



**RECORD ID: 2020-010430CRV**

**DATE: January 28, 2021**

**TO: Members, Planning Commission**

**FROM: Thomas DiSanto, Director of Administration**  
**Deborah Landis, Deputy Director of Administration**

**RE: FY 2021-23 Proposed Budget**

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## **Introduction**

This memo provides the proposed FY2021-22 and FY2022-23 revenue and expenditure budget for the Department as of January 28<sup>th</sup>, 2021. The budget will continue to be adjusted throughout this year's cycle, which ends with the Board of Supervisors passing the budget for the next two fiscal years in late July. This memo also aims to address Commissioners' questions and comments from the first budget hearing on January 21<sup>st</sup>.

Please let us know if you would like any additional information at any time during this process by contacting Deborah at (628) 652-7526 or [Deborah.Landis@sfgov.org](mailto:Deborah.Landis@sfgov.org).

## **Equity Overview**

### **Resources to Priority Geographies and Populations**

#### *Citywide Planning Division*

The Citywide Planning Division is responsible for the City's comprehensive planning. For purposes of assessing how the Division's work is focused on specific populations or geographies, there are three categories of work:

**City-wide Policy.** Much of the Division's work involves city-wide policy and analysis, often enshrined in the General Plan. This category includes General Plan updates, community facilities planning, economic recovery, city-wide design guidelines, city-wide climate and hazard planning, and more. Regional coordination also fits in this category. This work is not explicitly focused on specific geographies. Projects are

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selected and the content is developed with a focus on issues and strategies that will benefit low-income people and communities of color.

Major Developments and other required work. Major development projects are focused on delivering significant market rate and affordable housing, jobs, and public benefits, including community facilities, open space, workforce development, transit, and affordable PDR space. Development agreements are negotiated on a case-by-case basis.

For this work, the Division reacts to proposals from other agencies or developers. We don't proactively select the locations for these projects. While these projects are responsive to development proposals, our involvement is focused on shaping the projects to maximize affordable housing and other public benefits while retaining project feasibility so the benefits are realized.

This category also includes other mandated work or application review work, such as General Plan referrals, in-kind agreements, project design review, and Preliminary Project Assessments. Mandated work also includes certain reporting requirements, CAC staffing, impact fee-related updates and programming, and more.

Discretionary, Geographic-Specific Projects. The last piece of the Citywide work program is discretionary work that is also geographically or population-specific. The Division has the most discretion over this portion of the work program, and we can dedicate our resources towards equity-serving projects. For our topics (land use and housing, transportation, urban design, and resilience and sustainability), this year we have shifted significant staff and consultant resources towards projects that benefit black, indigenous, and communities of color, as follows:

Land Use. We have shifted significant FTE to develop housing and planning strategies for westside neighborhoods and city-wide, to increase housing for all in areas of high housing opportunity. The goals are to foster a more equitable distribution of new housing across the city so that new multi-family and affordable housing is not concentrated in vulnerable communities and to provide greater access to high-resource neighborhoods for lower income families and communities of color. This effort seeks to address a legacy of exclusionary single-family zoning, past down-zonings, and other regulatory barriers and to respond to the housing needs of those within these neighborhoods and across the city.

Transportation. Within priority geographies, the Caltrain Stations Study and Railyards Working Group serve the South of Market and the Bayview communities. The Caltrain Stations Study will evaluate possible locations for a new Caltrain station in the Dogpatch to replace the 22nd Street Station and another in the Bayview neighborhood. A new station in the Bayview would decrease travel time for Bayview residents by offering a faster alternative to Muni service downtown and to the Peninsula, increasing access to jobs and essential services.

Urban Design. Within the urban design function, certain work is focused on benefiting Priority Geographies and communities of color. This includes Shared Spaces, which recently released almost \$500,000 in equity grants to provide reimbursements for past, in progress, or future work and materials used to bring business operations outdoors during the COVID-19 pandemic. These grants prioritize minority-owned businesses and businesses that advance the City's equity goals. Groundplay, is focusing funding on projects serving Priority Geographies such as the Excelsior, Tenderloin, and Bayview. Our public realm planning is focused on enhancing open space in Priority Geographies including Tenderloin/Civic Center and SoMa. We are re-focusing our design guidelines work on areas with identified and community-supported cultural districts that request area-specific design guidelines.

Resilience and Sustainability. We are prioritizing resources for two projects: Islais Creek Adaptation Strategy and Bayview Resilience Strategy. The former will develop a strategy to ensure the Islais Creek community is resilient to sea level rise and other flood hazards, while enhancing working-class/PDR jobs, housing, open space, sustainable transportation, and essential services. This project, developed through an inclusive community process, is adjacent to several Priority Geographies, including Bayview/Hunters Point and Potrero Hill. The Bayview Resilience Strategy aims to build resilience to climate and other hazards in the Bayview and Hunters Point neighborhoods while improving land use, mobility, cultural heritage, and other priorities, and will be developed through an inclusive community process.

#### *Community Equity Division*

Based on the Planning Commission Equity resolution, the responsibility of the Community Equity Division is to address the racial and social inequities, especially related to American Indian, Black and other people of color and Vulnerable Communities (seniors, disable, homeless, LGBTQ, among others). This work includes policies, strategies and engagement with those communities. It also includes addressing the racial and social equity challenges within the Department.

In addition, the Community Equity Division is working on specific neighborhoods at two levels. The Cultural Districts have been identified by community organizations and approved by the Board of Supervisors. The community strategies in the Mission, Sunset, Richmond, D7, Tenderloin, and Fillmore/Western Addition have been identified based on community requests, mayor and Supervisor initiatives, and Planning Commission guidance.

### *Shared Spaces*

The Shared Spaces Program was created by the COVID-19 Economic Recovery Task Force in June 2020. Since then, it has helped over 2,800 locally-owned small businesses in San Francisco safely transition retail, dining, personal services and other activities out-of-doors. The program is enabled through a series of emergency declarations by Mayor Breed. The Mayor's Office and SF Planning are currently leading development of legislation<sup>1</sup> to transition the program from an emergency response to a codified, permanent part of the City's toolbox for addressing economic recovery, social and psychological wellbeing. In a survey administered last year to Shared Spaces permittees, over 80% of respondents indicated that the program enabled them to avoid permanent closure; another Over 80% also indicated they would want to continue leveraging the program year-round if its provisions were extended.

San Francisco Planning is the City's lead coordinating agency for Shared Spaces, collaborating with the Municipal Transportation Agency, Department of Public Works, Entertainment Commission, Recreation and Parks, the Port, and the Fire Department. SF Planning oversees administration, policy, equity strategy and implementation, public communications and education, data and analytics aspects. SF Planning contributes approximately 4.5 FTE of staff time, funded by General Fund, to the City's overall interagency staff team of about 46.5 FTE. We anticipate to continue dedicated staffing from SF Planning to deliver on the program and its equity goals.

The Program is dedicated to monitoring equity outcomes. In a survey administered last year to Shared Spaces permittees, 50% of respondents identified as woman-owned enterprises; 33% identified as immigrant-owned; another 33% identified as 'minority-owned.' The Shared Spaces Program Equity Strategy also calls for prioritizing City resources for those neighborhoods most impacted by historical disparities. To achieve this, we are executing on three key actions: 1) Make Data-Driven decisions, develop data tools to identifying locations of most vulnerable populations and those most adversely impacted by COVID-19; 2) Conduct targeted outreach in locations of most

vulnerable populations to ensure knowledge of the various Programs; 3) Prioritize locations of most vulnerable populations for the City's project management, funding, and materials. We also launched the first cycle in an Equity Grants Program ([sf.gov/Shared-Spaces-Equity](https://sf.gov/Shared-Spaces-Equity)) which closes on January 31, 2021. This will disburse almost \$500,000 to Shared Spaces operators throughout the City, with priority on those populations that are doubly disadvantaged due to both pre-existing, historical inequities and their disproportionate impacts due to COVID-19. SF Planning is not seeking direct funding in its budget for Shared Spaces equity projects as those are mostly administered through the Office of Economic and Workforce Development; but it is vital that SF Planning maintain its core staffing commitment to the Program, as we direct the equity strategy and its implementation.

## **Revenue & Expenditure Proposed Budget Summary**

### **Permit Process Improvements**

The Planning Department has been working closely with the Department of Building Inspection during COVID on strategies for improving the permitting process and its accessibility to the public. Since the shift away from a predominantly online permitting system in August 2020, DBI's focus has been to re-open the Permit Center for in-person permit submittals for the high-volume permit types (which are predominantly over-the-counter permits). In order to provide a path forward for more complex projects that are traditionally not able to be reviewed over-the-counter and that require review by Planning, the Planning Department has volunteered several of its clerical staff to manage the permit intake and issuance functions that have traditionally been a DBI clerical responsibility; specifically, Planning has taken over this function for Accessory Dwelling Units as well as permits subject to the recent voter-passed initiative, Proposition H. The Planning Department has been managing the clerical functions for ADU permitting since early November, processing 153 permits to-date (as of 1.27.21); the Department has been managing the clerical functions for Proposition H Permits since this past Monday (1.25.21), where we anticipate processing around 10 applications per week. The Planning Department continues to have periodic check-ins with DBI leadership to discuss the need to establish a process for accepting new permits for these more complex in-house reviews and is hopeful that DBI's recent hires – both at the clerical and senior leadership levels – will result in an increase in volume of these permit types being accepted, which directly impacts the Planning Department's permit volume and budget.

**Revenues**

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

<b>Revenues (All Funds)</b>	<b>FY20-21 Adopted Budget</b>	<b>FY21-22 Proposed Budget</b>	<b>FY22-23 Proposed Budget</b>
Charges for Services	\$45,418,270	\$44,834,915	\$44,485,731
Grants	\$2,396,000	\$3,420,000	\$820,000
Development Impact Fees	\$4,045,150	\$3,414,000	\$1,528,000
Expenditure Recovery	\$2,614,990	\$2,381,148	\$2,438,689
General Fund Support (GFS)	\$5,971,704	\$7,736,296	\$9,053,820
<b>Total Revenues</b>	<b>\$60,446,114</b>	<b>\$61,786,359</b>	<b>\$58,326,240</b>

The main changes from the budget presented to the Planning Commission last week relate to updated impact fee and interdepartmental services numbers. Impact fees are reduced compared to last year because we will have fewer transfers out to non-City agencies. The interdepartmental services number will continue to change as we work with sister agencies to project the services they will request from us over the next two years. Fee revenue reflected here is reduced from the base budget by (\$2M). The Department's \$7.7 Million General Fund Support (GFS) in FY21-22 meets the Mayor's budget instructions of a \$494,029 target GFS reduction from the base budget. FY 22-23 GFS also meets the Mayor's instructions as the base budget of that year is \$9.6M.

**Expenditures**

The table on the following page summarizes the Department's expenditure uses in the Department's operating, project, and special revenue funds.

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<b>Expenditures (All Funds)</b>	<b>F20-21 Adopted Budget</b>	<b>FY21-22 Proposed Budget</b>	<b>FY22-23 Proposed Budget</b>
Salary & Benefits	\$39,316,349	\$40,221,346	\$41,474,738
Overhead	\$965,663	\$965,663	\$965,663
Non-Personnel Services	\$3,516,899	\$4,924,399	\$4,695,804
Materials & Supplies	\$699,970	\$499,774	\$499,774
Capital Outlay & Equipment	\$10,405	\$0	\$0
Projects	\$8,048,654	\$6,834,000	\$2,348,000
Services of Other Departments	\$7,888,174	\$8,341,177	\$8,342,261
<b>Total Expenditures</b>	<b>\$60,446,114</b>	<b>\$61,786,359</b>	<b>\$58,326,240</b>

As noted during the first budget hearing, we are proposing to reduce salary and benefit expenditures by deleting some vacant positions and reducing temporary salaries. The first hearing reflected the anticipated dollar amount reduction. We have now identified the specific positions we propose to delete. Those positions are a public information officer (job class 1312), a management assistant (job class 1842), four planner II positions (job class 5278), four planner III positions (job classes 5291 and 5298), one planner IV (job class , 5293), and some temporary salaries (~375k out of \$1.1M). We may reduce the number of positions to delete or change the job classes if other savings are identified as the budget process continues. Removing the positions from the budget will result in approximately \$2.3M of expenditure savings. We anticipate little operational impact from this change because the positions are already vacant.

## **FY 2021-23 Budget Calendar**

As a reminder, the scheduled dates for presenting updates to the Commissions for the budget approval process and other major deadlines are:

<b>Date</b>	<b>Budget Agenda Item</b>
<b>01/20/21</b>	Review draft of departmental budget, work program, and performance measures with the <b>Historic Preservation Commission</b>
<b>01/21/21</b>	Review draft of departmental budget, work program, and performance measures with the <b>Planning Commission</b>
<b>02/03/21</b>	Request recommendation of approval of the budget and work program with the <b>Historic Preservation Commission</b>
<b>02/04/21</b>	Requesting approval of the budget and work program with the <b>Planning Commission</b>
<b>02/22/21</b>	Budget Submission to the Mayor
<b>06/01/21</b>	Mayor proposes balanced budget to the Board of Supervisors
<b>June 2021</b>	Budget and Finance Committee
<b>July 2021</b>	Budget considered at Board of Supervisors





# PLANNING COMMISSION DRAFT RESOLUTION

**HEARING DATE:** February 4, 2021

**Record No.:** 2020-010430CRV  
**Subject:** Fiscal Year 2021-22 and 2022-23 Budget  
**Staff Contact:** Deborah Landis – (628) 652-7526  
Deborah.Landis@sfgov.org

RESOLUTION APPROVING THE PLANNING DEPARTMENT'S FISCAL YEARS' 2021-2023 BUDGET; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1 AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

## PREAMBLE

On January 21, 2021 the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on the Department's draft budget for fiscal years 2021-22 and 2022-23 (Record No. 2020-010430CRV).

The project is not a project under CEQA Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment.

The Commission received a Resolution dated February 3, 2021 from the Historic Preservation Commission with the Historic Preservation Commission's recommendation for approval of the Department's FY2021-22 and FY2022-23 budget.

The Planning Department Commission Secretary is the custodian of records; the File for Record No. 2020-010430CRV is located at 49 South Van Ness Avenue, Suite 1400, San Francisco, California.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the Department staff and other interested parties.

**NOW THEREFORE BE IT RESOLVED**, that the Commission has reviewed and hereby approves the proposed budget as outlined in Record No. 2020-010430CRV.

**AND BE IT FURTHER RESOLVED**, that the Commission recommends that the Planning Director submit the Planning Department's Fiscal Years 2021 — 2023 budget to the Mayor and Controller on February 22, 2021, in accordance with San Francisco Administrative Code Section 3.3(a), based on the following findings:

- The Commission finds that the Project is consistent with the relevant provisions of the Planning Code.
- The Planning Department's proposed revenue and expenditure budget for FY2021-22 and FY2022-23 is aligned with the Department's mission and vision for achieving its work program. As of January 28, 2021, the total proposed FY2021-22 budget is \$61.8M and the FY2022-23 budget is \$58.3M.
- The Project is, on balance, consistent with the Objectives and Policies of the General Plan. While there are no Goals or Policies that directly address the proposed budget in the General Plan, the proposed budget is not inconsistent with the General Plan. The proposed budget does not change any policies with an effect on the General Plan and does not change planning, zoning, or other physical aspects of the City.
- Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the budget complies with said policies.
- The Commission hereby finds that approval of the budget would promote the health, safety and welfare of the City.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on February 4, 2021.

Jonas P. Ionin  
Commission Secretary

AYES:

NAYS:

ABSENT:

RECUSE:

ADOPTED: February 4, 2021