



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

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DATE: January 16, 2019

TO: Members, Planning Commission

FROM: Thomas DiSanto, Director of Administration

Deborah Landis, Deputy Director of Administration

RE: FY 2019-21 Budget – Proposed Budget & Work Program

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Introduction

This memo provides the proposed FY2019-20 and FY2020-21 revenue and expenditure budget for the Department, high-level work program activities, and scheduled dates when budget items will be discussed with the Commissions during the budget process. The work program discussed below may change over the coming weeks to incorporate additional changes the Department wishes to make and feedback from the Planning and Historic Preservation Commissions. The budget will continue to be adjusted throughout the budget cycle, which ends with the Board of Supervisors passing the budget for the next two fiscal years in late July.

Please let us know if you would like any additional information at any time during this process by contacting Deborah at 575-9118 or Deborah.Landis@sfgov.org.

Departmental Overview

The growth the Planning Department saw over most of the past decade plateaued the past two years and we are seeing a slowing of permit and application volume and a softening of revenue in the first half of the current fiscal year (FY18-19). Consequently, we are proposing to reduce Planning's fee revenue by nearly \$1M in anticipation of a possible continuation of the current trend. We believe this to be a cautious and prudent approach to budgeting.

Budget Goals

While the workload may be at times daunting, we share a common goal: making San Francisco the world's most livable urban place, and creating a long-term vision for the City that will guide and shape its future. We take that goal and our responsibilities to heart, particularly in a time of rapid change. We as a city, and the Bay Area as a region, have experienced the largest percentages of job growth in the US during the past eight

years. This growth has created a demand for housing unseen in decades, and a resultant crisis of affordability.

This budget will fund programs and projects with a focus on the Mayor’s priorities for this upcoming year. Next year Planning will continue to work directly with sister agencies to help the City build more housing and make government more accountable. Both areas are currently supported with a variety of process improvements, including several technology projects that increase transparency and efficiency in project review and processing. Planning will do what it can to indirectly support the City in reducing homelessness, addressing behavioral health needs, cleaning up our streets and making them safer, and creating equitable opportunities for everyone. We will strengthen our efforts to stabilize our existing neighborhoods, in particular those most vulnerable to the impacts of job and population growth, and use every tool at our disposal to make them healthier and more equitable.

Planning Case & Building Permit Volume Trends

During the last fiscal year the unprecedented double-digit year-over-year volume growth in building permits and planning applications from previous years appeared to have leveled off. In the current fiscal year, building permits and planning applications are coming in at lower numbers. If this trend continues for the second half of the year, the Department projects an overall volume decrease of just under 10% from the prior fiscal year, with associated revenue to soften from prior year levels.

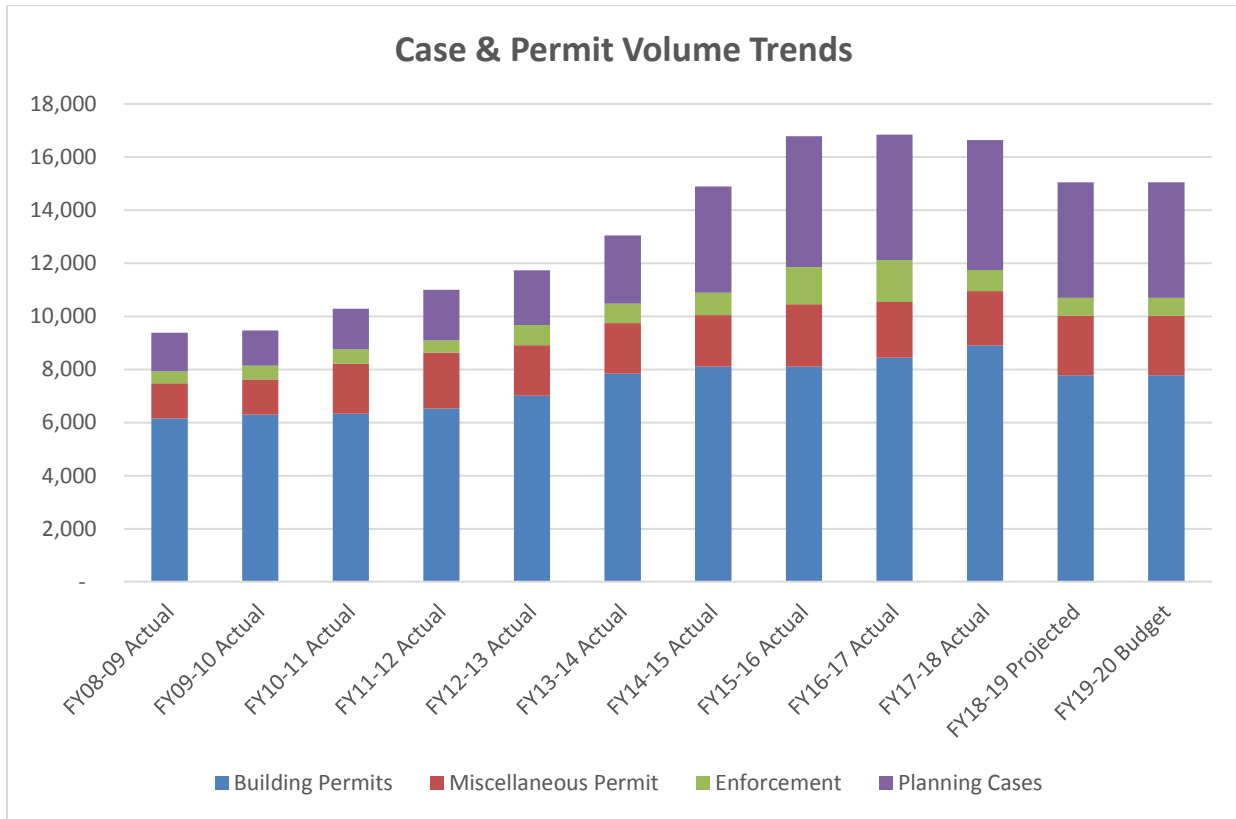
This table summarizes the Department’s Permit, Application, and Enforcement volume of the past two years with projections for the current year.

Volume Summary	FY16-17 Actual	FY17-18 Actual	FY18-19 Projection*	Percent of Total
Building Permits	8,441	8,899	7,778	51.7%
Miscellaneous Permit (Referrals)	2,099	2,049	2,240	14.9%
Enforcement	1,575	803	674	4.5%
Planning Cases	4,734	4,892	4,358	28.9%
Total	16,849	16,643	15,050	100.0%

*Based on SFPermit (formerly PPTS) volume reports through December 31, 2018

The graph below shows the actual building permit and case volume trend from FY08-09 through FY17-18, and the projected volume in FY18-19.

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The table below shows the past two fiscal years and projections for the current fiscal year of the volume of fee-generating planning cases.

Planning Case Type	FY16-17 Actual	FY17-18 Actual	FY18-19 Projected
Affordable Housing Bonus	1	1	2
Appeals	16	16	4
Condo-REF	171	129	100
Certificate of Appropriateness	148	119	100
Costal Zone Permit	2	1	2
Conditional Use Authorization	182	196	188

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Planning Case Type	FY16-17 Actual	FY17-18 Actual	FY18-19 Projected
Designations	13	12	4
Downtown Exception-309	11	8	12
Discretionary Review - Mandatory	20	5	2
Discretionary Review - Public Initiated	136	96	108
Categorical Exemption Prepared By Another Agency	1	0	0
Community Plan-Determination	18	3	2
Community Plan-Exemption/Exclusion	5	7	0
Initial Study/Environmental Evaluation	7	5	4
Categorical Exemption	311	313	346
General Rule Exclusion	2	0	0
EIR Addendum	7	5	2
Environmental Impact Report (EIR)	2	1	0
EIR Supplemental	1	0	0
Negative Declaration Addendum	2	1	0
Eastern Neighborhoods Exception-329	11	20	2
Transportation Study	2	4	2
Development Agreement Design Review	540	433	304
General Plan Referral	94	81	58
Institutional Master Plan	3	4	0
Mills Act	8	6	0
Office Allocation-321	6	10	2
Preliminary Project Assessment	85	51	54

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Planning Case Type	FY16-17 Actual	FY17-18 Actual	FY18-19 Projected
Project Review Meetings	375	394	312
Permit to Alter Major/Minor	108	94	58
Shadow Study	17	17	4
Preservation Survey	4	0	0
Short Term Rentals	864	1,280	1,352
Subdivision-REF	28	21	34
Transportation Demand Management	28	77	50
Certificate of Transfer-TDR	4	7	10
Notice of Use-TDR	1	7	4
Variance	225	218	136
Zoning Administrator Determination Letter	96	73	94
Zoning Administrator Verification Letter	211	220	474
Total	3,426	3,473	3,430

Mayor's Budget Instructions

On December 12, 2018, the Mayor's Office released the budget instructions for FY2019-21. At that time, the Mayor's Office projected that the City's General Fund will have a shortfall of \$271M over the next two fiscal years based on estimated revenues and current staffing levels. Assumptions feeding the Mayor's Office Five Year Projection include a strong economy with continued revenue growth, health benefit and pension cost increases, and across-the-board CPI increases. Employee costs are the largest driver of projected deficits. Given this, the Mayor's Office instructed departments to reduce General Fund Support by 2.0% in each year and not to grow employee counts.

Most of the Planning Department's operations are funded through the revenue collected from application fees and building permit reviews, which means the

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Department receives very little General Fund Support (GFS). The Mayor’s Office GFS reduction target to all departments of 2.0% in both FY18-19 and FY19-20 translates to \$79,507 in FY19-20 and an additional \$79,507 in FY20-21 for the Planning Department. Departments that are mostly self-supporting, such as Planning, were asked to absorb all known cost increases.

The Mayor’s Office budget instructions included direction to focus on accountability and equitable outcomes and to reprioritize funding and positions within departmental budgets for “highest and best use.”

Revenue & Expenditure Proposed Budget Summary

Revenues

The table below summarizes all of the Department’s revenue sources across the Department’s operating, project, grant and special revenue funds.

Revenues (All Funds)	FY18-19 Adopted Budget	FY19-20 Proposed Budget	FY20-21 Proposed Budget
Charges for Services	\$43,519,481	\$42,598,988	\$42,892,945
Grants & Special Revenues	\$2,075,000	\$2,005,000	\$345,000
Development Impact Fees	\$2,380,131	\$2,137,722	\$1,365,035
Expenditure Recovery	\$1,532,645	\$1,914,495	\$1,914,495
General Fund Support (GFS)	\$3,848,730	\$5,108,576	\$5,846,300
Total Revenues	\$53,355,987	\$53,764,781	\$52,363,775

Charges for Services

As noted previously, we are seeing a slowing of permit and application volume and a softening of revenue in the first half of the current fiscal year (FY18-19). Consequently, we are proposing to reduce Planning’s fee revenue by approximately \$1M from the current year budget in anticipation of a possible continuation of the current trend.

Grants

The Planning Department and partner City agencies continue to actively pursue grant funds to support planning, civic engagement, public realm innovations, transportation planning, and historical preservation.

This spring, we will submit more than \$2.0 million in requests for funding from state, federal, and local funding sources. Our grant writing efforts will focus on the connection of equitable growth of housing and jobs to transportation and planning for climate change and sea level rise. The Department will also continue to work closely with other City agencies to identify and pursue funds for the capital implementation of our planning work.

Our achievements in winning grants are significant in both the grant dollars generated and in the successful demonstration of interagency collaboration. Grant funds supplement other City funding sources and implement projects that might otherwise not go forward. In addition, as funders look to increase the impact of their investment, these joint efforts make San Francisco more competitive among applicants and ultimately provide more benefits to City residents.

Attachment III lists the department's current and projected FY19-20 portfolio of Federal and State & Local grants.

Other Revenue and Fees

The Department will receive a small percentage of anticipated development impact fees that will be collected in FY19-20 and FY20-21 to recover costs associated with administering various development impact fee processes and programs and carry out specific projects.

The Department's expenditure recoveries from services the Department provides to other City and County agencies is anticipated to decrease slightly in FY19-20. The recovery budget is expected to remain steady in the second fiscal year.

General Fund Support (GFS)

The base budget is the budget from which we begin all adjustments. The GFS base dollar figure is automatically calculated by the budget system. The base increases in FY19-20 & FY20-21 reflect anticipated increases in salary and fringe costs. The Department's GFS of \$5.1 Million in FY19-20 meets the Mayor's budget instructions of a 2.0% target reduction. The Department has also been able to meet the 2.0% target reduction in FY20-21.

Expenditures

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

Expenditures (All Funds)	FY18-19 Adopted Budget	FY19-20 Proposed Budget	FY20-21 Proposed Budget
Salary & Fringe	\$35,895,959	\$38,462,490	\$39,826,484
Overhead	\$980,944	\$980,944	\$980,944
Non-Personnel Services	\$3,647,609	\$3,317,033	\$3,020,687
Materials & Supplies	\$448,145	\$671,065	\$671,065
Capital Outlay & Equipment	\$73,196	\$9,654	\$0
Projects	\$5,873,913	\$4,369,669	\$1,930,669
Services of Other Departments	\$6,436,221	\$5,953,926	\$5,933,926
Total Expenditures	\$53,355,987	\$53,764,781	\$52,363,775

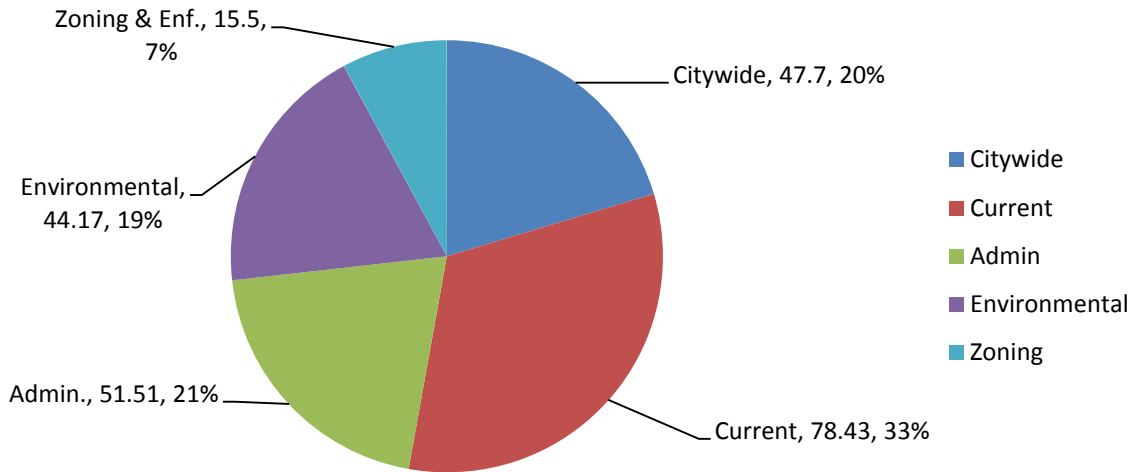
Salary & Fringe

Salary and fringe expenditures for department staff continue to be the most significant portion of the Department's overall expenditure budget representing 71.5% of all expenditures in FY19-20 and 76.1% in FY20-21.

The Department expects to maintain its FTE count from the FY19-20 base budget of 237.31.

The chart below shows a breakdown of the Department staffing levels (as Full-Time Equivalent positions, or FTEs) by division in FY19-20. As a reminder, FTE is different from headcount. The FTE counts in this table will vary from Work Program FTE allocations by the amount of budgeted attrition savings associated with each division.

Proposed FY19-20 FTE by Division



Overhead

Currently, no changes are anticipated with overhead, which are the County-Wide Cost Allocation Plan (COWCAP) expenses for costs incurred by the central service departments in administering and providing support services to all City departments.

Non-personnel

Non-personnel expenditures, which include professional service contracts, technology licenses, advertising, and postage, among other items, are anticipated to decrease in FY19-20 from FY18-19 to keep budgeted spending in line with projected revenue. In FY20-21 the Department expects to see increased rent costs resulting from the move from 1650 Mission to 49 South Van Ness, currently scheduled for June 2020.

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The table below highlights contracts budgeted in FY19-20.

Non-Personnel Expenditures: Contracts	FY19-20 Proposed Budget
Racial and Ethnic Equity Initiative	\$30,000
Climate Adaptation Technical Assistance	\$150,000
ConnectSF – Transportation Element Technical Assistance	\$100,000
Land Use & Growth Allocation Methodology	\$86,000
Transcription Service for Commission Minutes	\$75,000
Citywide Nexus Update	\$60,000
The Hub Feasibility Analysis	\$75,000
Citywide Historic Survey	\$125,000
Hub/Civic Center EIR	\$450,000
Fee Study	\$150,000
Total	\$1,301,000

Materials & Supplies

Materials and supplies costs are anticipated to increase over the next two fiscal years. The department anticipates high one-time costs of materials and supplies in FY19-20 related to the move from 1650 Mission to 49 South Van Ness. For example, the new building will not have any land-lines for phones, instead using the internet to provide telephone service for the entire building. That will require Planning to spend nearly \$120,000 on new phone equipment.

Projects

Most project funding is related to special funds, such as IPIC or grants, that will begin or end in the upcoming fiscal years. Project costs are expected to decrease in FY 19-20 as prior-year backlog project expenses decrease.

Services of other departments

Services of other departments, which include rent the Department pays on its office space, the City Attorney legal services, and citywide technology support, is anticipated to decrease in FY19-20 based on the cost estimates of work Planning requests to be performed by those departments. This number will change as the budget system is opened and as other departments provide their cost estimates to Planning.

Proposed Division Work Programs

The Work Programs for each Division are detailed in the following pages.

Current Planning Division Work Program

Jeff Joslin – Director of Current Planning

Current Planning staff helps shape the physical development of the City. Planners are responsible for guiding projects through the building permit and land use entitlement process to ensure compliance with the San Francisco Planning Code, San Francisco’s General Plan, zoning regulations, and relevant design guidelines. Planners are responsible for reviewing project applications, processing Neighborhood Notifications for changes of use and residential expansions, implementing the historic preservation work program, and operating the Planning Information Center.

#	Work Program Activity	Adopted FY18-19 Budget	Proposed FY19-20 Budget	Proposed FY20-21 Budget
1	Application Review & Processing	45.08	43.65	43.65
2	Historic Preservation	10.60	9.75	9.75
3	Public Information	9.25	8.50	8.50
4	Process Maintenance & Improvements	2.51	0.75	0.75
5	Management & Administration	9.95	9.95	9.95
	Total	77.39	72.60	72.60

Overall, Current Planning staffing is proposed to maintain comparable proportional budget allocations in the next fiscal year. A modest reduction in staffing is anticipated based on current revenues, which will result from restraining hiring to fill certain vacancies as they exist or emerge.

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Given the ongoing development environment, staffing of application review and processing, including preservation review dominates the Division’s budget.

Our SFPermit (formerly PPTS) ongoing process and system support has stabilized and is now minimal. Process improvement work in Current Planning is now principally in support of the Executive Programs Team’s focus on that area, allowing some reduction and reallocation of staff time previously dedicated to that work. It’s expected that ongoing development and implementation of process improvements will continue to contribute to increased efficiencies.

Application Review and Processing

The FY19-20 proposed Current Planning work program continues to emphasize application review, with 60% of the total Current Planning staffing so-dedicated. The Department expects application volumes to remain steady or slightly decrease through FY 19-20.

Process improvements have allowed some shifting of responsibilities to administrative staff, resulting in higher quality applications and freeing planners to better focus on project management and quality. Reforming Discretionary Review (DR) administration has contributed significantly to efficient processing of DRs and has, along with other Design Review process improvements, further freed up case planner time for other purposes.

Historic Preservation

The historic preservation work program is proposed to remain stable with continued work in preservation survey programs (including the Citywide Historic Survey), preservation-related CEQA case work, preservation applications, Landmark and historic district work, preservation-specific legislation coordination, preservation project review meetings, preservation enforcement, and other special projects. Ongoing support for the emerging and expanding Citywide Survey work will result from intern and consultant requests as opportunistic. Modest proportional reductions may result from future vacancies if budgetarily warranted.

Public Information

The proposed work program staffing at the PIC remains stable to serve this vital public-serving function. Changes at the PIC include consistent and dedicated preservation and ADU staffing presence, reflecting the Department’s commitment to better customer

service through increased expertise and response efficiencies. The PIC has also been able to better address high work volumes through ongoing staff training, a reorganized overall staffing approach, and new forms and technical efficiencies as a result of the Department’s process-improvement efforts.

Management and Administration

Since SFPermit implementation, the Department has been able to more accurately track all staff costs to individual projects. This has enabled the Department to more accurately capture revenues. To reflect this tracking, approximately 50% of the Current Planning clerical support and management FTEs are shown at the end of the work program. The remaining clerical support and management FTEs are embedded throughout the categories of work listed above. SFPermit advancements and other process improvements continue to result in greater efficiencies and consistency in permit processing and review.

Environmental Planning Division Work Program

Lisa Gibson – Director of Environmental Planning/Environmental Review Officer

Staff in the Environmental Planning Division review projects for potential environmental impacts on the City of San Francisco and its residents, a process known as environmental review. Reviews are conducted pursuant to the California Environmental Quality Act (CEQA) as well as Chapter 31 of the San Francisco Administrative Code, which provides guidelines for implementing the CEQA process.

#	Work Program Activity	Adopted FY18-19 Budget	Proposed FY19-20 Budget	Proposed FY20-21 Budget
1	Environmental Review	39.74	37.88	37.88
2	Process Maintenance & Improvements	3.25	3.25	3.25
3	Management & Administration	4.00	4.00	4.00
	Total	46.99	45.13	45.13

The Environmental Planning (EP) Division is proposing to maintain its overall staffing levels in FY19-20 and FY20-21 from FY18-19. Like the rest of the Department, EP has experienced a reduction in applications in the last fiscal year. However, moving forward staff will remain fully utilized processing environmental applications in the

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backlog and developing and implementing process improvements, such as the new Project Application. Moreover, the number of CEQA appeals is anticipated to remain high and require a substantial allocation of resources. EP continues to make a concerted effort to maximize the efficiency of environmental review.

Environmental Review

The proposed FY19-20 and FY20-21 work program for EP continues to be focused on environmental application review, with 85% of the total division's staffing assigned to this function. Approximately two-thirds of this work is anticipated to be for private development projects, with the remaining third for city-sponsored projects. The Department expects environmental application volumes to decline through FY19-20, but with a continued influx of applications anticipated for projects within the Central SoMa Plan Area after that area plan becomes effective in early 2019. Consistent with late Mayor Lee's Executive Directive 17-02 ("Keeping up the Pace of Housing Production"), the division will give housing projects highest priority for processing.

EP anticipates productive years ahead in the coming two fiscal years, including preparation of environmental impact reports (EIRs) for a variety of private and public projects. Private projects will include 3333 California Street, 3700 California Street, 10 South Van Ness Avenue, Balboa Reservoir, Potrero Power Station, Recology Tunnel Avenue, and Stonestown. In addition, two EIRs that were on hold, 1979 Mission Street and 1333 Gough/1481 Post, are likely to be completed.

In FY19-20 and FY20-21, EP anticipates continuing to prepare a large number of community plan evaluations (CPEs) that allow for streamlined review for projects in plan areas, such as Eastern Neighborhoods, Western SoMa, and the newly adopted Central SoMa plan area. With the addition of Central SoMa to the mix of programmatic EIRs, EP estimates that few EIRs will be prepared in this newly rezoned area where a high level of development activity is anticipated. Furthermore, EP will assist in conducting reviews for Central SoMa projects deemed to be eligible for Housing Sustainability District streamlining.

In addition, in FY19-20 and FY20-21, EP will be working with other divisions in the Planning Department to perform environmental review on The Hub Plan (including two private development projects: the 30 Van Ness and 98 Franklin Street projects), the Railyard Alternatives and I-280 Boulevard Feasibility Study, and the PG&E Hunter's Point Power Plant, and the Mission District Large Development Sites project. Further, update of the transportation element of the General Plan and establishment of a new

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heritage conservation element and new environmental justice policies by the Planning Department will require environmental review during this period.

EP will be working on environmental review for projects sponsored by other City departments. These will include the Alameda County Creek Recapture (San Francisco Public Utilities Commission [SFPUC]), Central Bayside Project (SFPUC), Ocean Beach Master Plan (SFPUC), Airport Master Plan (San Francisco International Airport), M-Line and Geneva-Harney Bus Rapid Transit (San Francisco Municipal Transportation Agency [SFMTA]), approximately four individual projects (some including residential development) considered as part of the Building Progress Program (SFMTA), Better Market Street (Planning/Public Works/SFMTA), and the Seawall General Investigation and Replacement projects (Port of San Francisco). The division also expects continued application activity from the Recreation and Parks Department related to implementing their bond-related and grant-funded projects.

Process Maintenance and Improvements

Ensuring that CEQA review is both efficient and effective is an ongoing task for the EP Division. In FY19-20 and FY 20-21, EP will continue to work with other divisions to further develop and implement process improvements that will facilitate greater efficiencies in the environmental review process, pursuant to Mayoral Executive Directive 17-02. Although these efforts will focus on housing projects, they will benefit projects of all types.

These activities will include updating operating procedures for varying technical analyses, including finalizing the department's transportation impact analysis guidelines. The EP division will continue working in FY19-20 with other agencies to finalize the update of the guidelines. The division is structuring the guidelines update to improve efficiencies and allow for more regular updates that account for the dynamic nature of transportation systems.

Additional technical procedures updates in FY19-20 and FY 20-21 will include the shadow impact analysis guidelines and Preservation Bulletin 16 (CEQA Review Procedures for Historic Resources), as well as development of the department's first wind impact analysis guidelines and noise and vibration guidelines documents. EP will also finalize an update of the Environmental Review Guidelines, which provide critical guidance to the department's established pools of qualified consultants with expertise in the preparation of environmental impact, transportation, historical resources, and archeological resources documents.

Further process improvement initiatives in FY19-20 and FY 20-21 will include development of standard conditions of approval that will reduce the level of environmental review required by effectively including what would otherwise be mitigation measures as project conditions of approval. Key topics to be developed as standard conditions of approval may include archeology, historic resources, air quality, noise, transportation, and biological resources. This will support a more transparent and predictable project approval process for project applicants.

Citywide Planning Division Work Program

AnMarie Rodgers – Director of Citywide Planning

The Citywide Division is responsible for the long-range planning of San Francisco. The Division develops policy, maintains and oversees compliance with the City’s General Plan, prepares and implements community plans, acts as the urban design resource for the City, and gathers and analyzes data in support of land-use policy. The Citywide Division proposes policy on a wide range of topics, including: housing, jobs, mobility, equity, resilience and quality of life. The division develops long-range plans at a city-wide or neighborhood scale while coordinating at the regional level.

The Citywide Division’s budget is divided into three major components to reflect the prioritization of the Division’s 5-Year Work Program: 1) Land Use & Transportation; 2) Plans & Policy; and 3) Core Functions. Each of the first two components contain priority projects for the Division.

#	Work Program Activity	Adopted FY18-19 Budget	Proposed FY19-20 Budget	Proposed FY20-21 Budget
1. Land Use & Transportation				
A	Housing	4.65	5.05	4.90
B	Transportation	4.75	4.80	4.75
C	General Land Use	2.85	3.55	2.70
D	Neighborhood Plans	5.00	5.60	5.00
E	Major Projects/Development Agreements	2.15	2.35	2.35

2. Plans & Policies				
A	General Plan and Policy	7.70	8.75	8.30
B	Resilience & Sustainability	8.05	6.80	6.10
C	Implementation	5.65	4.95	4.70
3. Core Functions and Administration				
A	Core Functions	6.20	6.00	6.00
B	Citywide Administration	6.00	6.00	6.00
C	Emergent Work	2.20	0.00	0.00
	Total	55.20	53.85	50.80

The Citywide division is proposing slightly reduced staffing levels over the next two fiscal years.

Prioritizing Our Work

The Citywide Planning function has a growing list of active projects and increased demand for data analysis, implementation services, and community planning, development, and design work. The Division has engaged in a rigorous process of project prioritization to best allocate staff and determine which projects are highest priority. These priorities are reflected below.

Priority Projects

Priority projects are those that have potential for high public value and that have time-sensitive needs. Priority projects meet one of these three criteria: A) address the city's most urgent and critical planning issues; B) conduct long-range planning now for the large infrastructure projects of the future; C) deliver high-value land use plans to the Planning Commission, the Board of Supervisors and the Mayor; and D) provide necessary supporting data and analysis capacity to inform our long-range plans and policies.

Since the previous Fiscal Year, we have seen one of our highest priority projects, the Central SoMa Plan, completed and adopted by the Board of Supervisors. The long-range planning data modernization effort will become a higher priority as a result of freed up staff time related to Central SoMa.

Topic Areas

I. Land Use and Transportation

A. Housing

The housing policy work program is a staple of the department and the division's work. The current crisis and the Mayor's Priorities demand that this topic receive heightened attention. This past year, we published the Housing Needs & Trends Report. The proposed work program includes strategic plans such as the Housing Affordability Strategy and the Housing Element and immediate, near-term relief through legislation such as developing a local density bonus in areas without density limits.

Priority Project

Housing Affordability Strategy. This program will provide a comprehensive framework for housing planning and policy with dynamic, quantified goals accompanied by a toolkit of policies and programs to improve housing affordability for the city's diverse population.

Upcoming Milestone: Joint MOHCD/Planning Community Workshops, Winter 2019.

B. Transportation

The city is experiencing rapid changes and tremendous growth, spurred by shifting demographics and preferences for city living and working. Together, these changes are stressing our transportation system in ways that affect the City's quality of life. San Francisco must find a way to allow its future generations to live in the City and travel across the City and region with greater ease so that we can ensure the city's travel promotes equity, affordability, mobility, accessibility, resiliency, and sustainability.

Priority Projects

ConnectSF. ConnectSF is a multi-agency collaboration between SF Planning, SFMTA, SFCTA, OEWD and the Mayor's Office to plan for and build an effective, equitable, and sustainable transportation system to serve San Francisco's future. This work will modernize our existing policy via a new Transportation Element, create new plans and capital projects for streets, freeways and transit, and promote new regional transit connections to San Francisco.

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Upcoming Milestones: 2050 Needs Assessment and Transport Network, Spring 2019; Draft/Final next-generation Transit Corridors, January/June 2020; launch Transportation Element, Winter 2020

Rail Alignment & Benefits Study. In 2018, this program yielded a consensus alignment for high-speed rail and Caltrain to reach the Salesforce Transit Center via a tunnel running beneath Pennsylvania Avenue. For FY19/20, the work will focus on incorporating that consensus alignment into the larger project's design and environmental process, study alternatives for design and location of the 22nd Street Caltrain Station, and engage in the Caltrain Business Plan and High Speed Rail environmental process.

Upcoming Milestone: 22nd Street Station Study launch, Summer 2019; High Speed Rail San Francisco – San Jose Preferred Alternative, Fall 2019, EIR/S draft release, Spring 2020.

C. Jobs & General Land Use

The City has been seeing robust job and economic growth for several years. The City's economy and job outlook are deeply connected to demand for housing and changes in broader land use. This work includes staples such as the Commerce & Industry Studies and Surveys as well as topic specific areas such as strengthening PDR and retail within the context of the evolving and densifying city.

Participation in and coordination with regional land use conversations as part of Plan Bay Area is needed on an ongoing basis, with the next regional plan underway now through 2019 and targeted for adoption in 2021.

Underpinning our ability to plan for the future is the need for robust data products. These are fundamental not just for producing ongoing reporting to all levels of government but are essential to doing the daily technical work of planning and forming the basis for all policy analysis and discussion at both near- and long-term time horizons.

Priority Project

Data Modernization. Modernizing long range planning data analysis is a comprehensive effort to shift to current and more efficient technologies to improve time-consuming legacy tools and workflows to increase staff efficiency and speed up

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delivery of data and mapping products, increase quality and value of data products, enhance visualization capabilities, democratize access to data for the public and staff alike, and keep in line with agency partners' needs and data analytics goals. This effort will assess, overhaul, and update our data sets as well as our skills, tools, techniques, and infrastructure to effectively address San Francisco's increasingly complex reporting and long-range planning challenges.

Upcoming Milestone: Completion of first phase of strategic consulting with ESRI, Summer 2019.

D. Neighborhood Plans

Neighborhood plans create a comprehensive vision and plan for individual neighborhoods. Two of our priority projects, the Central SoMa Plan and The Hub, have been in development since 2011 and 2016, respectively. Plans such as these are deliberately managed and brought before decision-makers for approval, and create capacity for large numbers of new housing units and space for jobs to serve the Bay Area's growing population in transit-rich, walkable areas. The Central SoMa Plan was adopted this past Fall 2018, creating the framework for an economically, socially and environmentally sustainable neighborhood that benefits current residents while adding more than 8,800 housing units (over 33% of which will be affordable), facilitating new jobs that pay a living wage, and funding over \$2 billion dollars of public benefits for the growing neighborhood.

Priority Project

The Hub. The Market & Octavia Area Plan called for the area around Market and Van Ness intersection, aka "The Hub," to become a new, high-density residential district. Whereas many of the Market & Octavia housing sites have been built, the housing imagined in The Hub area remains in the planning stage. With several projects pending, The Hub seeks to maximize housing production, including the number of affordable units, and ensure that the new housing will be supported with appropriate public realm improvements and transit enhancements. The effort will result in changes to heights and zoning and a public benefits package, creating a new neighborhood with over 7,000 new units. The first phase of the Community Planning process ended in March 2017.

Upcoming Milestone: Draft EIR publication in Summer 2019, Commission Adoption hearings Winter 2020.

E. Major Projects & Development Agreements

These projects represent half of the City’s development pipeline for housing and jobs and offer the City the opportunity to create new neighborhoods with a variety of benefits to the City. These large projects typically require the creation of a comprehensive plan and agreements to set the stage for 10-25 years of phased development that include a full range of neighborhood infrastructure and opportunities, including transit, commercial, and open space. Development agreements require intense upfront work with community members, project sponsors, attorneys, and other City agencies.

Since July 2017, the City has adopted two major projects with development agreements, Mission Rock and India Basin. Current projects under review include the Balboa Reservoir and Potrero Power Station.

II. Plans and Policies

A. General Plan & Policy

The General Plan is the embodiment of San Francisco’s ideal future. The ideal General Plan encompasses all elements of planning and envisions an equitable, resilient future with an exceptional quality of life. The Citywide Division is shifting focus to this central responsibility with the work beginning this fiscal year to update the following General Plan components: Housing Element, Transportation Element, Community Safety Element, and Environmental Justice policies. We will also launch a General Plan Framework that will focus on mini-strategic updates to the General Plan to modernize and bring it up to date and lay the groundwork for a future comprehensive update.

This category of work also includes the Community Stabilization and Equity and Public Realm Plans. The equity work is both outward-facing such as MAP2020 as well as internal to the department such as the Racial & Social Equity Initiative. This year’s work program includes development or expansion of Cultural Districts for Bayview and Mission (expansion), and potentially one other such as Castro, Excelsior, Chinatown, and Tenderloin/Little Saigon.

Our public realm planning seeks to recognize the positive qualities of San Francisco's built environment and its relationship with the natural setting, and to create and foster

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initiatives that build upon these qualities in ways that strengthen the city's sense of place.

The Dogpatch Public Realm Plan was adopted in Fall 2018. This year, we will focus our public realm plan work towards the city's heart by finalizing the Draft Civic Center Public Realm Plan, which will be released in mid-2019. We will also continue public realm planning and implementation associated with our on-going and recently completed area plans such as Central SoMa, the Hub, and the Excelsior.

Priority Project

Community Stabilization Strategy. The Community Stabilization Strategy is an inter-agency effort to provide City agencies, decision-makers and the public the comprehensive analysis and tools they need to make strategic decisions to stabilize our vulnerable populations as the City changes. The Strategy will 1) mitigate the impacts of ongoing displacement; 2) help prevent future displacement due to economic and population growth; and 3) better manage economic growth to offer benefits to existing communities with a focus on vulnerable populations.

Over the past year, we have been meeting with community stakeholders and City agencies to assess existing community stabilization programs and policies. In the coming months, we will be conducting community outreach and engagement citywide to inform the assessments and make policy recommendations. In FY19/20, we will be working to implement the strategy and targeting strategies to the most vulnerable neighborhoods.

Upcoming Milestone: Joint MOHCD/Planning Community Workshops, Winter 2019;
Release Draft Strategy, Spring 2019

B. Resilience and Sustainability

San Francisco's waterfront is central to the city's economy and identity. In the face of natural hazards, such as sea level rise and seismic vulnerability, we must plan for a safe, accessible, and connected waterfront as the city continues to grow. Following the 2016 sea level rise action plan, the department has been engaging in planning for sea level rise at various scales.

In FY17/18, we helped launch and participated in the Resilient by Design competition and adopted the Western Shoreline Area Plan/Local Coastal Plan. We will complete the

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Sea Level Rise Vulnerability and Consequences Assessment in July 2019, which will provide a base understanding of the impacts from sea level rise on public facilities through 2100 and the consequences to people, the economy and the environment. This study will inform our subsequent sea level rise adaptation work and public participation.

In FY19/20, we will continue this work by focusing our efforts on two new primary products: 1) an interagency effort to plan more collaboratively for climate resilience; and 2) a focus on the eastern waterfront to address flooding and sea-level rise, in coordination with the Port of San Francisco. The larger interagency climate resilience work is moving towards interagency strategic planning like ConnectSF does for transportation.

Priority Project

Sea Level Rise Adaptation. The Department is partnering with the Port of San Francisco to work with the U.S. Army Corps of Engineers on a flood study for the 7-mile waterfront from Aquatic Park to Heron’s Head Park. We have also begun a CalTrans-funded effort to develop sea level rise adaptation strategies for the specific area adjacent to Islais Creek in the Southeast Waterfront, in partnership with SFMTA and the Port, building on the Resilient by Design work. These studies will develop proposals for adapting the waterfront to rising sea levels while providing multiple benefits to all waterfront users.

Upcoming milestone: Public outreach and engagement for Islais Creek Adaptation Strategy and U.S. Army Corps flood study begins Winter 2019; Draft Sea Level Rise Vulnerability and Consequences Assessment, March 2019; Final Assessment July 2019.

C. Implementation

The Division’s Plan Implementation team works with community members, development project sponsors, and City agencies to turn the recently adopted Area Plans into on-the-ground improvements. The Plan Implementation team chairs the Interagency Plan Implementation Committee (IPIC) and develops the annual IPIC report, staffs the Eastern Neighborhoods and Market and Octavia CACs, manages in-kind agreements, and coordinates plan-related capital improvements. The Citywide Planning Division also reviews major phase applications of adopted development agreements, and chairs the Street Design Advisory Team, which reviews streetscape enhancements associated with new development.

III. Core Functions

The Citywide Division’s Core Functions includes comprehensive planning services and support, including Information and Analysis, Graphic Design, and Urban Design Services. The City Design Group (CDG) continues to provide leadership on urban design and public improvement projects that is nationally recognized. The group leads both permanent capital design projects and temporary public space improvements and reviews development proposals at all scales. The professionalism and accessibility of the work of the entire division is dependent upon these core services.

Zoning Administration and Compliance Division Work Program

Corey Teague – Zoning Administrator

Planners in the Zoning Administration and Compliance Division maintain and improve the quality of San Francisco’s neighborhoods by ensuring compliance with the San Francisco Planning Code. The Code Enforcement Team under this division responds to complaints of alleged Planning Code violations and initiates fair and unbiased enforcement action to correct violations and maintain neighborhood livability.

#	Work Program Activity	Adopted FY18-19 Budget	Proposed FY19-20 Budget	Proposed FY20-21 Budget
1	Zoning Administration Functions	3.50	3.50	3.50
2	Code Enforcement (includes sign enforcement)	10.00	10.00	10.00
3	Transportation Demand Management	2.00	2.00	2.00
4	Short-Term Rental Program	3.00	0.00	0.00
Total		18.50	15.50	15.50

The Zoning and Compliance Division includes the Zoning Administrator and Code Enforcement functions (including the General Advertising Sign Program or GASP). For the past several years, the Division has provided 3 FTE for short-term rental enforcement through the Office of Short-Term Rentals. However, those three FTE will move out of the Zoning & Compliance Division for the 2019-2020 budget now that the Office of Short Term Rental is formally within the Planning Department. In FY17-18, the

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Division began to staff and manage the Department’s Transportation Demand Management (TDM) Program, which is comprised of 2 FTEs that were approved under the FY16-17 and FY17-18 budgets. For FY19-20, the Division proposes no additional staff.

For FY19-20, the Enforcement Team proposes no additional staff and will stabilize at a total of 10 FTE (the 10 FTE accounts for the removal of the 3 FTE for the Short-Term Rental Program), and a total of 15.5 FTE for the Division as a whole.

Administration Division Work Program

John Rahaim - Director

Tom DiSanto – Director of Administration

Jonas Ionin – Director of Commission Affairs

Daniel Sider – Director of Executive Programs

Staff in the Administration Division provides support and resources to realize the departmental mission and goals. This division includes the Director’s Office, communications, legislative affairs, special projects, finance, human resources, information technology, operations, training, and the Office of Commission Affairs.

#	Work Program Activity	Adopted FY18-19 Budget	Proposed FY19-20 Budget	Proposed FY20-21 Budget
1	Director's Office	2.00	2.00	2.00
2	Executive Programs (Communications, Legislative Affairs and Special Projects & Policy)	11.50	11.50	11.50
3	Administrative & Financial Services	15.00	15.00	15.00
4	Information Technology	8.50	9.50	9.50
5	Operations	4.00	4.00	4.00
6	Office of Commission Affairs & Custodian of Records	4.00	4.00	4.00
7	Office of Short Term Rentals	3.00	6.00	6.00
	Total	48.00	52.00	52.00

The Administration Division proposes to generally maintain current staffing levels in FY19-20 and FY20-21. The overall FTE count increases between the current and next

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fiscal year from one position reassigned to Administration from the Current Planning Division.

Communications

The Communications Group's mission is to increase and simplify access to public information, enhance transparency, and provide clarity about the Department's work and role. The Group continues to produce improved and expanded materials for distribution at the Planning Information Center, on the Department website, through the City's commissions and boards, and at community meetings and events. Upcoming efforts include the launch of a completely redesigned Department website with a focus on clarity, functionality, and accessibility; collaboration on implementation of a streamlined and more useful neighborhood notification process; an overhaul of the Department's internal intranet to make more critical resources available to staff, faster; and improved messaging regarding major development and legislative projects.

Legislative Affairs

The Legislative Affairs Group's primary areas of focus continue to be (1) analyzing proposals to amend the City's Planning Code and (2) maintaining a liaison function with elected officials. In the upcoming year, the Group anticipates launching a series of discrete Planning Code amendments to achieve targeted policy goals that will help the Department fulfill its mission more effectively. The Legislative Affairs Group will also continue to collaborate with the Department's Citywide Planning Division on policy solutions to the City's housing crisis and will partner with the Special Projects Group with respect to the legislative aspects of our Mayoral Executive Directives on housing, including Accessory Dwelling Units and overall efficiencies in housing delivery.

Special Projects

The Special Projects Group facilitates complex, high-priority development projects that typically involve either a significant number of dwellings or a high-level of affordable housing. In furtherance of this and other Departmental goals, the Group (1) provides high-level project management both before and after entitlement, (2) develops and deploys process improvements in furtherance of Department policy and the various Mayoral Executive Directives related to housing production, and (3) actualizes the City's housing goals by developing implementation strategies and tools to maximize production and affordability.

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Financial Services

In FY18-19, the finance team continued to work hard to become proficient in the City's new financial system deployed July 2017. The team completed several tasks in the past year including cleaning up converted financial data, reconciling several new financial accounts, and successfully closing out the first full fiscal year of activity in the new financial system. Additionally, the department experienced a significant increase in electronic payment processing with the implementation of in-person credit card payments, wire transfer payments, and online applications.

Technology

Many technology projects to support best business practices are in response to changing business needs, new legislation and the implementation of process improvements identified as part of the Mayoral Executive Directive (effective in 2018). In addition to ongoing SFPermit efforts for the DBI launch and technology infrastructure planning for City's future one-stop permit center, most of Planning's technology projects are a natural outgrowth of our SFPermit launch in October 2014. These projects have resulted in an improvement to internal and external business processes and internal and external access to information. These projects include online planning application filing and payment, electronic plan/document review, electronic document management system, in-house processing of public notifications, online map-based CEQA certification and Planning record display, Property Information Map ([PIM](#)) enhancements, digital Categorical Exemption review, and an integration with the Office of Cannabis. All of these have enhanced transparency and provided greater access to Department information on a 24/7 basis to Planning staff and the public.

Office of Commission Affairs

The Office of Commission Affairs staffs the Planning Commission and the Historic Preservation Commission. As the Custodian of Records, it responds to record requests and continues to work on its Record Digitization Project. To date, the Department has scanned, indexed and uploaded over 31,000 files (over 4.2 million images), many of which are now accessible by the public through PIM on the Department's website. As a result, the Department has seen a 21% decrease in public record requests. In 2019, the Department will continue scanning and indexing records stored in the Department's off-site storage facility.

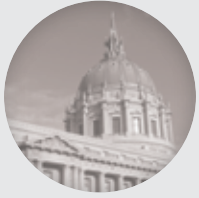
FY 2019-21 Budget Calendar

Department staff will provide budget presentations to the Commissions that will cover the details of the Department’s work program and revenue and expenditure budget. Upon completion of the Commission’s review of the proposed budget, staff will submit the proposed budget to the Mayor for his review and consideration on February 21, 2019.

The scheduled dates for presenting updates to the Commissions for the budget approval process and other major deadlines are:

Date	Budget Agenda Item
01/16/19	Review draft of departmental budget, work program, and performance measures with the Historic Preservation Commission
01/24/19	Review draft of departmental budget, work program, and performance measures with the Planning Commission
02/06/19	Request recommendation of approval of the budget and work program with the Historic Preservation Commission
02/14/19	Requesting approval of the budget and work program with the Planning Commission
02/21/19	Budget Submission to the Mayor
06/01/19	Mayor proposes balanced budget to the Board of Supervisors
June 2019	Budget and Finance Committee
July 2019	Budget considered at Board of Supervisors

- Attachment I** – Organizational Chart
- Attachment II** – Proposed FY19-21 Work Program
- Attachment III** – Grants Program Update Memo
- Attachment IV** – Department Performance Measures



COMMISSIONS

Planning Commission

Commission Affairs
Custodian of Records

Historic Preservation Commission



DEPT. DIVISIONS

Planning Director

Administration

Finance

Human Resources

Information Technology

Operations

Technology Projects

Training

Citywide Planning

Housing and Land Use Policy

Transportation

Neighborhood Plans and Major Projects

General Plan and Policy

Resilience and the Waterfront

Plan Implementation and Core Functions

Current Planning

Development Review Teams

Preservation

Planning Information Center

Permit & Design Review

Environmental Planning

Environmental Impact Analysis

Transportation Impact Analysis

Executive Programs

Communications

Legislative Affairs

Special Projects and Policy

Office of Short-Term Rentals

Enforcement

Certificate Application Review

Zoning & Compliance

Zoning Administrator

Code Enforcement

Board of Appeals

Transportation Demand Management



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 16, 2019

TO: Members, Historic Preservation Commission, Planning Commission

FROM: Sheila Nickolopoulos, Grant Manager

RE: Planning Department Awarded \$1.7 Million in Grants for Special Projects

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Information:
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I am pleased to update you on the Planning Department's continuing success with securing grant funding. Our current grants portfolio includes a total of \$1,710,362 in grants, which is funding work in this and next fiscal year. These following grants, from local, state, and federal agencies, are supporting a variety of projects.

	Amount	Description
1	\$55,000	National Park Service grant to partner with local nonprofit SF Heritage to look at the theme of Civil Right advancement and to make individual National Register nominations. Completion date: June 2019
2	\$500,000	Metropolitan Transportation Commission (MTC) grant for the Transportation Corridor Study and the 22 nd Street Station Study. Completion date: February 2020
3	400,000	Metropolitan Transportation Commission (MTC) grant to produce the Environmental Impact Report for the Hub amendment to the Market-Octavia Area Plan. Completion date: January 2020
4	\$391,212	Caltrans Adaptation Planning grant for the Southeast Mobility Adaptation Strategy, a partnership with MTA. Completion date: February 2021
5	\$160,000	SF Transportation Authority grant for the 22 nd Street Station Study. Completion date: December 2020
6	\$74,150	FY2018-19 Friends of City Planning (FOCP) grants for staff professional development, conference attendance, and special projects. Completion date: December 2019
7	\$65,000	Metropolitan Transportation Commission (MTC) grant for technical assistance to study the feasibility of a density bonus program in plan areas. Completion dates: June 2019
8	\$65,000	Metropolitan Transportation Commission (MTC) grant for technical assistance to study development feasibility of large parcels in the Outer Mission Excelsior. Completion date: March 2019
Total	\$1,710,362	

The Planning Department and partner City agencies continue to actively pursue grant funds to support planning, civic engagement, public realm innovations, transportation planning, and historical preservation.

In 2019, our grant writing efforts will focus on streamlining the entitlement process, equitable growth of housing and jobs connected to transportation, and planning for climate change and sea level rise. The Department will also continue to work closely with other City agencies to identify and pursue funds for the capital implementation of our planning work.

Our achievements in winning grants are significant in both the grant dollars generated and in the successful demonstration of interagency collaboration. Grant funds supplement other City funding sources and implement projects that might otherwise not go forward. In addition, as funders look to increase the impact of their investment, these joint efforts make San Francisco more competitive among applicants and ultimately provide more benefits to City residents.

Please contact me at 415-575-9098 or Sheila.Nickolopoulos@sfgov.org if you have any questions about the Department's grant program.

Planning Department Performance Measures

Performance Measure	Description	FY17-18 Year-End Target	FY17-18 Year-End Actual	
1	Total New Volume	Total volume of new planning cases & building permits requiring departmental review.	11,844	12,082
2	Total Building Permits Approved/ Disapproved at Planning Counter	Total volume of new building permits requiring departmental review that are approved or disapproved over the counter.	5,364	5,710
3	Pending Volume	Total planning cases & building permits awaiting initial departmental review.	1,749	2,171
4	Total Active Caseload	Total active caseload of planning cases and building permits.	12,605	12,318
5	Average Active Caseload per Planner	Average active caseload per planner of planning cases & building permits.	106	68
6	Property Information Map	Average unique visitors per month.	83,000	92,271
7	Small Residential Addition Projects Not Requiring a Hearing	Average number of days from application being accepted by the Department to Action Date.	180	168
8	Change of Use with No Additional Construction Requiring a Hearing	Average number of days it takes from application being accepted by the Department to first Commission Hearing.	180	226
9	Change of Use with No Additional Construction Not Requiring a Hearing	Average number of days it takes from application being accepted by the Department to Action Date.	90	151
10	Large New Residential Construction Projects Requiring a Hearing	Average number of days it takes from application being accepted by the Department to first Commission hearing.	540	447
11	Affordable Housing Projects	Average number of days it takes from the application being accepted by the Department to first Commission Hearing.	270	122
12	Public Projects	Average number of days from "Application Accepted" to final CEQA determination.	30	44
13	Enforcement: Average Days to Escalate a Valid Complaint	Average number of days from NOE to NOV and NOV to NOP.	N/A	90
14	Monitoring Reports	Percent completion of all required planning, housing, and monitoring reports according to mandated or established publication schedules.	100%	95%

Planning Department Performance Measures

Performance Measure		Description	FY17-18 Year-End Target	FY17-18 Year-End Actual
15	Legislation	Percentage of ordinances initiated by an elected official that are reviewed by the Commission or continued at the request of the elected official within 90 days.	80%	100%
16	Records Requests	Percentage of non-immediate records requests responded to within 20 days.	90%	99%
17	Immediate Disclosure Requests	Percentage of immediate disclosure requests responded to within 11 days.	75%	74%
18	Historical Resource Evaluation Responses	Average number of days to complete Part I HRERs.	90	140
19	Performance Appraisals Scheduled	Performance Appraisals Scheduled	212	200
20	Performance Appraisals Completed	Performance Appraisals Completed	212	190