



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 31, 2018

TO: Members, Historic Preservation Commission

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

RE: Department's Proposed Fiscal Years 2018-20 Budget
2017-014010CRV

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Introduction

As conveyed in our presentation at the January 17, 2018 Historic Preservation Commission, the Department is preparing to submit a budget for Fiscal Years 2018-19 and 2019-20. We will be in front of the Historic Preservation Commission again on February 7, 2018 to request your recommendation of the proposed budget to the Planning Commission. The Department is proposing two legislative changes as part of the budget submission, which are outlined below. We have also included a brief update on the Heritage Conservation Element.

Budget Updates

Since the Department's presentation on January 17th, the City's budget system has been opened and updated Consumer Price Index (CPI) numbers were released. The total difference between what we reported on January 17th and the updated numbers has decreased by (\$16,000) in FY18-19 and increased by \$212,000 in FY19-20. Given those two events, the current proposed budgets for the next two fiscal years are below:

Revenues (All Funds)	FY17-18 Adopted Budget	FY18-19 Proposed Budget	FY19-20 Proposed Budget
Charges for Services	\$43,787,122	\$43,477,378	\$45,224,630
Grants & Special Revenues	\$1,875,000	\$2,550,000	\$1,250,000
Revenue from Office of Community Investment & Infrastructure (OCII)	\$41,245	\$61,671	\$63,177
Development Impact Fees	\$5,093,618	\$1,605,295	\$1,289,431
Expenditure Recovery	\$1,120,332	\$1,970,974	\$2,321,478
General Fund Support (GFS)	\$2,584,044	\$4,160,783	\$5,139,241
Total Revenues	\$54,501,361	\$53,826,101	\$55,287,957

Expenditures (All Funds)	FY17-18 Adopted Budget	FY18-19 Proposed Budget	FY19-20 Proposed Budget
Salary & Fringe	\$33,989,545	\$36,844,470	\$39,058,840
Overhead	\$774,176	\$774,176	\$774,176
Non-Personnel Services	\$6,091,945	\$4,294,435	\$4,889,374
Materials & Supplies	\$472,717	\$451,145	\$661,065
Capital Outlay & Equipment	\$346,783	\$323,196	\$0
Projects	\$6,760,793	\$4,927,348	\$3,304,004
Services of Other Departments	\$6,065,402	\$6,211,331	\$6,600,498
Total Expenditures	\$54,501,361	\$53,826,101	\$55,287,957

Proposed Budget Legislation

The Department plans to propose two legislative changes as part of the budget submission.

The first is to update the Administrative Code to allow the Planning Department to use the proceeds in the Planning Code Enforcement Fund for Planning Code enforcement activities. The Code currently restricts the use of enforcement revenue to be spent only on sign enforcement activities. The Department proposes to be able to use the Planning Code Enforcement Fund for enforcement of all Planning Code requirements and regulations.

The second is to work in concert with SFMTA to create tiered transportation review fees. Currently, Planning and SFMTA charge only one transportation review fee in each department, \$25,504 at Planning and \$4,905 at SFMTA. Planning is not proposing changes to its existing fee. SFMTA is proposing to increase its existing transportation review fee to \$15,000. The departments would like to propose one additional tier for site circulation review, estimated at \$9,600 for Planning and \$3,000 for SFMTA for simpler transportation reviews.

January 31, 2018

Historic Preservation Commission
FY 2018-2020 Budget – Updates From Initial Hearing

Heritage Conservation Element Update

The Planning Commission requested an update on the Heritage Conservation Element, formerly known as the Preservation Element, at the Department's January 25th presentation to that commission. The Element is now in final draft form. In the next few weeks it will be reviewed by senior staff and the City Attorney's office in preparation for HPC and PC reviews in the early Spring. Environmental review (Negative Declaration) will kick off as soon as the City Attorney review is complete. Public outreach will immediately follow the hearings. The goal is to be prepared for adoption hearings by next January.

Budget Resolution Language

A draft of the resolution proposed for your support of this budget reads as follows:

RESOLUTION OF THE HISTORIC PRESERVATION COMMISSION RECOMMENDING THE RECOMMENDATION OF THE PLANNING DEPARTMENT'S FISCAL YEARS 2018 – 2020 BUDGET.

RECITALS

1. **WHEREAS**, The Planning Department presented the Department's proposed revenue and expenditure budget and work program activities for FY18-19 and FY19-20 to the Historic Preservation Commission on January 17, 2018 and to the Planning Commission on January 25, 2018.
2. **WHEREAS**, The Planning Department will have presented the final proposed budget and work program for FY18-19 and FY19-20 to the Historic Preservation Commission on February 7, 2018 and the Planning Commission on February 8, 2018.
3. **WHEREAS**, The Planning Department's proposed revenue and expenditure budget for FY18-19 and FY19-20 is in line with the mission and vision of the department in achieving its work program. Overall volume growth of planning cases and building permits is projected to remain steady in FY18-19 and FY19-20. Planning application and permit review fee revenues are anticipated to be \$43,477,378 due to the continuation of actual volume and fee revenue trends currently being realized in FY17-18 and the automatic two-year average Consumer Price Index (CPI) adjustments to all fees at 3.24%. The General Fund Support of \$4,160,783 in FY18-19 and \$5,139,241 in FY19-20 meets the target set by the Mayor's Office. The total budget proposed FY18-19 budget is \$53,826,101 and FY19-20 budget is \$55,287,957.
4. **WHEREAS**, The Planning Department's position count will grow by 1.77 full-time equivalent (FTE) positions in FY18-19 from the FY17-18 budget from annualization of existing positions and temporary salary and attrition adjustments (an increase of 1 FTE) as well as one new position at 0.77 FTE.

NOW, THEREFORE BE IT RESOLVED THAT, the Commission recommends, based upon the entire Record, the staff of the Department, and other interested parties, the oral testimony presented to the Commission at

January 31, 2018

Historic Preservation Commission
FY 2018-2020 Budget – Updates From Initial Hearing

the public hearings, and all other written materials submitted by all parties, that the Planning Department's Fiscal Years 2018 – 2020 budget be recommended for approval by the Planning Commission.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission at its regular meeting on February 7, 2018.

We will be available to answer any questions at our final review of the budget proposal with you on February 7th.