing on February 18th. The draft recommendation seeks to reduce, but not eliminate, the total number of layoffs required to balance the budget, and does so by proposing wage reductions which would be recognized through some form of reduced working hours. In developing its recommendations, the Committee relied on the set of principles shown below. The Committee also conducted a survey of Department staff to understand what approach the majority of staff believed was appropriate. Almost 85 percent of staff completed the survey, and almost 80 percent of respondents favored some form of wage reduction to reduce the number of layoffs required to balance the budget.

The JLMC's principles are as follows:

1. Impacts should be visible to the public.
2. Solutions should allow flexibility of individual employees' work schedules.
3. If layoffs are necessary, the process of staff reduction should be transparent and Civil Service procedures should be followed.

4. Balance revenue enhancement (fee increases) and labor concessions/cuts.
5. No loss of benefits.
6. Consider Department-wide wage concessions to minimize Department-wide job loss.
7. Consider layoffs across job classifications.
8. Encourage those who can afford to take more unpaid days voluntarily to do so and encourage Department leadership to lead by example.
9. We want to be ready for the economic recovery, i.e., fewer layoffs, maintaining the variety of expertise we have among the existing staff.
10. Define parameters of concessions, ensure no double hit and identify potential triggers for their sunset.
11. Consider functionality of Department when addressing labor reductions.
12. When considering labor reductions, account for prior years' concessions, reductions and promotions.
13. JLMC should be committed to involve the entire staff in their decision-making.
14. Continue to investigate non-labor cost saving recommendations; make this an ongoing Department effort.
15. Recognize that small expenditure reductions have symbolic meaning and add up (e.g., Commissioner's meals, photocopying costs).
16. Respect people's opinions. Everyone's opinion is worthy of deliberation.

Consistent with the JLMC's recommendation and with direction from the Joint Hearing to not further increase fees above the 4.65 percent, the proposed FY2011 budget reduces labor costs to solve the remaining deficit. This reduction is equivalent to a reduction of 11.37 FTE. In addition, the FY2011 budget proposes reductions to temporary salaries and increases in attrition savings which further reduce FTE by 8.81. The proposed budget spreads the FTE loss across the four divisions. A detailed discussion of the impact of the FTE loss by division and the work efforts the Department will be able to staff next fiscal year is provided below.

At the Joint Hearing, there was a question regarding whether the Department would seek to reduce costs by reclassifying positions to lower level positions and redistributing work. The Department did do some "downward substitutions", as they are called, in developing the current fiscal year budget. However, we are not currently contemplating implementing downward substitutions to filled positions. This is because the cost savings is insignificant compared to eliminating a position altogether, yet the effect on actual employees is the same – i.e., the employee is laid off and may bump to another

position, potentially setting off a chain of bumping effects and causing significant disruption. Moreover, changing a position’s classification requires that the work performed by the position also change; therefore, this is most appropriate in situations where work efforts need to be adjusted.

There was also a concern raised during the Joint Hearing that in prior years the Administration Division had been disproportionately impacted by staff reductions and layoffs, and that administrative support positions had also been disproportionately impacted. In developing our approach to staff reductions in FY2011, we will take into consideration the impacts of last year’s reductions in an effort to smooth reductions across categories. Layoff impacts last year were as shown below:

Class	FY2009 to FY2010 Percent Reduction	Class as a Percentage of Total Staffing
Non-Planner Professionals (e.g., Finance, IT staff)	- 13.8%	8.9%
Clerical Staff	- 13.3%	13.8%
Management Staff*	- 5.8 %	21.4%
Planners	- 5.1%	54.7%

**includes senior managers and Planner IVs*

The table above shows that layoff impacts were inversely related last fiscal year to total numbers of staff in each grouping. That is, Non-Planner Professionals, such as Finance or Information Technology staff, represented only 9 percent of the Department but their ranks were reduced by layoffs by almost 14 percent. On the other end of the spectrum, Planners represent 55 percent of the Department but had impacts of 5 percent. When the elimination of vacant positions is also included, management classes were reduced by 11 percent total, and planner classes by 9 percent.

To more fully inform decisions regarding reductions for FY2011, staff also analyzed staffing levels over time in the Department. This analysis shows that while the number of planners (both line staff and managing planners) has increased over time, both clerical and senior management positions have decreased. Non-Planner Professionals also decreased over time, although this is offset by the proposed addition of a grant-writer position in the FY2011 budget. The table on the following page provides more detail:

Class	FY2004	FY2011	Increase/ (Decrease)	% Change
Clerical	23	22	(1)	-4.3%
Planner Line Staff	76.2	78.6	2.4	3%
Managing Planners	17	21	4.	24%
Non-Planner Professional	17.75	18.15	0.4	2.3%
Senior Management	10	8	(2)	-17%
Total FTE*	145.23	149.11	(3.88)	2.7%

**Total FTE does not equal the sum of each column because temporary salary FTEs are not included. Attrition savings also is not included which is why the FTEs are higher than the salary budget.*

These changes over time have meant an increase in the ratio of staff to senior managers, from 14.5: 1 to 18.6: 1. Offsetting this change has been a decrease in the ratio of planners to planning managers, from 4.5: 1 to 3.7: 1. As shown, the Department's total FTE count has grown by 2.7 percent over this time period, from 145.23 FTE in FY2004 to 149.11 FTE in FY2011. However, this hides a significant increase in FTE in the interceding years, with FY2008 levels at 168.61 FTE. From that high in FY2008, the Department's staffing levels have decreased by almost 12 percent, or 19.5 FTE.

As noted above, any decisions regarding specific position eliminations will consider the impact of last year's layoffs and other reductions.

Neighborhood Planning Division Work Program

Division Overview

Neighborhood Planning – or, “Current” Planning reviews project applications by geographic quadrant, provides public information, implements the Historic Preservation Survey work program, and implements the code enforcement and sign inventory programs. For the past year and a half the Neighborhood Planning division has been actively engaged in the Department's Action Plan, including efforts related to DR Reform, Preliminary Project Assessment/Case Manager, Forms/Applications and Hand-Outs, and Conditions of Approval.

Budget-Driven Changes

To balance the budget requires a 7.72 FTE reduction from Neighborhood Planning, which results in reductions to every aspect of the Division's work.

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
NEIGHBORHOOD PLANNING		62.38	62.38	54.66	(7.72)
1	Application Review and Processing	19.43	18.52	16.76	(1.76)
2.	Historic Preservation (Total # of Preservation planners would be maintained at 11)	8.52	7.82	6.32	(1.50)
3.	Provide Public Information	7.38	8.44	7.72	(0.72)
4.	Code Enforcement	7.25	6.50	5.25	(1.25)
5.	Inter-Department/Agency Activities	2.10	2.10	1.85	(0.25)
6.	Process Maintenance & Improvements, Citywide Support, Staff Training, Performance Review, etc.	2.45	4.50	2.85	(1.65)
7.	Support Staff	8.00	6.50	6.16	(0.34)
8	Management	7.25	8.00	7.75	(0.25)

The need to reduce Neighborhood Planning staff resources by 7.72 FTEs requires some difficult choices. At present, staff feels it is imperative to assist with the economic recovery by processing applications of all types and approving quality projects that enhance or conserve neighborhood quality. Much of the Department's conditional use and miscellaneous permit work is related to small businesses and delays to these permit types would have a direct economic impact. The division currently has a significant backlog with HRER reports (3-4 months for completion), and building permit assignments have a small delay of between 2 to 4 weeks.

As the Commissioners are aware, the fee increase proposed in FY2011 is to support previously General Fund-funded programs and will not add resources to application review. The Department's FY2011 work program proposal cannot add resources to application review without untenable impacts to other work areas, but it does maintain the current level of resources, based on actual current year billing. Neighborhood Planning staff should be able to absorb the projected 2.5 percent increase in volume due to efficiencies from the Action Plan. However, if workloads increase beyond 2.5 percent in FY2011, backlogs will develop. Further, if Action Plan process improvements are not fully implemented, such as Discretionary Review Reform and Preliminary Project

Assessment, the efficiency gains that would allow Neighborhood Planning to accomplish the same level of work with fewer resources will not be realized, further exacerbating the backlog.

To maintain the current level of application review service requires reductions to all other aspects of the Neighborhood Planning work program, notably to Code Enforcement, the Public Information Counter (PIC), and Preservation Survey (options for preservation program discussed below). The proposal includes a 20 percent reduction in staffing for enforcement work but maintains the core work of both the general enforcement and general advertising sign program. PIC staffing will be reduced to reflect the JLMC's draft proposal to reduce working hours, potentially through Department closure days. This will have a direct impact to public service, but does signal to the public that the Department has fewer resources and therefore cannot provide the same levels of service. All other ongoing Neighborhood Planning activities such as training, Citywide support, Inter-Departmental coordination, procedures and project review have been reduced to bare-minimum levels.

Historic Preservation Options

Below are three possible options for staffing the Historic Preservation work program. The first option is the Department's proposed FY2011 work program and budget and assumes reductions in staffing across all functional lines in Neighborhood Planning. The second option maintains the existing level of staffing in the Preservation Survey program. This results in a disproportionate allocation of staff to the Preservation Survey work program while all other Division efforts are reduced, but it would enable approximately 2.0 FTEs to be devoted to designation work, which has been requested by some Commissioners. The third option summarizes the level of effort required to implement all designations in the Market & Octavia plan area, as has been requested by some members of the HPC.

Summary of Preservation Program Options

Item	January 28th Proposed	Option 1 (Department proposal)	Option 2 (Maintain existing survey staffing)	Option 3 (Staff M&O designations)
<i>Application Review</i>	18.52	16.76	15.20	10.44
<i>Overall Preservation Staffing</i>	7.82	6.32	8.32	19.08
<i>Preservation Survey Program*</i>	1.57	1.07	3.07 (includes 2.00 FTE for designations)	14.13 (includes 11.06 FTE for designation work)
<i>Public Info</i>	8.44	7.38	6.88	3.88
<i>Code Enforcement</i>	6.50	5.25	5.25	2.25

**Preservation Survey Program FTE are included in the ‘Overall Preservation Staffing’ number as well.*

Option 1 – Department Proposal: Reduce survey staffing and other programs to retain service levels for application review

During the Joint Hearing, multiple Commissioners suggested that the Department’s first priority is to review applications. The Neighborhood Planning Division’s FY2011 proposed work program allocates the same number of FTE to application processing as has been needed in the current fiscal year, based on current year actuals. As discussed above, we believe that we can maintain service levels in application review despite an assumed 2.5 percent application volume increase because of the efficiency improvements resulting from implementation of the Action Plan. In order to preserve this level of resources for application review, the work program reduces all other categories of effort, including the PIC, Enforcement and Preservation Survey programs.

In this option, the Preservation Survey work program is reduced by 1.50 FTE from the initially proposed work program, and by 2.20 FTE from the FY2010 budget. The Survey program is reduced to 1.07 FTE and staffing for HRERs is reduced to 1.80 FTE. This proposal retains the increase of 0.30 FTE to staff the priorities of the Historic Preservation Commissions, such as landmark designations. Survey staff are proposed to be allocated as follows: 0.25 FTE clerical support, 0.25 FTE Modern Age context statement, 0.37 FTE completion of current survey work (adoption of findings), 0.10 FTE database integration of survey findings, and 0.10 FTE staff review of community surveys. We believe that this level of survey staffing will allow the Department to provide recommendations for nominations in the Market & Octavia survey area, as well as to bring completed Eastern Neighborhoods survey findings to the HPC for adoption.

Option 2 – Keep Preservation Survey staffing at current year actual levels and reduce application review accordingly

In prior hearings when the Department has proposed reducing staffing to the survey effort, some public and Commissioner comment has indicated a desire to undo that reduction. This option provides the same level of FTE to the Preservation Survey program as is actually provided in the current fiscal year (3.07 FTE). It retains HRER staffing at 1.80 FTE, and retains the proposed allocation of 0.30 FTE to support other HPC priorities, such as landmark designation requests.

In order to accommodate this level of resource allocation to the Preservation program, a reduction to application review and processing below current year billing levels would be required. The result would be a sizeable increase in the backlog of case and permit processing, even if current workloads do not grow. The length of time to assign a building permit for processing could be expected to double, and the timeframes for review of cases would increase far beyond current performance targets. The reductions to PIC and Enforcement would be the same as under Option 1 above.

This level of staffing for the Preservation Survey program would allow for an increased amount of designation work to be performed, but staff does not believe that it would allow for every eligible property and district in the Market & Octavia survey area to be designated.

Option 3 – Increase Preservation staffing to allow for all eligible properties and districts in the Market & Octavia survey area to be designated and reduce all other programs accordingly

As described in the February 10th memorandum “Department Cost to Pursue Individual and District Designations” (included as Attachment G), staff estimates that it would take 11.06 FTE to prepare the designation reports for each eligible individual and district property in the Market & Octavia survey area, at the appropriate levels (local, state, federal). Importantly, this figure **does not include** staff time associated with performing the necessary community outreach. As the memo describes in more detail, this figure is reduced to 4.11 FTE if California Register districts and individual properties are excluded.

The level of effort required for the Department to perform this work comprehensively is significant. In addition to the amount of work required to prepare the nominations, the Department would also need to engage in significant community outreach. Because the Department would be proposing landmark designations, the community outreach and consensus-building work normally performed by impacted property owners would need to be conducted by staff. It is hard to overestimate the amount of work this could entail,

especially if not all property owners are supportive of designations. Moreover, the Department is not practiced in performing landmark designations. Therefore, its work on this will, at least initially, be inherently less efficient than would the work of an organized community group or group of neighbors.

While we recognize that it may be more efficient for outside consultants to perform designation work, staff is not proposing to increase its contracts budget to provide this consultant work. Civil Service rules require the Department to prove that having external consultants perform work currently performed or proposed to be performed in-house would be more cost-effective, and requires the Department to complete a "Proposition J" process, which ultimately requires approval of outsourcing at the Board of Supervisors. Generally speaking, the Board has been unsupportive of such efforts when the result is an increase in layoffs, which this would certainly be. Moreover, the concept of outsourcing work at a time when the Department is "tightening its belt" to perform as much work in-house as possible is contrary to the principles we have operated under in the past few difficult economic years.

As a result, this third option proposes staffing levels of 11.06 FTE to a landmarks designation program, increasing the total Preservation program by 10.76 FTE over Option 2. The reductions necessary in other programs to accommodate this increase would essentially decimate those other programs and would result in immediate and severe backlogs and deterioration of service.

Citywide Planning Division Work Program

Division Overview

The Citywide Division provides long-range planning for the City. This includes developing community plans; determining how to allocate projected growth; maintaining and updating the City's General Plan; and providing urban design services to other City agencies and to the City at large. Over recent years, the Citywide Division has experienced a growing and changing role. Its success in completing major Area Plans such as the Market & Octavia, Balboa Park, and Eastern Neighborhoods Plans, has led to an increased demand from the public and from City policymakers to develop and implement a growing number of community plans. This includes, for example, the Northeast Embarcadero Study and the Fisherman's Wharf planning effort. In addition, the adoption of major Area Plans has resulted in the need for the Department to steward the implementation of those Area Plans. After years of working with the community, the Citywide Division is best situated to ensure that the City delivers upon the agreements and priorities reached through the Planning process. It is because of this that the Department implemented a new "Plan Implementation" function this fiscal year.

In addition to the demands placed on the Division as a result of successfully completing Area Plans, there has also been a shift in the Division's work which recognizes the Division's expertise in planning and urban design. Until fairly recently, many other City agencies conducted much of their planning and urban design work in-house. However, as the Planning Department has proved over recent years its skill in this area and demonstrated to other agencies and the public the value of these functions, there have been more and more requests for the Division to provide planning and urban design services to other agencies and community groups and to include these functions in most citywide projects. For example, in the current year the Division is providing planning and urban design services to the Port, the San Francisco Redevelopment Agency, and the Recreation and Parks Department. The Citywide Division is also collaborating with the Department of Public Works and the Public Utilities Commission on major projects, such as the redesign of Cesar Chavez and Jefferson Streets. We believe that this is an appropriate role for the Division and for the Department to play in the City, and that it is more effective and efficient from a citywide perspective to have the Planning Department perform this work on multiple public projects than for each City department to maintain its own in-house expertise, with all of the associated costs of sustaining those resources and the possible loss of focus.

As mentioned above, the Citywide Division has been collaborating with DPW and the PUC on a redesign of Cesar Chavez Street. This effort is indicative of another major trend in the Division's work efforts in recent years: the move to providing public realm planning services for the City. There has existed no single agency or department responsible for public realm planning for the City. In order to ensure effective collaboration and to appropriately fill this gap, the Citywide Division instituted the City Design Group. It is this group which developed the Better Streets Plan, the Mission Streetscape Plan, and the Fisherman's Wharf Public Realm Plan. This group is also involved in a number of priority City projects, such as the redesign of Market Street, and the development of an Open Space plan and subsequent Open Space design for Showplace Square – an item which is identified as a priority project in the Eastern Neighborhoods Plan implementing legislation. While much of this group's work is funded through outside sources, the Department does allocate some of its own funding to support the group's work, as we see this work as central to the Department's role and mission in the City.

Finally, the Citywide Division has put more emphasis on its Data and Reporting functions in recent years. This is a critical part of monitoring and implementing the adopted Area Plans, as well as providing information on important efforts such as the update to the Housing Element and the Census 2010.

In addition to these efforts, the Division also must continue its function as stewards of the General Plan. The Division has recently updated the Community Safety Element and has

published a public review draft of the Recreation and Open Space Element, and will complete the Housing Element early in the next fiscal year. However, with the exception of the Housing Element, there has been insufficient funding to conduct environmental review of these Elements; therefore, they are being withheld for adoption pending the completion of environmental review and their utility is compromised. Nonetheless, the ongoing development and maintenance of the General Plan remains an important component of the Division’s responsibilities.

Changes to the Proposed Work Program

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
CITYWIDE PLANNING		35.19	35.19	28.80	(6.39)
1.	General Plan Elements	3.60	2.00	0.95	(1.05)
2.	Sustainable Development Strategy	0.92	3.60	1.90	(1.70)
3.	Area Plans, Sub-Area Plans	10.79	8.89	6.71	(2.18)
4.	Area Plan Implementation	1.50	1.86	1.47	(0.39)
5.	City Design Group	5.68	5.35	5.96	0.61
6.	Data Information and Analysis	4.00	3.70	2.95	(0.75)
7.	Action Plan	0.50	0.20	0.17	(0.03)
8.	Other. Management, Support, Training and Development	8.20	9.59	8.70	(0.89)

As with the other divisions in the Department, it was necessary to reduce the FTE allocation to the Citywide Work Program in FY2011. While I still believe that an economic downturn is a particularly important time to do long-range planning so that we can provide the framework and “ground rules” for the return of development activity, the magnitude of labor reductions required in FY2011 does not allow any one division or program to remain unaffected. That said, in considering how to best staff the Citywide Division’s work efforts, there are some programs which have dedicated funding sources and those do remain staffed to the level of funding provided.

The primary changes to FTE levels provided to the proposed Citywide Work Program in FY2011 are increases in attrition savings, reductions in temporary salaries, and the assumption that all staff in the Department will work fewer hours in FY2011, as described in the JLMC’s draft recommendation. Together, these reductions result in an FTE loss of 4.79 in the Citywide Division in FY2011. As is the case Department-wide, the increase in

attrition savings means that all but key existing vacancies are assumed to remain vacant next fiscal year. Temporary salaries are reduced substantially, as in the current year they were increased at the end of the FY2010 budget process to recognize an additional \$300k allocation from the General Fund, part of which funds Citywide work efforts in this year only.

As mentioned above, in considering FTE allocations in the proposed FY2011 Citywide Work Program, funded efforts were staffed at least at the level of known funding. Funding sources include work orders from other departments, grants, and fees. These projects include the following:

- 1D. General Plan Referrals
- 1H. Community Plan Exemptions
- 3A. Southeast Planning Projects (partially funded)
- 3B. Transit Center District Plan
- 3C. Fourth & King Railyards
- 3E. Civic Center Sustainable Resources District
- 3J. Parkmerced
- 5E. Cesar Chavez Phase I and Phase II
- 5H. Market Street Redesign (partially funded)
- 5J. Showplace Square
- 5M. Urban Design Support to the Port
- 8C. Preliminary Project Assessment

In addition, work which is necessary to complete a previously-initiated planning effort, such as the Transit Center District Plan, Japantown, Western SoMa, and Glen Park efforts, and work which is required, such as the Sustainable Development Strategy (see below), were also prioritized.

It is because of these prioritization criteria that only the Sustainable Development Strategy (required) and City Design Group (dedicated funding) show increases in FTE from FY2010 to FY2011. The remaining categories have fewer resources allocated next fiscal year. The exception is the "Management, Support, Training and Development" line item, where an increase in PIC shifts and the transfer of an existing clerical position to the Citywide Division results in a budgeted, though not actual, FTE increase.

SB 375 and the Sustainable Development Strategy

At the Joint Hearing on January 28th, multiple Commissioners asked for an explanation of which components of the Sustainable Development Strategy work effort are required in order to comply with California Senate Bill 375 (SB 375).

The two mandatory components of SB 375 involve regional coordination and local workplace accommodation:

1. SB 375 demands significant cooperation regionally - cooperation that we must be at the forefront of, as the centerpiece of the region. This necessitates working closely with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) as they develop the state-mandated "*Sustainable Communities Strategy*" which lays out how emission reductions will be met, via a Regional Transportation Plan that is linked to a Regional Land Use Plan. San Francisco's development pattern and the transportation network will be major components of any regional plan to reduce greenhouse gases, so we need to make sure that our voice is heard loudly, and our concerns reflected clearly, as this regional plan is developed. We estimate this will require at least 1 FTE in the coming fiscal year.
2. SB 375 requires that Regional Projections forecast accommodate all of the region's growth - both residents and workers - within the Bay Area; accordingly, San Francisco will have to demonstrate how we are going to meet those growth needs locally. This will necessitate a citywide evaluation of land and space appropriate for growth; more specifically it will require a detailed analysis of employment growth demands (similar to what the Department must do now with respect to housing demands in the Housing Element). Without this analysis, we cannot strongly advocate for the correct allocation of growth, nor comfortably accommodate it without negative repercussions. We estimate this will require at least 1 FTE in FY2011.

Additionally, there is local land use planning and transportation coordination that should be completed if the City is to receive the benefits of SB 375, which include eligibility for state and federal transportation grants, financial assistance for sustainable regional transportation systems, and streamlined CEQA review. For San Francisco, this means a City-wide plan illustrating how our land use policies reduce auto travel, afford transportation alternatives, and provide citizens with housing options near where they work and live. This may include updating the City's Housing, Transportation and Open Space Elements of the General Plan to be substantially consistent with the "*Sustainable Communities Strategy*", and should responsibly include additional review or planning work in areas that may receive a significant amount of growth. We estimate these types of efforts will require two to three additional FTE, but these efforts can occur over a longer time span than the coming fiscal year, if cost savings are required. Therefore, the

minimum effort the Department can allocate to meeting the requirements of SB 375 in FY2011 is 2 FTE.

Impacts of Changes to the Proposed Work Program

The currently proposed FY2011 work program includes substantial changes to the way the Citywide Planning Division will program its work. Those changes are summarized below. It should be kept in mind that reduced resources will result in changes not just in the focus of the work undertaken, but also to the pace of that work, as less staff is stretched over a still-substantial list of projects.

- **General Plan Work.** In the proposed budget, the Citywide Division would undertake only minor efforts for the clean-up of adopted Area Plans that are necessary parts of such adoption. The remaining General Planning work would be limited to General Plan Referrals and Community Plan Exemptions, which are fee funded. Work on ongoing tasks like the ROSE and Community Safety Element would be held until funding sources could be identified to complete them. This substantially underfunds the Department's stewardship of the General Plan; it is inevitable that the General Plan's relevance and usefulness as the City's guiding document for land use decisions will diminish somewhat until attention can be returned to keeping it up-to-date.
- **Sustainable Development Strategy.** The proposed Citywide work program in FY2011 now includes 1.90 FTEs dedicated to the Sustainable Development Strategy, nearly half that proposed in the initial work program. The reduction in staffing for this important work means that work will focus primarily on those issues specifically targeted towards addressing AB 32 and SB 375; some earlier proposed leadership and stewardship efforts will need to be deferred.
- **Area Planning and Subarea Planning.** The proposed Citywide work program would be directed towards completing three legacy projects – Japantown, Glen Park and Western SoMa – while the remaining efforts primarily would focus on projects for which the Department expects to receive fees or work-order funding. These include the Southeast Planning Projects, Fourth and King Railyards Study, and the Central Subway Corridor Planning. The growing community interest in long-range community and area planning will need to be held in abeyance until funding can be restored.
- **Area Plan Implementation, Monitoring, Funding and Community Improvements.** Rather than increase as was proposed initially, this work effort would remain at levels equal to those in FY2010.

- **City Design Group.** Two public realm planning efforts — the Mission Streetscape Plan and the Fisherman’s Wharf Public Realm Plan — will be completed in FY2010 and will not be carried into FY2011. Because the Department has received a grant to continue its work on the Showplace Square Open Space Design, additional resources will be put into this effort in FY2011. Urban design review to the Department will continue but at minimal levels. Two popular public realm design initiatives, Market Street Redesign and Pavement to Parks, would be continued. The remaining work of this group would be shifted to projects for which there is grant or work-order funding. General street and public realm design and urban design non-fee services would be terminated. It is likely that the leadership position this group has taken in improving the City’s public realm will be diminished.
- **Data Information and Analysis.** The work of this group would be substantially reduced, likely through conscious decisions to not complete several of the reports this group now completes annually.
- **Other. Management, Support, Training and Development.** Work under this category would increase by 0.50 FTE overall, as described above. The change primarily comes through reduced support for Board of Supervisors and Mayor’s Office requests, offset by an increase in staffing for PIC shifts and the transfer of an existing clerical position to the Citywide Division.

In total, the proposed FY2011 Citywide Division Work Program is reduced by 6.39 FTE, or 18 percent, from 35.19 FTE to 28.80 FTE.

Major Environmental Analysis Division Work Program

Division Overview

The Major Environmental Analysis division (MEA) is responsible for preparing state and federally mandated environmental review documents for the City and County of San Francisco. These documents must be legally adequate and present information to decision-makers and the public in a manner that facilitates informed decision-making. This includes preparing, or directing the preparation of, Environmental Impact Reports, Negative Declarations, General Rule Exclusions and Exemption Determinations, with ancillary supporting documents, as required by State law for all discretionary actions taken by the City.

The Environmental Review Division had an assignment backlog (time from project application filing date to planner assignment) of over 1 ½ years in FY2006. This issue has been remedied through a hiring program that resulted in more resources overall and

which established a transportation function, and from a variety of initiatives which have streamlined environmental review. The application volume has declined significantly in the past two years, which has allowed MEA staff to focus on completing applications in the backlog. At present, MEA has approximately 14,000 staff hours of effort remaining to complete applications already filed (reflects deferred credit account).

Budget-Driven Changes

In the current year, MEA has been unable to review many Department-initiated projects such as Fisherman’s Wharf, the Recreation and Open Space Element, and the Community Safety Element because the Division has not had the staff resources or funding to do so. In the budget year, application volume is expected to increase only 2.5 percent from the current year, and several major projects will be complete reducing the effort needed next year to address older applications.

The estimated funding for MEA is as follows:

Source	Amount	Number of FTEs	FTEs Adjusted for Non-Project Work
MEA cost with Overhead	\$4,521,492		
General Fund supported projects	435,459	2.14	1.86
Fee revenue (67 percent is for direct service)	3,665,516	17.98	15.69
Work orders	402,836	1.98	1.72
Grant (Friends of City Planning)	17,681	0.09	
Non-Project Work			2.90
Total	\$4,521,492	22.18	22.18

Non-project work is equal to 2.90 FTEs for other transportation initiatives, training, procedures, Action Plan implementation, and performance evaluations.

The proposed funding for next year leaves only 1.86 FTEs for public projects which is far fewer staff resources than is needed to accomplish environmental review of the Preservation Element, Fisherman’s Wharf, the Recreation and Open Space Element, the India Basin Plan, and the Mid-Market Redevelopment Plan in-house (there is no contract support for these efforts). Staff will need to prioritize which projects are most important. The need to balance the budget requires that we sacrifice a key objective of completing what we start, given that environmental review of the General Plan elements, and of Fisherman’s Wharf represents the completion of these planning efforts. The Department is not able to allocate additional General Fund to these efforts at this point because the remaining limited General Fund (\$1.1M) is needed in Neighborhood Planning.

In order to balance the FY2011 budget, the MEA division is being reduced by 4.95 FTEs, which, as is the case Department-wide, is a combination of work schedule reductions, position deletions, and reduction to temporary salaries. A reduction of this scale impacts all aspects of MEA's work, which is demonstrated in the table below:

Staff resources for private applications are notably reduced from the current year (by 2.27 FTE), and further (0.97 FTE) as a result of the proposed reallocation. This reduction in resources for private applications combined with pressure to complete public project

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
MAJOR ENVIRONMENTAL ANALYSIS		27.13	27.13	22.18	(4.95)
1.	Training and support.	0.85	0.85	0.64	(0.22)
2.	Prepare environmental documents.	24.32	24.43	20.19	(4.24)
A.	Private EIRs and Negative Declarations	14.11	12.81	11.84	(0.97)
B.	Public EIRs and Negative Declarations	2.51	4.32	1.86	(2.46)
C.	Appeals	2.00	2.00	1.50	(0.50)
F.	Transportation Analysis	3.60	3.60	3.40	(0.20)
H&I	Other environmental documents	2.10	1.70	1.59	(0.11)
3.	Update internal procedures for citywide CEQA compliance.	0.40	0.40	0.35	(0.05)
4.	Development and Implementation of the Action Plan 2008-2010 (New Section)	1.11	0.20	0.19	(0.01)
5.	Other environmental applications, performance evaluations, public information, support to Citywide and procedures.	0.45	1.25	0.82	(0.43)

review, is expected to cause delays in assigning and processing all cases. Because of the high volume of cases handled by each MEA planner, typically fifteen or more cases each, any staff reductions will cause presently assigned work to revert to the backlog until other MEA planners can absorb additional cases. This may also impact MEA's ability to expedite priority cases (including public projects), which will further accentuate delays impacting non-priority projects. The extent of these impacts depends on staff's ability to

address older cases in the current year, and the volume and complexity of new cases next year.

While these reductions will translate into significant delays, they should not transition MEA back to the FY2006 situation where casework exceeded staff resources to the extent that a 1½ year backlog to assign cases developed. I have asked staff to develop a temporary staffing solution which would be used if a situation developed next year where new application workloads were mismatched to staff resources. MEA's deferred credit account would afford the division the ability to hire staff on a temporary basis until a permanent solution could be found.

The overall impact of this proposed work program is an inability to conduct environmental review for several public projects, which keeps the Department from finishing the work we have started, and significant delays to completing environmental review for private projects.

Administration Division Work Program

Division Overview

In the budget, the Administration Division includes the Director's Office; the Zoning Administrator and Assistant Director functions, including Legislative Affairs and Personnel; the Commissions; and Administration, including Finance, Information Technology, Operations, and Records Management. In December 2008, I implemented a reorganization which established Assistant Director level responsibility for certain functions. Under one Assistant Director (also the Zoning Administrator), are the Project Coordination, Design Review, Legislation, Ombudsman, and Major Projects functions. Under the other Assistant Director are the Personnel, Action Plan/Strategic Initiatives Implementation, Area Plan Implementation, and Special Projects functions. However, from a budgetary standpoint, many of these functions reside in the Division to which they are most closely related.

The FY2011 work program for the Administration Division is weighted towards overall Department management and the provision of Department-wide support services, such as Information Technology and payroll processing. Given that the Administration Division provides core support services to the Department, the Division's work in FY2011 remains largely the same as its work in FY2010. Nevertheless, the FY2011 proposed budget does include both functional and budget-driven changes.

Functional Changes

In the current fiscal year, the Operations function was transferred to the Administration Unit from the Commissions Unit, and the Records Management function is in the process of being shifted from the Commission Secretary to the Administration Unit. These changes were made in order allow the Commission Secretary sufficient time to staff both the Planning Commission and the Historic Preservation Commission. In the FY2010 budget, an additional administrative support position was also provided to the Commissions function, to support the HPC. Because the Operations function has always been shown separately from the Commissions function in the Work Program, this change in responsibility is not easily visible in the FY2011 proposed budget.

In addition to transferring responsibility for Operations from unit to another, an additional resource is provided to Operations in the FY2011 proposed budget. This position is a reassignment from the Neighborhood Planning Division, and offsets an existing vacancy in the Operations function. Because it offsets an existing vacancy which is assumed to remain vacant throughout FY2011, this reassignment results in a “net zero” change to the Operations Work Program.

As noted above, we have already begun shifting responsibility for the Records Management function away from the Commissions Secretary and to the Administration Unit. In order to most effectively provide Records Management services, the FY2011 proposed budget increases the resources allocated to this function by 0.47 FTE. As we reported in the January 26th memorandum to the Commissions, the Department believes it needs to make significant improvements in the area of Records Management and responding to public information requests. Lack of funding and staff resources has resulted in a decentralized and inefficient system both for the public and for staff, without clear procedures and technological support to ensure compliance. The additional resource to this work effort comes from substituting a vacant Planner III position to a Planner IV position, 0.50 FTE of which is to provide support to the Director of Neighborhood Planning, and the other 0.50 FTE of which will be reassigned from Neighborhood Planning to Records Management. The proposed duties of the 0.50 FTE Planner IV positions are as follows:

- Coordinate timely and complete responses to public information requests,
- Develop policies and procedures for compliance with the Sunshine Ordinance and for open and free information exchange,
- Train staff on these procedures,
- Represent the Department before the Sunshine Ordinance Task Force, and
- Manage efforts to make information available electronically.

The other notable functional change made to the Administration Work Program in FY2011 is the proposed addition of a grant-funded Grant Writer position. This position is funded through a grant in the current fiscal year, and is tasked with developing and implementing a comprehensive Grants program for the Department. As we have reported to the Commissions previously, we believe that it is prudent to diversify our funding sources, and the addition of a staff position to develop and manage the securing of grant sources is an important step in that direction. The position is proposed to be operating budget funded in FY2011, as we believe that the position will be revenue-generating. The position is tasked first with establishing and securing grant sources for planning work, and second with identifying and securing grant sources for capital projects identified in adopted Area Plans. The position will be responsible for locating and securing grant sources for as many aspects of the Department's work program as can be reasonably grant-funded.

At the January 28th Joint Hearing, it was mentioned that securing grants then requires managing and administering grants, which is an additional work effort. While we have not increased staffing levels in the proposed FY2011 budget and work program for this effort specifically, our experience over prior years in administering grants leads us to believe that we can manage this effort with existing resources, at least in the first year of the program. The new grant-funded Grant Writer position is seen in the proposed FY2011 Administration Division Work Program at 0.95 FTE.

Budget-Driven Changes

In addition to the functional changes to the Administration Work Program described above, the proposed FY2011 Work Program includes a number of budget-driven changes. In order to balance the FY2011 budget, the Administration Division was required to reduce FTE by 2.54, or 8.5 percent. As noted above in the *Labor Reductions* section, this reduction is on top of significant reductions made to Administration staffing in FY2010. While the FY2011 proposed Work Program for the Administration Division shows an FTE reduction of 1.12 FTE (3.8 percent), that number includes the addition of the Grant Writer and Records Management positions, which were accommodated by the larger FTE reduction of 2.54 positions.

To accomplish this reduction, the proposed Work Program eliminates two positions in the Finance Unit and replaces them with one position. Specifically, the 0923 Finance Manager and 1824 Contracts Manager positions are deleted, and are replaced by an 1825 position which will serve as both Finance Manager and Contracts Manager. Because the 1824 position was shared with the Citywide Division in the Plan Implementation function, this also reduces the number of positions available to Plan Implementation. Although I feel strongly that a Finance Manager position is critical for the Department to function, and indeed the Department is in the process of filling that position now, when

staff reviewed the positions in the Administration Division in order to accommodate the needed FTE reductions, it was determined that the two functions of Finance Manager and Contracts Manager could be provided through one position in a different classification. This change results in labor cost savings, and reduces the FTE count by 1.00.

While in general staffing levels are decreasing throughout the Administration Division, the FY2011 proposed Work Program shows an increase in FTE for the IT function. In prior years, the Department's GIS position was funded through the Permit and Project Tracking System (PPTS) project, by project funds. The GIS position has completed the work necessary to support implementation of the new PPTS; yet, the Department still needs the skills and services provided by the position. Therefore, the position in FY2011 is moved from the project budget to the operating budget. This results in an increase to IT staffing levels as shown in the Work Program, although there is no actual increase in the number of IT staff.

To offset this increase, and to meet the total FTE reduction described above, the Administration Division Work Program also increases attrition savings in FY2011. That is, it assumes that existing vacancies will remain vacant throughout FY2011, with the exception of the Finance Manager position described above. This means, for example, that current vacancies in Operations will not be filled.

Finally, the Administration Division proposed FY2011 Work Program assumes reduced hours worked by all staff in the Division in FY2011. We expect that this will be part of the final recommendation provided by the Joint Labor Management Committee. As such, in the Administration Division we have assumed a reduction of approximately five percent of working hours for each position in the Division.

In the Finance Unit, reduced working hours will result in slower service. For example, it will mean slower revenue collections, as staff has fewer hours available to do billing. Until recently, the Department was behind in its billing by two fiscal years. In order to avoid this situation in the next fiscal year yet still accommodate the reduced FTE, the Finance Unit will have to shift staff away from analytical and performance management reporting work to billing. Therefore, the Unit will be less able to support the Department and its internal improvement efforts, will be slower in responding to citywide reporting requests, and will have less time available to monitor, analyze, and correct the fee schedule. Moreover – and especially with the change described above to the Contracts position – the Unit's ability to let and manage contracts will be severely constrained. While the Department's FY2011 budget proposes very limited funding for contracts, there are existing contracts that require management, and response times and service levels for these will be significantly impacted. Any new contracts are expected take additional months to process, beyond the three to six months currently averaged.

In the Division's other functions, we again expect an impact to service turnaround times. Requests for IT reports, IT programming, and GIS services will take longer to complete. Responses to the public for information requests will likewise be impacted, although we anticipate that the addition of a resource to this work will offset the worst of the impacts. In the Personnel function, payroll processing must be prioritized as strict deadlines exist, despite any reduction in working hours. Therefore, all other personnel services will take longer to provide. Similarly, staff will be under increased pressure to meet mandatory legislative review turnaround times, meaning that fewer hours will be available to proactive development or review of legislation.

In total, the changes described above result in a proposed FTE level for the Administration Division of 28.78 in FY2011, compared with an FTE count of 29.90 in FY2010, as demonstrated in the table below.

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FTEs</i>	<i>Change</i>
IV.	ADMINISTRATION	29.90	29.90	28.78	(1.12)
1.	Director's Office	3.50	3.50	2.99	(0.51)
2.	Zoning Administrator	4.00	4.00	3.79	(0.21)
3.	Administrative Services	9.65	9.65	8.77	(0.88)
4.	Information Technology	5.00	5.00	5.41	0.41
5.	Records Management and Public Information	0	0	0.47	0.47
6.	Operations	4.75	4.75	4.50	(0.25)
6.	Commissions	3.00	3.00	2.84	(0.16)

Next Steps

Staff will incorporate direction provided at the February 11th hearing for action on the proposed FY2011 budget and work program on February 18th. On February 17th, staff will present the proposed budget to the HPC for review and input. Once the Commission has reviewed and approved the proposed FY2011 budget, staff will provide the Department's official budget submittal to the Mayor. Over the next few months, staff will work with

both the Mayor's Office and the Board of Supervisors to refine and adjust the budget as necessary. Significant changes to the budget will be brought back to the Commission for review. Final budget adoption by the Board of Supervisors will occur no later than August 1, 2010.

Attachment A - Planning Department
 FY2010/2011 Budget Summary

<u>Sources</u>	FY 2010 Adopted	FY 2011 Proposed	Increase/ (Decrease)	Percent Changed
<i>Operating</i>				
Planning Department Fees	\$ 16,163,911	\$ 17,227,236	\$ 1,063,325	6.6%
Developer Impact Fees	104,532	-	\$ (104,532)	-100.0%
Grants and Gifts	891,913	576,100	\$ (315,813)	-35.4%
General Fund Support	2,507,806	1,542,332	\$ (965,474)	-38.5%
Integrated Permit Tracking System	855,000	-	\$ (855,000)	-100.0%
Subtotal	\$ 20,523,162	\$ 19,345,668	\$ (1,177,494)	-5.7%
<i>Special Funds</i>				
General Advertising Program	281,000	704,608	423,608	150.8%
Code Enforcement Funds	104,000	104,000	-	0.0%
Subtotal	\$ 385,000	\$ 808,608	\$ 423,608	110.0%
Expenditure Recovery	2,983,029	1,014,140	(1,968,889)	-66.0%
Use of Prior Year Savings	250,000	850,000	600,000	240.0%
Subtotal	\$ 3,233,029	\$ 1,864,140	(1,368,889)	-42.3%
Total	\$ 24,141,191	\$ 22,018,416	\$ (2,122,775)	-8.8%
<u>Uses</u>				
	FY 2010 Proposed	FY 2010 Proposed	Increase/ (Decrease)	Percent Changed
Salaries	13,429,428	12,130,525	\$ (1,298,903)	-9.7%
Mandatory Fringe Benefits	4,823,538	5,003,735	\$ 180,197	3.7%
Overhead	-	379,614	\$ 379,614	100.0%
Non Personal Services	810,448	711,588	\$ (98,860)	-12.2%
Materials and Supplies	179,660	148,128	\$ (31,532)	-17.6%
Equipment	13,248	22,280	\$ 9,032	68.2%
Services of Other Departments	3,621,369	3,622,546	\$ 1,177	0.0%
Grant passthrough to DPW	408,500	-	\$ (408,500)	-100.0%
Integrated Permit Tracking System	855,000	-	\$ (855,000)	-100.0%
Total	\$ 24,141,191	\$ 22,018,416	\$ (2,122,775)	-8.8%
<i>Surplus/(Deficit)</i>	\$ -	\$ -		

Planning Department
Proposed Expenditure Summary - FY2010/2011

Category	Original FY2010 Budget	Proposed FY2011 Budget	Increase/(Decrease)		Explanation of Request
			Amount	Percent	
Salaries	13,429,428	12,130,525	(1,298,903)	-9.67%	Significant decrease in the salary budget is due to assumed 5.2 percent reduced work schedules (\$665K), 6 position deletions (\$472K), reduction in temporary salaries for Citywide augmentation and economic recovery (\$441K), holding vacancies (\$279K), and other salary reductions (\$29K); offset by converting off budget positions for GIS and GA Sign Program to regular positions (\$303K), the cost of the new grant writer position, and other salary adjustments.
Retirement	1,308,222	1,709,378	401,156	30.66%	Includes increases in health and dental and other fringe benefit costs in accordance with the Controller's estimates. Retirement costs will increase approximately 11.98 percent, and the retirement pick-up is assumed as the City's responsibility, which is subject to labor negotiations, for a total increase of 30.66 percent.
Health and Dental	2,419,693	2,281,534	(138,159)	-5.71%	
Other Fringe benefits	1,095,623	1,012,823	(82,800)	-7.56%	
Subtotal of Sal. & Fringes	18,252,966	17,134,260	(1,118,706)	-6.13%	
Indirect Cost Reimb (COWCAP)	-	379,614	379,614	100.00%	Funds Planning's portion of citywide overhead costs. In the current year, the Department has a one-time credit for being overcharged in prior years.
Professional and Specialized Services	304,259	205,668	(98,591)	-32.40%	In Administration, funds garbage services (\$36,000); In Citywide, funds strategic plan implementation (\$156,883), and Misc. contract supported by FOCP (\$10,000).
Other Current Expenses	506,189	505,920	(269)	-0.05%	Funds a variety of office expenses: in Administration, includes software licensing (\$122,432), advertising (\$91,254), office machine rental and other expenses (\$57,050), postage (\$65,013), records storage (\$24,803), training (\$8,702), translation services (\$11,040), travel (\$3,000), and other miscellaneous expenses (\$21,350). In Neighborhood Planning, funds software licensing for Historic Preservation (\$2,785). In Citywide, funds printing (\$46,900), travel supported by FOCP (\$42,800), and subscriptions (\$6,144).
Subtotal of Non-Personal Services	810,448	711,588	(98,860)	-12.20%	
Materials and Supplies	179,660	148,128	(31,532)	-17.55%	Funds materials and supplies costs for the department (\$148,128). Includes savings from <i>Think Before You Print</i> program and efficiencies from full service lease agreement for the photocopier machines.
Equipment	13,248	22,280	9,032	68.18%	Funds department-wide IT hardware costs (\$22,280).
Integrated Permit Tracking	855,000	-	(855,000)	-100.00%	Savings in the project in FY2010 allow the Department to continue the project in FY2011 without requesting additional funding.

Planning Department
Proposed Expenditure Summary - FY2010/2011

Category	Original FY2010 Budget	Proposed FY2011 Budget	Increase/(Decrease)		Explanation of Request
			Amount	Percent	
Services of Other Departments	4,029,869	3,622,546	(407,323)	-10.11%	Funds services performed by other City departments for the Planning Department. In Administration, significant expenses include Real Estate (\$1,097,204), City Attorney (\$916,000), DTIS (\$445,817), Human Resources (\$381,634), Reproduction (\$140,398), Mail Services (\$93,936), and DBI (\$50,000). In MEA, significant expenses include Real Estate (\$69,530). In Neighborhood Planning, budget is for funding Sign Program-City Attorney Services (\$280,000), Code Enforcement-City Attorney Services (\$104,000) and Sign Program reproduction expenditures (\$1,000). Decrease is because DPW's grant passthrough workorder is for this year only (\$408,500) and slight decrease in risk manager (\$8K), offset by an increase in the DBI workorder.
Total	24,141,191	22,018,416	(2,122,775)	-8.79%	

Attachment C - Revenue Summary								
Category	Actual FY 2009	FY 2010 Adopted Budget	FY2010 Yearend projection	FY2010 Estimate without fee changes (2.5 percent improvement)	Fee changes (assumed at 4.65 percent)	FY 2011 Proposed Budget	Increase/ (Decrease)	Comments
Fee Revenue								
Building Permit Fees	7,123,963	7,518,684	7,598,687	7,788,654	162,172	7,950,827	\$ 432,143	The volume of building permits is down 16.55 percent from the prior two-year average. Despite this decline, the fee increase combined with a shift away from small alteration projects results in less impact to revenue. The assumption of the fee increase of 4.65% is reduced to 2.1% in order to not raise fees on smaller projects, and minimize impacts to mid-sized projects.
New Building Permit Fees	898,201	1,216,345	870,730	892,498	41,501	933,999	\$ (282,346)	
Environmental Review Fees	3,245,105	3,440,520	5,150,757	5,279,526	191,393	5,470,919	\$ 2,030,399	The revenue budget for FY2010 is nearly half of the budget from the prior year based on actuals. EE and EIR applications are down 56 percent from the prior two year average (11 compared to 25). However, larger applications are again being filed (Park Merced (\$274K), and the Produce Market (\$244K). The fee increase of 4.65% is reduced to 3.6% in order to not raise fees for HRERs.
Other short range planning fees	1,504,010	1,420,964	984,482	1,009,094	46,923	1,056,017	\$ (364,947)	Short range planning fees include entitlements required for larger projects (shadow studies and the annual limit), historic applications like TDRs (not C of As), and rezoning. It is assumed that applications will continue to suffer in FY2011 because while overall applications will pick-up, the larger scale projects will likely remain flat.
Conditional Use Fees	1,366,145	1,783,115	1,168,173	1,197,377	55,678	1,253,055	\$ (530,060)	Conditional use volume is actually up 16 percent from the prior two year average. However, the project sizes are from larger to mid-sized so the revenue is impacted as this fee is construction value based. This project size trend will likely continue into FY2011.
Variance fees	479,474	450,987	387,840	397,536	18,485	416,021	\$ (34,966)	Volume is down 37 percent from the prior year average, but the revenue impact is mitigated by the project mix requiring variances.

Attachment C - Revenue Summary								
Category	Actual FY 2009	FY 2010 Adopted Budget	FY2010 Yearend projection	FY2010 Estimate without fee changes (2.5 percent improvement)	Fee changes (assumed at 4.65 percent)	FY 2011 Proposed Budget	Increase/ (Decrease)	Comments
Fee Revenue								
Certification of Appropriateness	159,761	<u>333,297</u>	<u>136,480</u>	<u>139,892</u>	<u>6,505</u>	<u>146,397</u>	<u>\$ (186,900)</u>	The budget assumed that the new draft procedures for HPC will require C of As for tenant improvements for historic buildings, which will result in many more applications and revenues for the Department. However, these procedures are not yet in place.
Use of Deferred Credit for Work on the Backlog in MEA	<u>\$ 1,008,204</u>							Deferred credit account balance is currently \$2.6M and is set aside for private projects that have already paid fees, but the work is not completed.
<i>Fee Subtotal</i>	14,510,788	16,163,912	16,297,149	16,704,578	522,658	17,227,236	1,063,324	
2S - Special Fund Account								
General Advertising Program	\$ 236,010	\$ 281,000	\$ 438,995	\$ 438,995	\$ -	\$ 704,608	\$ 423,608	Annual maintenance fee (\$236K) plus penalty revenue and judgements (\$469K). This fee of \$211 is fixed and is not planned for an increase as the program will be completed in FY2011.
Code Enforcement Penalties	<u>\$ 1,495</u>	<u>104,000</u>	<u>52,000</u>	<u>\$ -</u>	<u>\$ 104,000</u>	<u>\$ 104,000</u>	<u>\$ -</u>	Monitoring conditions of approval and abatement of violations.
<i>2S Fund Subtotal</i>	<u>\$ 237,505</u>	<u>\$ 385,000</u>	<u>\$ 490,995</u>	<u>\$ 438,995</u>	<u>\$ 104,000</u>	<u>\$ 808,608</u>	<u>\$ 423,608</u>	
Impact Fee for Implementation								
Market and Octavia	\$ -	\$ 44,000	\$ 4,145	\$ -	\$ -	\$ -	\$ (44,000)	4 percent of impact fee revenue will be used to staff CAC, coordinate capital projects with implementing agencies and financial reporting. Budget assumes pending fee deferral legislation will pass and all sponsors will defer fees.
Rincon Hill	\$ -	\$ 30,000		\$ -		\$ -	\$ (30,000)	same as above.
Balboa	\$ -	\$ 8,000		\$ -		\$ -	\$ (8,000)	same as above.
Eastern Neighborhoods		\$ 22,532		<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ (22,532)</u>	same as above.
<i>Impact Fee Subtotal</i>	\$ -	\$ 104,532	\$ 4,145	-		\$ -	\$ (104,532)	

Attachment C - Revenue Summary								
Category	Actual FY 2009	FY 2010 Adopted Budget	FY2010 Yearend projection	FY2010 Estimate without fee changes (2.5 percent improvement)	Fee changes (assumed at 4.65 percent)	FY 2011 Proposed Budget	Increase/ (Decrease)	Comments
Fee Revenue								
Grants and Gifts								
Friends of City Planning Gifts	\$ 32,427	\$ 73,100	\$ 80,699	-	-	\$ 86,100	\$ 13,000	Friends of City Planning - To fund training, professional development and information technology which the General Fund typically cannot afford. Projection based on two-year average of awards.
Newcomb Model Block Project	one-time award	\$ 476,500	\$ 476,500	-	-	\$ -	\$ (476,500)	Capital improvement grant from the EPA which is a passthrough to DPW to perform capital improvements, with a \$69K allocation to Planning.
Transit Center District Plan	\$ 389,033	\$ 145,000	\$ 145,000	-	-	\$ -	\$ (145,000)	TJPA support through a TA grant for the Department's preparation of the Transit Center District Plan. Department has received prior year allocations, of which \$150K is not expended because of a delay in work on the 4th and King Street project.
Showplace Square	one-time award	\$ 62,000	\$ 62,000	-	-	\$ 100,000	\$ 38,000	Showplace Square open space planning grant.
Civic Center Sustainable Resource District	one-time award	-	-	-	-	\$ 85,000	\$ 85,000	Grant award to the PUC and the Department will likely perform much of this work with up to \$320K of funding, subject to an MOU between Agencies.
Cesar Chavez Street grants	\$ 146,804	-	-	-	-	\$ 250,000	\$ 250,000	Caltrans (\$140K) and EPA grants (\$110K) for capital improvements to Cesar Chavez which include planning and design work funded at \$250K.
Safe Routes to Transit	one-time award	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000	Grant award to the MTA for Market Street design. The total award is \$200K. The Department's portion of the work totals \$35K.
Historic Preservation State Grant	\$ 20,000	\$ 20,000	\$ 20,000	-	-	\$ 20,000	\$ -	State grant for Historic Preservation work. This year, the grant funds the Modern Age Context Statement.
Mission Public Realm and Local Census San Francisco Transportation Authority	\$ 293,232							
	\$ 38,437	\$ 115,313	\$ 115,313			\$ -	\$ (115,313)	Prop K through the IA - To fund staff to work on specific transportation related environmental review for \$115,313.
Grant and Gift Subtotal	\$ 919,933	891,913	899,512	-		\$ 576,100	\$ (315,813)	

Attachment C - Revenue Summary								
Category	Actual FY 2009	FY 2010 Adopted Budget	FY2010 Yearend projection	FY2010 Estimate without fee changes (2.5 percent improvement)	Fee changes (assumed at 4.65 percent)	FY 2011 Proposed Budget	Increase/ (Decrease)	Comments
Fee Revenue								
General Fund Support								
General Fund Support (per AAO)	\$ 4,997,567	\$ 2,507,806	\$ 2,507,806			\$ 1,542,332	\$ (965,474)	General fund allocation includes additional \$300,000 for long range planning enhancements in the current year. Meeting the 20 percent reduction and 10 percent contingency leaves a General Fund allocation of \$1,542,332. A carryforward will support the PTS project in FY2011.
Permit Tracking System	\$ -	\$ 855,000	\$ 150,000			\$ -	\$ (855,000)	
<i>General Fund Subtotal</i>	4,997,567	3,362,806	2,657,806	0		\$ 1,542,332	(1,820,474)	
Other Sources								
Workorders from other Agencies	\$ 1,467,217	\$ 2,983,029	\$ 2,083,246	\$ -	\$ -	\$ 1,014,140	\$ (1,968,889)	Reflects funding from other City departments for work performed on their behalf. In Neighborhood Planning, includes DPW for subdivision and mapping (\$123,350), and the Port (\$123,350) for a Preservation Planner. In MEA, support from Airport (\$10,000), MTA (\$100,000), PUC(\$163,488), and the Port (\$129,348) for the Cruise Terminal Program. In Citywide, Rec & Park (\$31,030) and Real Estate (\$31,030) for General Plan Referrals, Port (\$129,348), and SFRA (\$160,000) for the Southeast project work and mapping support.
Use of Prior Year Savings	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 850,000	\$ 600,000	
<i>Other Sources Subtotal</i>	1,467,217	3,233,029	2,333,246	0	0	1,864,140	(1,368,889)	
Total	22,133,010	24,141,192	22,682,853	17,143,573	626,658	22,018,416	(2,122,776)	

C.1 – FY 2010 December Revenue Detail

C New Intake

T&M

2009.1103C	690 Stanyan St	\$ 25,555.00	2009.0340C	1905 Ivring St	\$ 626.67
2009.1101C	333 Baker St	\$ 1,702.00	2009.0530C	2884 24th St	\$ 1,039.76
2009.1095C	80 Julian Av	\$ 15,197.00	2009.0068C	626 Clement St	\$ 696.56
2009.1111C	373 W. Protal Ave	\$ 2,120.00	2009.0114C	1042 Taraval St	\$ 1,333.77
2009.1026C	850-870 Brannan St	\$ 11,279.00	2009.0356C	1117 Irving St	\$ 1,097.50
2009.1108C	3333 25th St	\$ 1,451.40	2008.1347C	400 Balboa St	\$ 1,081.89
2009.1109C	1040 Folsom St	\$ 2,315.00	2009.0295C	2045 Irving St	\$ 1,467.89
2009.1064C	1345 Turk St	\$ 62,468.00	2009.0341C	4207 Judah St	\$ 922.86
2009.1131C	329 Kearny St	\$ 1,340.00	2009.0326C	999 Brotherhood Way	\$ 589.45
2008.0794C	2115 Taraval St	\$ 896.00	2009.0513C	61 Cambon Dr	\$ 586.51
2009.1142C	4675 Mission St	\$ 1,563.00	2009.0273C	7 W Portal Ave	\$ 2,954.55
2009.1139C	3111 24th St	\$ 1,897.00	2008.1161C	99 W Portal Av	\$ 2,323.50
			2007.1256C	401 Columbus Av	\$ 500.00
			2008.1199C	614 Pine St	\$ 155.73
			2009.0476C	178 Townsend St	\$ 2,529.78
			2009.0396C	77 Farallones St	\$ 198.51
			2008.1337C	1301 Polk St	\$ 90.54
			2009.0561C	3800 Noriega St	\$ 600.00
			2009.0417C	1000 Van Ness	\$ 711.36
			2009.0041C	1353 Taraval St	\$ 452.38
			2009.0884C	132 Clement St	\$ 183.15
12		\$ 127,783.40	19		\$ 20,142.36

E New Intake

File Date

Notes

2009.1103E	690 Stanyan St	\$ 9,114.00	12/1/2009	EIR Addendum	
2008.0021E	3711 19th Av	\$ 274,253.13	12/7/2009	EIR	
2009.1153E	2095 Jerrold Av	\$ 244,435.42	12/18/2009	EE	
2008.1084E	706 Mission St	\$ 89,268.00	9/11/2008	EE, 1st installment total: \$269,566	
2009.0065E	3433 3rd St	\$ 92,623.00	12/22/2009	EE, 70% intake	
2009.1095E	80 Julian St	\$ 22,085.50	12/30/2009		
6		\$ 731,779.05	6		

C.1 – FY 2010 December Revenue Detail

V New Intake

T&M

2009.1095V	80 Julian Av	\$ 3,328.00	2009.0131V	121 5th Av	\$ 573.00
2009.1110V	799 Situs to be assigned st	\$ 819.50	2008.0704V	1262 Pacific Av	\$ 425.93
2009.1120V	45 Raycliff Tr	\$ 3,565.50	2009.0190V	1270 Sanchez St	\$ 783.32
2009.1148V	2164 15th St	\$ 819.50	2008.1329V	1112 Lombard St	\$ 719.54
2007.0213V	325 Bowdoin St	\$ 2,345.00	2008.0876V	31 Fairmount St	\$ 223.16
2007.1272V	2412 15th St	\$ 2,333.50	2008.1233V	70 Douglass St	\$ 674.68
2009.1154V	2037 48th Av	\$ 819.50	2008.1192V	812-816 Green St	\$ 80.47
2009.1179V	14 Macondray Ln	\$ 3,565.50	2005.0801V	1269 Lombard St	\$ 2,118.12
			2009.0042V	3665-3669 18th St	\$ 1,805.80
			2009.0055V	1094 De Haro St	\$ 1,412.69
			2008.1392V	2324 Greenwich St	\$ 685.16
			2009.0152V	43 Latona St	\$ 165.90
			2008.0846V	721 Brannan St	\$ 58.12
8		\$ 17,596.00	13		\$ 9,725.89

A New Intake

T&M

2009.1122A	900 North Point St	\$ 1,194.50	2009.0257A	900 Sansome St	\$ 396.93
2009.0961A	620 Jone St	\$ 1,194.50	2008.1404A	Art Institute of CA	\$ 530.47
2009.1145A	Lots 090-091	\$ 5,446.50	2008.1186A	1348 10th Av	\$ 135.72
			2009.0476A	178 Townsend St	\$ 4,077.46
3		\$ 7,835.50	4		\$ 5,140.58

C.1 – FY 2010 December Revenue Detail

Others New Intake

T&M

2006.1251K	721 Clementina St	\$ 468.50	2008.0021K	3711 19th Av	\$ 1,631.41
2009.1105X	72 Ellis St	\$ 935.00	2008.0072R	2011 Bayshore Bl	\$ 145.07
2009.1026B	850-870 Brannan St	\$ 4,672.50	2009.0191X	45 Lansing St	\$ 993.40
2006.0995D	60 Normandie Tr	\$ 3,285.00	2009.0109W	Trinity Plaza (Develop Agrmnt)	\$ 11,075.15
2009.0476U	178 Townsend St	\$ 17,142.00	2009.0399U	333 Dolores St	\$ 279.54
2009.1104H	456 Post St	\$ 7,941.50	2009.0319X	340 Fremont St	\$ 117.62
2009.1116D	171 Valley St	\$ 300.00	2008.0084K	42 Harriet St	\$ 428.00
2009.1123D	4639 19th St	\$ 300.00	2006.1294K	110 The Embarcadero	\$ 1,194.59
2009.0927D	1345 Masonic Av	\$ 300.00			
2009.1124D	136 Ord St	\$ 300.00			
2009.1124D	136 Ord St	\$ 300.00			
2009.0159!	1540 Market St	\$ 20,370.00			
2008.1084!	706 Mission St	\$ 20,370.00			
2007.0168K	227 W Point St	\$ 456.50			
2009.0065!	3433 3rd St	\$ 18,333.00			
2008.0568D	543 Grove St	\$ 300.00			
2009.1175D	436 Scott St	\$ 300.00			
2009.1180Z	660-680 California St	\$ 6,785.00			
2009.1095K	80 Julian St	\$ 468.50			
19		\$ 103,327.50	8		\$ 15,864.78

Phase Payment

2007.0168C	227 W Point Rd	\$ 47,961.20
2001.1056E	280 Divisadero St	\$ 5,000.00
2007.0168E	227 W Point Rd	\$ 66,433.00
2007.0168E	227 W Point Rd	\$ 131,006.00
2006.0054E	2652 Harrison ST	\$ 3,160.00
5		\$ 253,560.20

C.1 – FY 2010 December Revenue Detail

Catex New Intake			T&M		
2009.1007E	2223 Fillmore St	\$ 272.00	2009.0338E	97 Andover St	\$ 112.40
2009.1094E	2645 Balboa St	\$ 2,346.00	2007.1486E	890 Grove St	\$ 218.00
2009.1096E	1545 Clement St	\$ 2,346.00	2008.1223E	706 Wisconsin St	\$ 141.31
2009.1097E	2362 15th St	\$ 2,346.00	2008.0792E	1865 Palou Av	\$ 67.23
2009.1098E	75 Van Buren St	\$ 2,346.00	2008.0975E	33 Columbus Av	\$ 96.23
2009.1100E	1095 Market St	\$ 5,444.00	2008.0873E	901 Market St	\$ 545.26
2009.1092E	66 Macondray Ln	\$ 3,099.00	2009.0132E	Jerrold Ave St	\$ 1,344.34
2009.1134E	1850 Mission ST	\$ 5,444.00			
2009.1115E	1090 Bryant St	\$ 272.00			
2009.1135E	729 Congo St	\$ 272.00			
2009.1132E	33 Prosper St	\$ 2,346.00			
2009.0870E	125 Crown St	\$ 2,346.00			
2009.1143E	895 Wisconsin St	\$ 2,346.00			
2009.1162E	456 Urbano Dr	\$ 375.00			
2009.1156E	850 Union St	\$ 2,346.00			
2009.1120E	45 Raycliff Tr	\$ 272.00			
2009.1174E	467 Duboce Av	\$ 272.00			
2009.1170E	35 Lloyd St	\$ 272.00			
2009.1171E	745 Marina Bl	\$ 2,346.00			
2009.1173E	1467 Shotwell St	\$ 2,346.00			
2009.1176E	660 California St	\$ 5,444.00			
2009.1177E	2353 Lombard St	\$ 5,444.00			
2009.1169E	349 Lyon St	\$ 3,099.00			
23		\$ 53,441.00		7	\$ 2,524.77

C.1 – FY 2010 December Revenue Detail

Summary

C New Intake	\$	127,783.40	T&M		\$	20,142.36
E New Intake	\$	731,779.05	T&M		\$	-
V New Intake	\$	17,596.00	T&M		\$	9,725.89
A New Intake	\$	7,835.50	T&M		\$	5,140.58
Others New Intake	\$	103,327.50	T&M		\$	15,864.78
Catex New Intake	\$	53,441.00	T&M		\$	2,524.77
Phase Payment	\$	253,560.20				
	\$	1,295,322.65			\$	53,398.38

PLANNING DEPARTMENT WORK PROGRAM AND BUDGET, FISCAL YEAR 2010-2011

<i>Activity</i>		2009-10 FTEs	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
I. NEIGHBORHOOD PLANNING		62.38	62.38	54.66	(7.72)
1 Application Review and Processing		19.43	18.52	16.76	(1.76)
	A. Building Permit Applications	6.44	6.42	6.06	(0.36)
	B. Discretionary Review Applications: <i>decrease depends on Board of Supervisors' approval of DR Reform, including administrative review provision</i>	1.75	0.62	0.62	
	C. Variance Applications	1.60	1.40	1.00	(0.40)
	D. Conditional Use and other case applications (309, 321, 329, Prop K, Coastal Zone)	4.35	4.00	3.30	(0.70)
	E. Zoning Administrator Letters of Determinations	0.40	0.40	0.40	
	F. CEQA Class 1 & 3 Categorical Exemptions	1.50	1.50	1.50	
	G. Misc. Permit Referrals: including Health, Fire, ABC, Police and Entertainment	0.80	0.70	0.70	
	H. DPW Permit Referrals: Condos/Subdivisions/Telecommunications	0.51	0.50	0.50	
	I. Residential Design Team: <i>reflects increased process due to front-loaded DR Reform work, plus time for policy resolution with the public and Commission.</i>	0.25	0.88	0.88	
	J. Project Review	0.83	0.60	0.60	
	K. Preliminary Project Assessment (PPA): <i>to be implemented in March, 2010.</i>	0	0.50	0.20	(0.30)
	L. Project Management incl. shadow analysis, architectural design, RDT etc.	1.00	1.00	1.00	

Activity		2009-10 FTEs	Reallocated FY2010-11 FTEs	Balanced FY2010-11 FTEs	Change from Reallocation
2. Historic Preservation (Total # of Preservation Planners would be maintained at 11)		8.52	7.82	6.32	(1.50)
A.	Preservation Survey Programs: <i>(actual staffing for 09-10 is 3.07fte)</i>	3.37	1.57	1.07	(0.50)
B.	Historic Resource Evaluation Requests/Reports	1.80	2.80	1.80	(1.00)
C.	Certificates of Appropriateness, Permits to Alter, Mills Act, Section 106, and other Preservation Applications	1.90	1.90	1.90	
D.	Review of building permits by preservation technical specialist: <i>embedded in permit review item 1.A above</i>	0	0	0	
E.	Historic Preservation Commission action items including landmark designations	0	0.30	0.30	
F.	Landmarks and Historic District Initiations (privately initiated)	0.05	0.05	0.05	
G.	Articles 10 & 11 re-write	0.20	0.20	0.20	
H.	Preservation staff training and Professional Development: <i>.2 training moved to section 6 below</i>	0.20	0	0	
I.	Preservation project review meetings (internal) + bi-weekly staff mtgs	1.00	1.00	1.00	
3. Provide Public Information		7.38	8.44	7.72	(0.72)
A.	Planning Information Counter staffing (4 core staff plus rotations) <i>was 6.0 in 08-09; staffing reduced in early 09-10 due to downturn; mid-year staffing increased to approx. 5.5 fte to address wait times; proposed 5.28 fte includes Department closure 1 day/month</i>	4.94	6.00	5.28	(0.72)
B.	PIC Internet and Intranet Pages	0.25	0.25	0.25	
C.	Zoning Verification Letters	0.08	0.08	0.08	
D.	Foreign Delegation Requests	0.01	0.01	0.01	
F.	General Public Information <i>(not at PIC and including public information requests)</i>	2.10	2.10	2.10	

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
4. Code Enforcement		7.25	6.50	5.25	(1.25)
	A. General Code Enforcement	4.00	3.50	3.00	(0.50)
	B. General Advertising Sign Program	3.25	3.00	2.25	(0.75)
5. Inter-Department/Agency Activities		2.10	2.10	1.85	(0.25)
	A. Inter-Department Coordination (DBI, DPW, MOH, SFRA, etc.)	0	0.50	0.25	(0.25)
	B. Board of Appeals	0.50	0.50	0.50	
	C. Redevelopment Agency Coordination	0.60	0.10	0.10	
	D. Preservation work for the Port of San Francisco	1.00	1.00	1.00	
6. Process Maintenance & Improvements, Citywide Support, Staff Training, Performance Review, etc.		2.45	4.50	2.85	(1.65)
	A. Planning Code and Area Plan Implementation, Legislative Review, etc.	0.25	0.30	0.10	(0.20)
	B. Action Plan: <i>reflects completion of most of the Action Plan by June 2010</i>	1.00	0.10	0.10	
	C. Citywide Planning support: <i>growth dialogue, Central Subway Corridor, etc.</i>	0.25	0.75	0.25	(0.50)
	D. Performance Plan & Appraisal Reporting	0.10	0.20	0.20	
	E. Staff Training and Professional Development	0.50	0.90	0.70	(0.20)
	F. Ombudsman support for the Director	0.10	0.10	0.10	
	G. Procedures including implementation of Action Plan	0	0.50	0.25	(0.25)
	H. Support for Director of NP for process improvement and case management	0	0.50	0.25	(0.25)
	I. Neighborhood Commercial Design Standards (NCDS)	0.25	0.25	0.25	
	J. Support for the ZA	0	0.90	0.65	(0.25)

<i>Activity</i>				<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
7. Support Staff				8.00	6.50	6.16	(0.34)
	A.	Clerical support for Code Enforcement, Quadrants, TAC, GASP, PIC and Director of NP		8.00	6.50	6.16	(0.34)
8 Management				7.25	8.00	7.75	(0.25)
	A.	Director of NP, Four Quadrant Managers, Preservation Coordinator, Enforcement Manager, .75 PIC Manager		7.25	8.00	7.75	(0.25)

Activity		2009-10 FTEs	Reallocated FY2010-11 FTEs	Balanced FY2010-11 FTEs	Change from Reallocation
II. CITYWIDE PLANNING		35.19	35.19	28.80	(6.39)
1. General Plan Elements		3.60	2.00	0.95	(1.05)
	A. Housing Element: <i>Completed in FY2009-10</i>	0.75	0	0	
	B. Community Safety Element: <i>Support for environmental review</i>	0	0.10	0	(0.10)
	C. Recreation and Open Space Element: <i>Develop financing strategies & priorities for improvements and support the environmental analysis</i>	0.50	0.15	0	(0.15)
	D. General Plan Applications, including General Plan Referrals	0.65	0.50	0.50	
	E. Continued maintenance: Update and maintain the General Plan	0.50	0.50	0	(0.50)
	F. Sustainability Updates. Collaborate with Department of Environment on a series of updates to the General Plan to incorporate amendments on environmental protection, climate change and sustainable development to address mandates of SB375.	0.60	0.30	0	(0.30)
	G. Area Plan Follow-up	0.25	0.25	0.25	
	H. Community Plan Exemptions	0.35	0.20	0.20	
2. Sustainable Development Strategy		0.92	3.60	1.90	(1.70)
3. Area Plans, Sub-Area Plans		10.79	8.89	6.71	(2.18)
	A. Southeast Planning Projects				
	(I) Bayview/Hunters Point Area Plan	1.00	1.49	0.95	(0.54)
	(II) India Basin Shoreline Area Plan	0.25	0.30	0.24	(0.06)
	(III) Executive Park Sub-Area Plan	0.08	0.08	0.05	(0.03)
	(IV) Candlestick / Hunters Point Shoreline (Redevelopment/Stadium)	1.00	0.30	0.25	(0.05)
	(V) Hope SF Projects	0.65	0.87	0.62	(0.25)
	(VII) Green Bayshore	0.10	0.33	0.25	(0.08)
	B. Transit Center District Plan (Transbay)	1.00	0.62	0.50	(0.12)
	C. Fourth and King Railyards Study	0.50	0.75	0.50	(0.25)

<i>Activity</i>			<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
	D.	Central Subway Corridor Planning	2.00	1.50	1.00	(0.50)
	E.	Civic Center Sustainable Resources District Planning	0	0	0.66	0.66
	F.	Japantown Planning Effort	0.50	0.50	0.50	
	G.	Glen Park Station Neighborhood Area Plan	0.50	0.37	0.50	0.13
	H.	Western SoMa Planning Support	1.00	0.62	0.50	(0.12)
	I.	Treasure Island Development Plan	0.10	0.31	0.15	(0.16)
	J.	Parkmerced	0.10	0.10	0.05	(0.05)
	K.	Port Planning Coordination - Northeast Waterfront Strategic Updates and Fisherman's Wharf: <i>Fisherman's Wharf Environmental Review support in FY2011</i>	2.01	0.75	0	(0.75)
4. Area Plan Implementation, Monitoring, Funding and Community Improvements.			1.50	1.86	1.47	(0.39)
5. City Design Group. Urban design, street and public realm design, citywide and district planning, and design review. <i>Ongoing</i>			5.68	5.35	5.96	0.61
	A.	Street and Public Realm Design.	1.00	0.75	0	(0.75)
	B.	Urban Design	0.70	0.75	0	(0.75)
	C.	Mission Public Realm Plan <i>Completed in FY2010</i>	0.80	0	0	
	D.	Fisherman's Wharf Public Realm Plan	0.15	0	0	
	E.	Cesar Chavez Phase I and Phase II: <i>Potrero Avenue and West; Freeway Undercrossing and East</i>	0.27	0.25	1.94	1.69
	F.	Embarcadero Open Space Study.	0.25	0.25	0	(0.25)
	G.	Pavement to Parks Program	0.31	0.60	0.60	
	H.	Market Street Redesign	0.50	1.00	1.04	0.04
	I.	Newcomb Street Design	0.10	0	0.50	0.50
	J.	Showplace Square Open Space Design	0.15	0	0.78	0.78

<i>Activity</i>			<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
	K.	Urban Design Support. Urban Design services to Citywide Section's Other Plans and Programs	0.25	0.25	0	(0.25)
	L.	Design Review/UDAT/DWG. Urban design services to Department project review function	0.10	0.25	0.10	(0.15)
	M.	Urban Design Support to Port	0	0	1.00	1.00
	N.	Urban Design Support to MTA	0.50	0.75	0	(0.75)
	O.	Urban Design Support to Redevelopment Agency	0.60	0.50	0	(0.50)
6.	Data Information and Analysis. Develop, analyze and maintain Citywide data, including development projects pipeline, housing production trends, socio-economic data, land use and growth forecasts, and report on findings; perform data and analysis support for area plan projects and general plan updates; respond to inter-agency and public requests for demographic and land use information; prepare policy analysis reports on planning issues. <i>Ongoing.</i>		4.00	3.70	2.95	(0.75)
	A.	Area Plan/Project-specific data analysis	0.50	0.25	0.25	
	B.	Housing Element: Data and Needs Analysis / 2004 HE Evaluation	0.50	0.35	0.15	(0.20)
	C.	Quarterly Pipeline Report	0.50	0.25	0.25	
	D.	Annual Housing Inventory Report	0.30	0.25	0.25	
	E.	Annual Commerce & Industry Inventory Report	0.30	0.25	0.25	
	F.	Annual Downtown Monitoring Report	0.40	0.65	0.40	(0.25)
	G.	Land Use Database and Growth Forecast Modeling	0.15	0.20	0.15	(0.05)
	H.	GIS Cartography and Spatial Analysis	1.00	1.00	1.00	
	I.	Census 2010	0.35	0.50	0.25	(0.25)
7.	Development and Implementation of the Action Plan		0.50	0.20	0.17	(0.03)
	A.	Project management and other efforts	0.15	0	0	
	B.	Support on other Action Plan efforts	0.35	0.20	0.17	(0.03)

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
8. Other. Management, Support, Training and Development		8.20	9.59	8.70	(0.89)
A.	Graphics Program	1.00	1.00	0.95	(0.05)
B.	PIC Coverage: 0.75 FTE @ 11 Shifts/Week	0.35	0.54	0.50	(0.04)
C.	Preliminary Project Assessment	0	0.40	0.25	(0.15)
D.	Policy, General Plan, City Design and Data support for Board of Supervisors, Mayor's Office and other City agencies	0.50	1.30	0.25	(1.05)
E.	Performance Evaluations for all Citywide Staff, reflecting staff not manager time	0.10	0.10	0.10	
F.	Staff Training and Professional Development	0.25	0.25	0.25	
G.	Project and staff management	5.00	5.00	4.74	(0.26)
H.	Clerical support	1.00	1.00	1.66	0.66

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
III. MAJOR ENVIRONMENTAL ANALYSIS		27.13	27.13	22.18	(4.95)
1. Training and support.		0.85	0.85	0.64	(0.22)
	A. Training for environmental staff regarding legislative and procedural changes, consultant supervision, general quality assurance, project and caseload management, and records retention. <i>Ongoing.</i>	0.10	0.10	0.09	(0.01)
	B. Training for transportation staff regarding professional practices, general quality assurance, consultant supervision, project and caseload management, and records retention. <i>Ongoing.</i>	0.30	0.30	0.28	(0.02)
	C. Training and support for environmental review activities performed by other Department staff; provide materials relevant to public information activities. <i>Ongoing.</i>	0.35	0.35	0.18	(0.18)
	D. Coordinate with other City agencies contemplating plans and development projects that will necessitate environmental review under CEQA. Ensure that CEQA compliance is acknowledged in project schedules, and that project managers are cognizant of requirements and procedures. <i>Ongoing.</i>	0.10	0.10	0.09	(0.01)
2. Prepare environmental documents.		24.32	24.43	20.19	(4.24)
	A. Privately Funded Environmental Impact Reports (EIRs) for projects other than Planning Dept and Board of Supervisors projects. Projects which are the subject of ongoing EIRs or for which EIRs will be in progress and/or completed in FY 2010-2011 include: Treasure Island, Transit Center District Plan, the Cruise Terminal Port project and other projects, TEP, Mexican Museum, MOMA, Park Merced, the Palace Hotel, Academy of Art, and CPMC.	11.11	9.81	9.09	(0.72)
	B. Publically Funded EIRs for Planning Dept and Board of Supervisors projects. Planning Department and Board-initiated projects anticipated this year include: Transit Center District Plan, Western SoMa, the Preservation Element, India Basin and support for the Central Subway Corridor initiative. <i>This line item is under resourced. All of the above listed projects cannot be completed with 1 FTE.</i>	1.50	2.31	1.00	(1.31)

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
C.	Appeal Hearings. CEQA Documents can be appealed to the Board of Supervisors. Staff time is required to respond to appeals in writing and at Board of Supervisors hearings. Staff time is also required to revise documents that are overturned by the Board on appeal.	2.00	2.00	1.50	(0.50)
D.	Privately Funded Negative Declarations. Complex Negative Declarations are those: for which background technical studies are required; which concern controversial subjects and are the likely focus of an appeal; and for which special expertise in environmental issues are required. A majority of complex negative declarations are fee-supported and concern private development proposals. From time-to-time, public projects and/or proposed legislation also require review.	3.00	3.00	2.75	(0.25)
E.	Publically Funded Negative Declarations for City-sponsored projects. Planning and Board initiated projects (including legislation) which will rely upon ad valorem funding for staff time involved in preparation of Negative Declarations. This includes the Fisherman's Wharf review, the Recreation and Open Space Element, and Community Safety Element. <i>Note: This line item is under resourced. All of the above listed projects cannot be completed with .86 FTE.</i>	1.01	2.01	0.86	(1.15)
F.	Other Transportation Studies. Planning staff participates in studies by undertaken by other Departments and agencies (e.g. Level of Service Strategic Analysis Report being prepared by SFCTA). <i>Specific projects and schedules to be determined.</i>	0.95	0.95	0.90	(0.05)
G.	Transportation Impact Studies. Transportation Impact Studies are required for projects with potential impacts on circulation, congestion, and other transportation issues, as determined by senior transportation staff. Studies are performed by consultants under the supervision and direction of expert staff. <i>Ongoing.</i>	2.65	2.65	2.50	(0.15)
H.	Categorical Exemptions: Class 1 and 3 Categorical Exemptions and HRER reports shifted to Neighborhood Planning.	1.90	1.50	1.40	(0.10)
I.	Other environmental documents (e.g. Addenda). <i>Ongoing.</i>	0.20	0.20	0.19	(0.01)

<i>Activity</i>		<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
3. Update internal procedures for citywide CEQA compliance.		0.40	0.40	0.35	(0.05)
	A. Continue effort to adopt significance standards as suggested in revised CEQA Guidelines. <i>Ongoing.</i>	0.10	0.10	0.09	(0.01)
	B. Continue efforts to refine the guidelines for transportation studies as necessary to reflect the most current available data and professional practices. <i>Ongoing.</i>	0.10	0.10	0.08	(0.02)
	C. Continue efforts to update EIR consultant instructions and guidelines, reviewer's instructions, standard language, and other procedural and reference materials related to environmental review. <i>Ongoing.</i>	0.10	0.10	0.09	(0.01)
	D. Continue efforts to establish consistent guidance and procedures for mitigation monitoring and reporting. <i>Ongoing.</i>	0.10	0.10	0.09	(0.01)
4. Development and Implementation of the Action Plan 2008-2010 (New Section)		1.11	0.20	0.19	(0.01)
	A. Action Plan Implementation: Case closure policies; forms, applications and handouts; and website work.	1.11	0.20	0.19	(0.01)
5 Performance evaluations, public information, support to Citywide and procedures.		0.45	1.25	0.82	(0.43)
	A. Performance Evaluations for all MEA staff. Reflects staff not management effort. <i>Ongoing.</i>	0.10	0.10	0.10	
	B. Public Information Counter Staffing	0.35	0.35	0.27	(0.08)
	C. Support to Citywide for Growth Dialogue	0	0.30	0.20	(0.10)
	D. Procedures	0	0.50	0.25	(0.25)

Activity		2009-10 FTEs	Reallocated FY2010-11 FTEs	Balanced FY2010-11 FTEs	Change from Reallocation
IV. ADMINISTRATION		29.90	29.90	28.78	(1.12)
1. Director's Office		3.50	3.50	2.99	(0.51)
	A. Department Head functions and Executive Assistant. <i>Ongoing.</i>	2.00	2.00	1.90	(0.10)
	B. Assistant Director: staff management, process improvement management, area plan implementation, personnel and training, and special projects. <i>Ongoing.</i>	1.50	1.50	1.09	(0.41)
2. Zoning Administrator		4.00	4.00	3.79	(0.21)
	A. Zoning Administrator functions, Project Coordination, Design Review, Legislation Management, Major Projects, Public Information and Executive Assistant. <i>Ongoing.</i>	2.00	2.00	1.90	(0.10)
	B. Management and development of Legislation. <i>Ongoing.</i>	2.00	2.00	1.90	(0.10)
3. Administrative Services		9.65	9.65	8.77	(0.88)
	A. Chief Administrative Officer function: Provide oversight and direction to the Finance, Information Technology, and Operations functions.	1.00	1.00	0.95	(0.05)
	B. Under Assistant Director - Human Resources: Provide recruitment, employee relations, personnel processing, EEOC mandates, workers comp administration, and payroll processing services; develop labor policies and procedures; implement performance-based labor contract provisions; monitor and ensure completion of performance evaluations for all staff. <i>Ongoing.</i>	1.50	1.50	1.42	(0.08)
	C. Under Assistant Director - Training: Provide effective training programs to promote staff development, strengthen the Department's technical and management capacity, and ensure compliance with relevant policies and regulations; oversee and coordinate the Department's Employee Recognition Program; provide professional development opportunities through coordination of noontime lecture series and brown bag lunch series; administer the intern program. <i>Ongoing.</i>	0.50	0.50	0.47	(0.03)

<i>Activity</i>				<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
	D.	Finance: Provide effective resource management and budget development in support of the Department's goals and programs through providing direction and oversight to the Department's Finance functions. Coordinate development and delivery of management reports, identify and manage fiscal-related legislative concerns and participate in general legislative review.		1.50	1.50	1.19	(0.32)
	E.	Accounting, Budget: Handles accounting, audits, and invoice payments; perform financial analysis and financial reporting; prepare annual budget and monitor throughout the year; ensure compliance with City and other fiscal rules and regulations; prepare fiscal policies and procedures. <i>Ongoing.</i>		1.75	1.75	1.66	(0.09)
	F.	Contract Administration: Administer requests for proposals and requests for quotes; ensure compliance with and seek approval of contracts through City Attorney, Human Rights Commission, Civil Service Commission, Human Resources and employee unions.		0.90	0.40	0.24	(0.16)
	G.	Revenue/Collections: Seek methods for cost recovery, track applicant fees to capture payment; analyze revenues to set fee schedule; audit billing to capture outstanding fees; reconcile revenues to Controller's deposits; and track collections. <i>Ongoing.</i>		2.50	2.00	1.90	(0.10)
	H.	Grants: Seek grant opportunities and coordinate grant applications: <i>Grant funded position in the current year</i>		1.00*	1.00	0.95	(0.05)
4. Information Technology				5.00	5.00	5.41	0.41
4.1 Strengthen the Department's Information Technology function.				1.00	1.00	0.95	(0.05)
	A.	Integrated Permit Tracking System: <i>Project funded</i>		1.00	1.00	0.95	(0.05)
4.2 Provide effective Information Technology resource management				4.00	4.00	4.47	0.47
	A.	Network Maintenance and Enhancement. <i>Ongoing.</i>		1.00	1.00	1.07	0.07
	B.	Information Systems Development and Maintenance		0.75	0.75	1.06	0.31
	C.	Continue staff computer training program. <i>Ongoing.</i>		0.25	0.25	0.20	(0.05)
	D.	Help Desk support.		1.00	1.00	1.06	0.06
	E.	Develop GIS infrastructure and build GIS capacity in-house.		1.00	1.00	1.07	0.07

<i>Activity</i>				<i>2009-10 FTEs</i>	<i>Reallocated FY2010-11 FTEs</i>	<i>Balanced FY2010-11 FTEs</i>	<i>Change from Reallocation</i>
5. Records Management and Public Information						0.47	0.47
	A.	Position created through reassignment and substitution to provide improved Records Management and Public Information service to the public, ensure the Department is in compliance with the requirements of the Sunshine Ordinance, Brown Act, and other relevant regulations; and develop and implement a strategy for electronic management of the Department's thousands of records.				0.47	0.47
6. Operations				4.75	4.75	4.50	(0.25)
		(1)	Maintain coverage for reception desk for Planning Department <i>Ongoing</i>				
		(2)	Maintain records center with support for all record requests . <i>Ongoing.</i>				
		(3)	Maintain inventory of all office supplies and coordinate distribution. <i>Ongoing.</i>				
		(4)	Maintain delivery of all in/out mail services, commission packets and material.				
		(5)	Maintain support of all phone systems, staff moves, property management and Repro services . <i>Ongoing.</i>				
7. Commissions				3.00	3.00	2.84	(0.16)
	A.	Commission Secretary for Planning Commission and Historic Preservation Commission, and all staff directly serving these Commissions. <i>Ongoing.</i>		3.00	3.00	2.84	(0.16)
DEPARTMENT TOTALS -- ALL DIVISIONS				154.60	154.60	134.42	(20.18)

Attachment E - Work Order Detail					
	Department Wide				
	FY2010 Total budget	FY2011 Budget Proposal	Increase/Decrease		
Department			Amount	Percent	Explanation
081BI-Department of Building Inspection	45,960	50,000	4,040	8.79%	The cost of permit processing, calculated based on 45% of a 1408 + 10% of a 4321+ their related fringe benefits
081C5-Department of Technology -ISD Services	26,657	26,657	-	0.00%	Per DTIS request based on cost allocation model, coordinated through the Mayor's Office. This is not yet the final number.
081CB-Mayor's Office	14,625	8,432	(6,193)	-42.35%	Property and liability insurance coverage, Department share of Citywide cost.
081CI-DTIS - Department of Technology	256,301	264,444	8,143	3.18%	Infrastructure and technology services: Network Planning \$12,809, WAN/Fiber WAN \$29,132, E-mail \$21,048, Mainframe-RUMBA \$39,883, E-Services \$12,572, CRM-311 \$26,101 and GIS Support + Maintenance \$87,743 (PUC supported \$7,140); this is not a final number.
081CT-City Attorney's Office	1,300,000	1,300,000	-	0.00%	Department Legal services \$916K, Sign Inventory Program legal advice \$280K, and Code Enforcement legal advice \$104K. Budget year assumes \$496K in judgments for Code
081CW-SFGOV - CITYWATCH	105,706	105,706	-	0.00%	SFGTV Video Services for Commission Hearings Meeting
081ET-DTIS - Department of Technology	68,337	68,368	31	0.05%	Usage \$4,604, Cellular \$5,210, Pagers \$211, Circuits \$4,975, Monthly Service Chg \$19,594, System Maint. \$16,882, PBX & Equip. Maint. \$16,861(PUC supported \$4,044)
081HZ-Dept. of Human Resources	53,474	53,474	-	0.00%	PeopleSoft System, Department's share of Citywide cost.
081H2-Dept. of Human Resources	20,500	20,500	-	0.00%	Training for 24PLUS for new supervisors \$3K; senior managers training \$3.5K; other general skills training for staff development such as Word/Cust.Svc/Presentation Skill \$14K.
081H4-Dept. of Human Resources	300,558	300,558	-	0.00%	HR Client Support Services provided for Planning Department (same as prior year)
081HR-Dept. of Human Resources	-	7,102	7,102	100.00%	Workers Comp Claims
081M2-Mayor's Office/SF YouthWorks	4,200	4,200	-	0.00%	\$4,200 per youth intern per Youth Work Program
081PA-Administrative Services - Central Shop	333	-	(333)	-100.00%	No longer required because auto repairs are funded through the leasing program.
081PE-Administrative Services - Veh. Reg.	3,094	3,094	-	0.00%	Leasing Vehicle Replacement Program
081PF-Administrative Services - Central Shop	1,380	1,380	-	0.00%	Annual gasoline for 2 vehicles per Central Shop estimates
081PM-Administrative Services - Mail	98,880	93,936	(4,944)	-5.00%	Mail Services for postage for public notification and other Department mailing
081PR-Administrative Services - Repro. & Mail	148,787	141,398	(7,389)	-4.97%	Sign Program \$1K, General Department reproduction and 311/312 mailings \$140,398.
081RR-Dept. of Real Estates	1,166,014	1,166,734	720	0.06%	1650 & 1660 Mission Office space rental \$1,166,734 (PUC share of the cost of \$68,810)
081WE-DPW Engineering	408,500	-	(408,500)	-100.00%	Grant pass-through for Capital Improvements.
081WM-DPW-Construction	6,563	6,563	-	100.00%	Floodplain Management to DPW, cost sharing agreement with many other Departments.
Services of Other Departments	4,029,869	3,622,546	(407,323)	-10.11%	

FY1011 Work Order Budget

Division	Req. Dept.	Description	FY1011 Budget Dept. Phase	Reason	Calculation
Citywide	Rec & Park	General Plan Referral & Open Space Proj	\$ 31,630.00	General Plan Referral Cases & M&S for Open Space Proj.	Est. 10 cases of GPR initial fee: 10 X \$3,163 = \$31,630
		Rec & Park Subtotal	\$ 31,630.00		
NP	DPW	Subdivision Application Svcs.	\$ 129,348.00	Cost of review, plus CEQA CAT EX fees	Est. one Planner 3 Sal. & Fringe is \$129,348
		DPW subtotal	\$ 129,348.00		
Citywide	Real Est.	General Plan Referral Applications	\$ 31,630.00	General Plan Referral Cases	Est. 10 cases of GPR initial fee: 10 X \$3,163 = \$31,630
		Real Estate Subtotal	\$ 31,630.00		
MEA	MTA	Environmental review for MTA	\$ 100,000.00	Standard applications review; TEP	Standard application review (\$25K), and TEP (\$75K).
		Muni subtotal	\$ 100,000.00		
MEA	AIR	Envir.Evaluations of the CEQA	\$ 10,000.00	Est. the time and material spend by planner FY0910 for review of Airport applications.	Same as FY0809 Budget
MEA	PUC	PUC staffs support	\$ 98,888.00	PUC staffs support	Computer support and M&S \$10,000, Real Estate \$69,530, DTIS support \$15,283, and Telephone \$4,075
MEA	PUC	Prop F support to the PUC	\$ 64,600.00	Envir.Rev. support	Assumes 100% of Prop F's salary.
		PUC subtotal	\$ 163,488.00		
Citywide	PORT	Citywide support	\$ 129,348.00	Northwest waterfront, Jefferson St., WDAC/Urban Design Review, NE SWL Planning Study	Est. one Planner 3 Sal. & Fringe is \$129,348.
MEA	PORT	MEA support	\$ 129,348.00	Environmental review for the Cruise Terminal Projects	Est. one Planner 3 Sal. & Fringe is \$129,348.
NP	PORT	Historic preservation Planner	\$ 129,348.00	Est. the time and material spend by planner FY1011	Est. one Planner 3 Sal. & Fringe: \$129,348
		Port subtotal	\$ 388,044.00		
Citywide	SFRA	SF Redevelopment Agency	\$ 150,000.00	Assumes continuation of Southeast project work and potential funding for Market Street	
Citywide	SFRA	SF Redevelopment Agency	\$ 10,000.00	GIS Mapping support	
		SFRA Subtotal	\$ 160,000.00		



SAN FRANCISCO PLANNING DEPARTMENT

To: Members, Planning Commission
Members, Historic Preservation Commission

From: John Rahaim, Director of Planning

Date: February 10, 2010

Subject: **Department Cost to Pursue Individual and District Designations**

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This memorandum provides information regarding the Planning Department's cost to effectuate individual property and district designations. Survey work in the Market and Octavia Plan Area, as well as in the Eastern Neighborhoods, is nearly complete and there are many questions about how best to use survey results and findings to ensure maximum protection of identified historic resources. While the survey results and findings have already proven useful in the rezoning analysis and process for Market and Octavia, they have also been used in the Planning Department's CEQA review procedures. Nonetheless, there is still interest in ensuring that designation occurs.

Designation of individual and district properties is neither an easy or inexpensive process. The Cost estimates provided below are based on research and telephone surveys conducted in the past few days with four local Architectural Historian Consultants. The research showed the average number of hours required to be 100 hours per individual property and 10 hours for a contributor in a district. These numbers are averages based upon actual designation and/or nomination work performed by the consultants.

Although there exists a completed survey for Market and Octavia, many if not all of these eligible properties will require further in-depth evaluation in order to meet the minimum qualifications for submittal for listing, particularly to the National Register of Historic Places. Additionally, an analysis of historic integrity (which is not part of the survey) is needed in order for these eligible properties to be considered. An evaluation and acceptance by the State Historic Preservation Officer as well as the State Historical Resources Commission is the final requirement. Attached are examples of DPR (Department of Parks and Recreation) A Forms for two recently surveyed properties in Market and Octavia as well as recent National Register ("NR") nomination reports prepared for two individual properties in San Francisco. These demonstrate the amount

of additional work needed to complete a NR nomination report relative to a typical survey write-up or DPR Form.

As the Department is in the final stages of completing the remaining survey activities in Market and Octavia (Mission Dolores Survey, Automobile Support Structures Survey, and the Market and Octavia Augmentation Survey are pending adoption by the HPC in March and April of 2010), we can provide a preliminary assessment of the total number of eligible properties for listing to the National, California, and Local (Article 10) Registers. Based on survey work to date, the following is a list of individual and district properties eligible for designation, and the associated number of staff hours required for each.

CHART I

Individual Properties		Staff Hours
	total # of Ind. Prop	(100 Hrs/Ind. Prop)
National Register	6	600
California Register	58	5800
Article 10	52	5200
<i>Sub-Total</i>	<i>116</i>	<i>11600</i>

District Properties			Staff Hours
	Total # of Districts	Total # of Contributors	(10 Hrs/Contributor)
National Register	4	135	1350
California Register	6	865	8650
Article 10	2	140	1400
<i>Sub-Total</i>	<i>12</i>	<i>1140</i>	<i>11400</i>

Total Staff Hours (Ind. + Districts) 23000

of FTE (2080 Hrs/FTE) 11.06

The number above (23,000) is a projection of the total number of hours required for Department staff to prepare nomination/designation reports for all eligible properties identified in the adopted Market and Octavia Survey to date. This equates to approximately 11 FTEs, and **does not include staff hours for public outreach and education** (which is very important since the applicant for nomination and/or designation will not be the property owner). This projection also does not include attendance at the various public hearings before the HPC, Land Use and Economic

Development Committee, and the full Board of Supervisors required for local Article 10 landmark and historic district designations.

The following are the specific names of the eligible historic districts and the number of contributors in each. Note that these districts neither reflect the boundaries of the districts nor the number of contributors as proposed by the consultant for the Mission Dolores Survey (pending review and adoption by the HPC in March 2010). Should the HPC adopt the recommendation of the consultant in March or shortly thereafter, the number of individual and district properties eligible for listing would substantially increase as would the number of staff hours.

CHART II

National Register Districts

Duboce Park	80
Ramona Street	36
Guerrero Street	10
Dolores-15th Streets -	9
<i>Sub-Total</i>	<i>135</i>

California Register Districts

Hayes Valley Residential	530
Upper Market Street	33
Elgin Park- Pearl Street	35
Duboce Triangle	185
Jessie-McCoppin-Steever	15
Landers-Church-Sharon	67
<i>Sub-Total</i>	<i>865</i>

Article 10 Districts

Duboce Park	80
Hayes Valley Commercial	60
<i>Sub-Total</i>	<i>140</i>

We realize that the estimate of 11 FTE (23,000 hours) to complete designation work is a very significant estimate. But, as noted above, it is based on actual estimates by consultants who perform this work. However, in order to further evaluate and assess

designation only at the National and/or local (Article 10) levels, the following information is provided:

CHART III

National Register

	Total Numbers	# of Contributors	Staff Hours
Individual Properties	6		600
Historic Districts	4	135	1350
		Total Hours	1950
		# of FTE	0.94

Article 10

	Total Numbers	# of Contributors	Staff Hours
Individual Properties	52		5200
Historic Districts	2	140	1400
		Total Hours	6600
		# of FTE	3.17

As referenced in the above, the sub-total number of hours of 8,550 (1,950 + 6,600) equates to over 4 FTEs. It does not reflect any designation work for any of the eligible California Register (“CR”) properties or districts. As shown on Charts I and II, there are nearly 865 contributors within 6 eligible CR historic districts, and up to 58 individual properties. This by far is the largest grouping or collection of eligible properties within the Market and Octavia Area Plan and explains why the cost of pursuing designation of all eligible properties is so expensive. Removing all of the CR eligible properties, including the Hayes Valley Residential Historic District, would likely reduce the overall cost to less than half (from 11 to 4 FTEs).

With listing on the National Register, property owners have the ability to obtain Federal Investment Tax Credits if they have income generating properties, as well as reduce their property taxes through approval of a Mills Act Contract. However, it is important to keep in mind that a property will not be listed on the National Register if: a) for individual properties, the owner objects, or b) for districts, a majority of property owners objects. The same applies for Article 10 historic districts. While members of the HPC have expressed a desire to pursue more local designations, initiation cannot occur over the objection of 2/3 of the property owners for an Article 10 district.

At the last HPC hearing of February 3rd, Vice President Damkroger suggested developing a more “streamlined” methodology for designation. Ms. Damkroger referenced a

workshop she attended last fall presented by Marie Nelson of the Office of Historic Preservation about cities like Los Angeles who are utilizing the “survey light” method in order to cover more properties and areas, provided there is a well-developed context statement. Unfortunately, there was no discussion at this workshop about a more streamlined approach to individual and district designations that would be acceptable by the National Park Service at this time.

In conclusion, this memorandum summarizes the costs for individual and district designations in Market and Octavia. Should this be the preference of the Commissions and prioritized by the Planning Department in Eastern Neighborhoods as well, this proposed designation program will require disproportionate staff resources, at the expense of other programs and activities. While surveys in the Eastern Neighborhoods have not yet been adopted, given the size and number of potential eligible properties in Eastern Neighborhoods as compared with Market and Octavia, the staff hours for designation work would have to double if not triple, in upcoming fiscal years to match the attendant workload.