



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 25, 2017
TO: Members, Historic Preservation and Planning Commissions
FROM: Thomas DiSanto, Director of Administration
Deborah Landis, Finance & Technology
RE: FY 2017-19 Budget – Proposed Budget & Work Program

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Introduction

This memo provides the proposed FY2017-18 and FY2018-19 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.

On July 1, 2017, the City will implement a new financial system to replace its legacy FAMIS system. Budget preparation for this budget cycle will take place according to FAMIS financial structures. The new system will impact budgeting next fiscal year. At that time, we may change the way information is presented to the Commissions to reflect the new structures that are being created now.

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.

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Mayor's Budget Instructions

On December 8, 2016, the Mayor's Office released the budget instructions for FY2017-19. At that time, the Mayor's Office projected that the City's General Fund will have a shortfall of \$400M 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 continuing strong economy with slowing revenue growth, health benefit and pension cost increases, and salary 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 3% 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, which means the Department historically receives very little General Fund Support (GFS). The Mayor's Office GFS reduction target to all departments of 3% in both FY17-18 and FY18-19 translates to \$51,315 in FY17-18 and an additional \$51,315 in FY18-19 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 prioritize initiatives that support residents and families that thrive; clean, safe and livable communities; a diverse, equitable and inclusive City; excellent City services; and, a City and region prepared for the future. All of these instructions are predicated on uncertainty with the Federal election, the Mayor's re-balancing plan given local election results, and an assumption that departments will be disciplined, responsible, and make trade-offs.

Revenue & Expenditure Proposed Budget Summary**Revenues**

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

Revenues	FY16-17 Adopted Budget	FY17-18 Proposed Budget	FY18-19 Proposed Budget
Charges for Services	\$44,012,250	\$42,209,784	\$42,928,071
Grants & Special Revenues	\$3,083,827	\$1,525,000	\$1,115,000
Revenue from Office of Community Investment & Infrastructure (OCII)	\$34,372	\$41,245	\$42,326
Development Impact Fees	\$1,421,332	\$987,278	\$951,619
Expenditure Recovery	\$740,453	\$742,947	\$723,421
General Fund Support (GFS)	\$1,991,842	\$2,374,217	\$3,863,745
Total Revenues	\$51,284,076	\$47,880,471	\$49,624,182

Charges for Services

With six completed months in the current fiscal year, the Department is projecting a revenue budget shortfall of (\$5.3M). The expected budget to actual revenue shortfall is due to unrealized continued fee revenue growth of the past several years. The current year's projected General Fund fee revenue, based on the first six months, is expected to be \$37.6M as compared to last year's \$37.5M. While this is a shortfall compared to budget, this is still a record high for fee revenue. The current year's projected actual revenue reflects a citywide trend of slowing revenue growth.

Looking forward to next fiscal year's revenues, the Department's budgeted fee revenue is anticipated to decrease by (\$1.8M), or (4.1%), in FY17-18 from the FY16-17 budget for the following reasons:

1. The continuance of projected actual fee revenue levels currently being realized in FY16-17, currently estimated at \$37.6M, holding steady into FY17-18;
2. Bringing approximately \$2.4M of deferred revenue into the budget; and

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3. An automatic 3.53% Consumer Price Index (CPI) adjustment to all fees in FY17-18, authorized under the Planning and Administrative Codes.

The Department's fee revenue is anticipated to increase by (\$0.7M), or 1.9%, in FY18-19 from the FY17-18 budget for the following reasons:

1. The continuation of flat of volume and fee revenue trends anticipated in FY17-18 into FY18-19;
2. Bringing approximately \$2.0M of deferred revenue into the budget; and
3. An automatic 3.14% Consumer Price Index (CPI) adjustment to all fees, authorized under the Planning and Administrative Codes.

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. We anticipate receiving \$1.5M in grants funding in FY17-18. We currently have requests for \$790,000 in grant funds pending with various funders.

In the coming year, we will continue to focus our grant writing efforts on historic preservation and the eight focus areas of the Citywide division: Celebrating the City Center (previously Heart of the City), A Resilient Waterfront, Emerging Southeast (previously Next Generation SF), A City of Neighborhoods, Bridging the Bay, Housing for All, Connect SF, and Advancing Community Equity and Opportunity. We 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 would 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 FY17-18 portfolio of Federal and State & Local grants.

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Other Revenue and Fees

The Department will receive a small percentage of anticipated development impact fees that will be collected in FY17-18 and FY18-19 in order to recover costs associated with administering various development impact fee processes and programs and carry out specific projects, estimated at approximately \$1.0M in each year. This estimate has been decreased from prior years to reflect actual current costs, mostly staffing and a proposed nexus study in FY18-19.

The Department's expenditure recoveries from services the Department provides to other City and County agencies is anticipated to remain steady in FY17-18 and decrease slightly in FY18-19 based on changes within the Transit Effectiveness Project and Balboa Reservoir Project. The Department will also receive similar funding levels in FY17-18 and FY18-19 from OCII.

General Fund Support

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 Department's GFS of \$2.3 Million in FY17-18 meets the Mayor's budget instructions of a 3% target reduction compared to the formula applied to our *base* FY17-18 budget. The Department has also been able to meet the 3% target reduction in FY18-19. The FY17-18 base budget has a FY17-18 GFS of \$2,425,532. Based on that, we have decreased GFS in each fiscal year by \$51,315, or, 3% of GFS.

Expenditures

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

Expenditures	FY16-17 Adopted Budget	FY17-18 Proposed Budget	FY18-19 Proposed Budget
Salary & Fringe	\$32,344,832	\$34,270,447	\$36,056,720
Overhead	\$554,786	\$554,786	\$554,786
Non-Personnel Services	\$9,255,984	\$4,761,788	\$4,453,695
Materials & Supplies	\$784,383	\$472,717	\$447,717
Capital Outlay & Equipment	\$326,864	\$246,783	\$161,910
Projects	\$1,368,000	\$1,873,123	\$2,207,040
Services of Other Departments	\$6,649,227	\$5,700,827	\$5,742,314
Total Expenditures	\$51,284,076	\$47,880,471	\$49,624,182

Salary & Fringe

Salary and fringe expenditures for department staff continue to be the most significant portion of the Department's overall expenditure budget representing 71.6% of all expenditures in FY17-18 and 72.7% in FY18-19. Staff salary rates are projected to increase by 3% in each fiscal year, pending union agreement. Fringe rates, which include retirement, health care, and social security, among other items, increase 2.9% in FY17-18 and by another 0.9% in FY18-19.

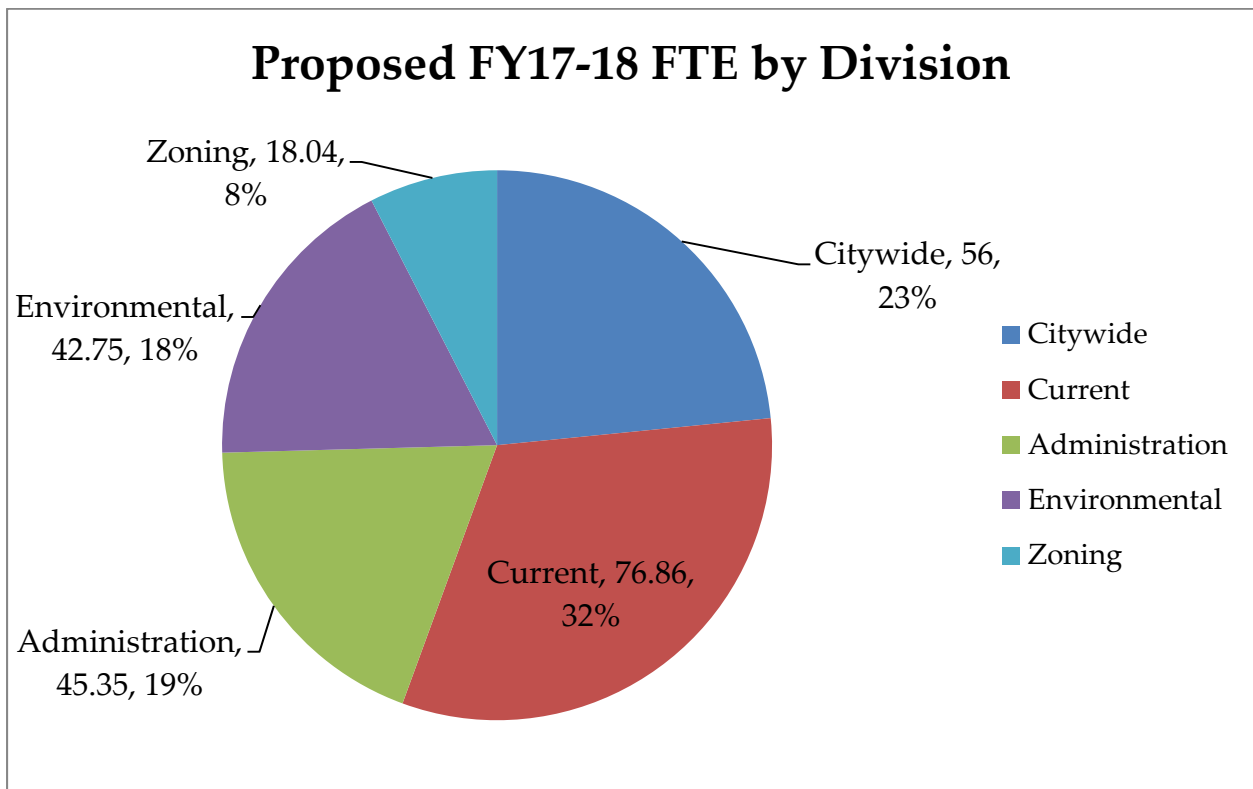
The Department expects to reduce its FTE count from the FY17-18 base budget of 235.64 FTE by 3.36 FTE. Overall, the Department's FTE count is expected to increase by 1.42 FTEs in FY17-18 from FY16-17 from 230.86 to 232.28 FTE. This increase is due to:

- 1) 4.78 FTE from prior year position annualization;
- 2) 1.00 FTE for one substituted position for the Planning Information Center; and
- 3) (4.36) FTE temporary salary reductions and attrition adjustments

In addition to these FTE changes, the Department is proposing to repurpose an existing Planner III position to a Planner IV role to manage Development Agreements.

The Department is not proposing to add any new positions in FY18-19. With annualization of one Transportation Demand Management position (added to the FY17-18 budget in last year’s cycle), and temporary salary and attrition adjustments, the FY18-19 FTE count is anticipated to be 231.94, or, (0.34) FTE lower than FY17-18.

The chart below shows a breakdown of the Department staffing levels (as Full-Time Equivalent positions, or FTEs) by division in FY17-18. 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 attrition savings associated with each division.



Overhead

No major 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 FY17-18 from FY16-17 to keep budgeted spending in line with projected revenue. The table below highlights new or ongoing major contracting changes between the current fiscal year and FY17-18.

Major Changes in Non-Personnel Expenditures: New Contracts	FY16-17 Adopted Budget	FY17-18 Proposed Budget
Civic Center Public Realm Plan Design	\$290,162	\$473,652
Affordable Housing Strategy	\$0	\$50,000
Citywide PDR Strategy	\$0	\$75,000
Mission Action Plan 2020	\$400,000	\$50,000
Citywide Historic Survey	\$50,000	\$150,000
Central SOMA EIR Completion	\$138,000	\$200,000
Shadow Impact Analysts	\$0	\$74,500
Community Risk Reduction Plan Update	\$0	\$85,470
Dogpatch/Central Waterfront Public Realm Plan CEQA Review	\$0	\$200,000
Archeological and Paleontological Resources Guides	\$0	\$60,000

Materials & Supplies

Materials and supplies costs are anticipated to decrease in FY17-18 by approximately \$300,000 from FY16-17 mostly due to current-year, one-time expenses from maintenance and refreshing of various components of the IT network infrastructure (\$100k), and to accommodate increased staff that has come on board in the current fiscal year (\$200k).

Capital, equipment, and projects

Departmental capital and equipment costs will fund technology infrastructure needs for basic business operations and disaster recovery.

One-time budget for project expenditures are anticipated to increase by \$505,123 in FY17-18 compared to FY16-17 and increase by \$333,917 in FY18-19. Most project funding is related to grants that will begin or end in the upcoming fiscal years. General Fund project changes are mostly attributable to ongoing support for the high volume of cases the Department has been receiving over the past few years.

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 by approximately \$720,000 in FY17-18 from the base budget based on the cost estimates of work Planning requests to be performed by those departments. In particular, we propose to decrease funding for the Department of Human Resources support by approximately (\$160k) and the Public Utilities Commission by approximately (\$250k) to reflect actual support provided. Additionally, we propose to spread support for the Port's Sea Wall project across FY17-18 and FY18-19 at \$250k each year, instead of one payment of \$500k in FY17-18.

Capital Planning Request

The Department has one Capital Planning request for \$1.7M of support on resiliency and sea level rise work. This funding request covers implementation of San Francisco's Sea Level Rise Action Plan, which plans for and ensures the long-term reliability and resilience of the City's waterfront development, public spaces, communities, and infrastructure. The major components of San Francisco's Sea Level Rise Action Plan are: (1) Review Science; (2) Assess Vulnerability and Risk; (3) Develop and Implement Adaptation Plan(s); (4) Conduct Public Outreach; and (5) Monitor Implementation. Capital Planning requests will be vetted by Capital Planning staff and the Capital Planning Committee as part of the Citywide budget process.

Departmental Overview

The Planning Department continues to experience high demand for our services. After years of unprecedented growth, we are seeing a leveling off of work at this all-time high. The Department’s work has become even more challenging and critical to the future of the City. We are cognizant of the need to be vigilant in protecting the character of the City by making San Francisco the world’s most livable and urban place – environmentally, economically, socially and culturally.

Planning Case & Building Permit Volume Trends

Volume Trends: The unprecedented double-digit year-over-year volume growth in building permits and planning applications appears to be leveling off or, possibly, decreasing. During the earlier months of the fiscal year, the Department saw more smaller cases, and anticipated even volume with decreased revenue. In the more recent months, fewer, but larger cases have come through the door. Through the end of December a total of 7,151 permits and planning and enforcement cases have been filed with the Department. If this trend continues for the second half of the year, the Department projects an overall 6.5% decrease in volume from the prior fiscal year, with revenue to remain stable at prior year levels.

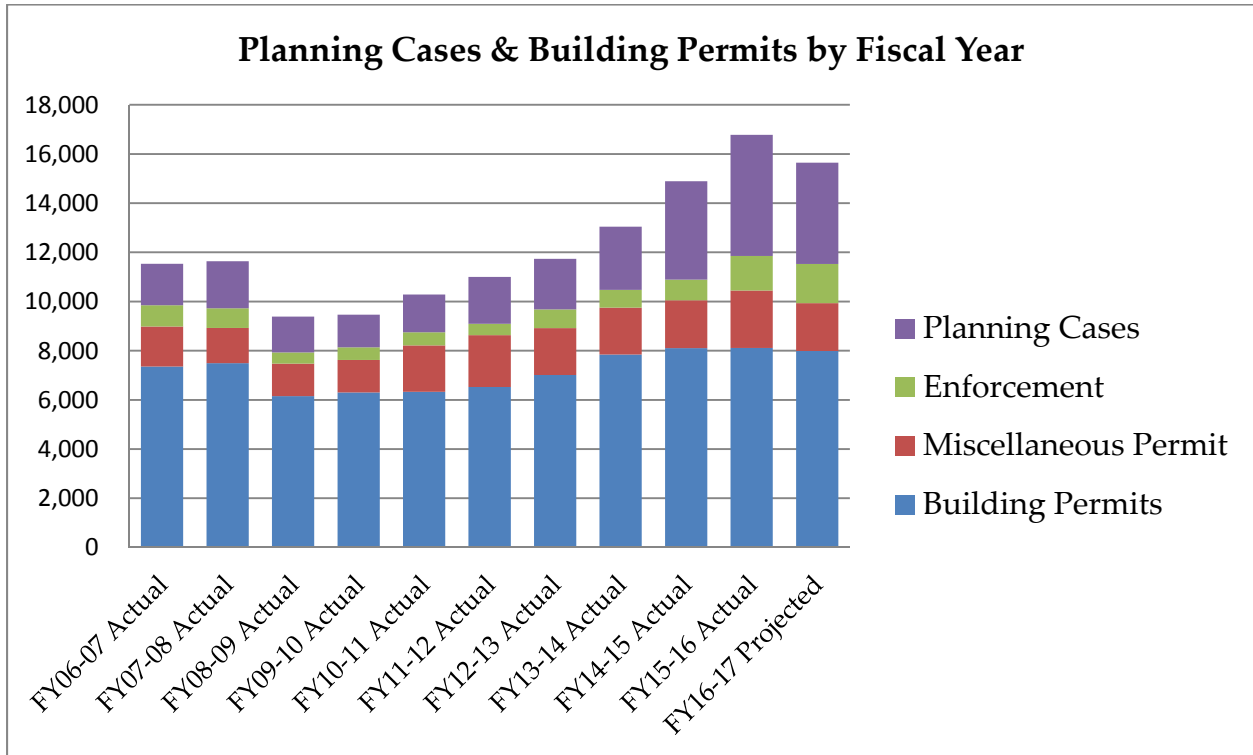
The Department’s current volume seems to reflect a level of uncertainty surrounding construction repercussions from legislative housing requirements, the high cost of land, the high cost of construction, and the tight construction labor market in San Francisco. Given this, the Department anticipates that volume may change in the second half of the fiscal year as the requirements and costs around building in San Francisco clarify.

Volume Summary*	FY14-15 Actual	FY15-16 Actual	FY16-17 Projection**	Yr on Yr Percent Increase/ (Decrease)	Percent of Total
Building Permits	8,107	8,109	7,990	(1.5%)	51.1%
Miscellaneous Permit	1,941	2,341	1,944	(17.0%)	12.4%
Enforcement	840	1,406	1,592	13.2%	10.2%
Planning Cases	3,866	4,887	4,122	(15.7%)	26.3%
Total	14,754	16,743	15,648	(6.5%)	100.0%

*Excludes PRJ, PRL, MCD, 311, and BBN records from PPTS

**Based on PPTS volume reports through December 31, 2016

The graph below shows the actual building permit and case volume trend from FY06-07 through FY15-16, and the projected volume in FY16-17.



The higher than anticipated growth in planning case and building permit volume over recent years had caused a backlog to grow. The Department has filled vacant positions, created a Small Projects Review Team to expedite small projects through the review process and implemented other process changes to more efficiently address workload, finish assigned cases, and assign unassigned cases. Staff has reported that the time between application intake and when a Planner conducts initial review has decreased between 2 – 8 weeks, despite relatively stable all-time-high workloads.

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 FY16-17 Budget	Proposed FY17-18 Budget	Proposed FY18-19 Budget
1	Application Review & Processing	41.29	40.38	40.32
2	Historic Preservation	14.60	14.95	14.95
3	Public Information	9.08	9.25	9.31
4	Process Maintenance & Improvements	2.51	2.57	2.57
5	Management & Administration	9.39	9.50	9.50
	Total	76.87	76.65	76.64

Overall, Current Planning staffing is proposed to grow minimally in the next fiscal year, as a result of previously budgeted FTE to be hired and annualized in FY17-18. The previously budgeted FTEs include two architectural review positions, one preservation planner for the new Legacy Business Program with the Small Business Administration/Historic Resource Evaluation, and one preservation planner for the Planning Information Center (PIC). One additional PIC position is now proposed to more successfully manage the ongoing increase in demand for over-the-counter permitting and advice. We continue to see modest staff time dedicated to our Permit and Project Tracking System (PPTS) ongoing process support and system refinement, with continuing additional systems advancements anticipated. Given the ongoing

development environment, staffing of application review and processing, including preservation review, dominates the Division's budget and increases in staffing.

Application Review and Processing

The FY17-18 proposed Current Planning work program continues to emphasize application review, with 56% of the total Current Planning staffing assigned to this function. There has been a steady increase of applications over the past three years. The Department expects these application volumes to remain steady through FY17-18. Ongoing application delays will continue to be addressed through prior year temporary hires and ongoing process improvements.

Historic Preservation

The historic preservation work program is proposed to remain generally 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. No new permanent preservation positions are proposed. Positions soon to be filled include .5 FTE to work on the new Legacy Business program, begun by legislative mandate in conjunction with the Small Business Administration, .5 FTE to work on Historic Resource Evaluation (HRE) work. The second is in direct response to need and public requests: a dedicated position to provide historic preservation expertise at one of the Department's main points of contact with the public, the PIC. Ongoing support for the emerging and expanding Citywide Survey work will result from intern and consultant requests: no new permanent positions are requested at this time.

Public Information

The proposed work program increases existing staffing at the PIC by one person. The current staffing level reflects the Department's commitment to better customer service through increased expertise and response efficiencies. The PIC has been able to better address high work volumes through ongoing staff training which resulting in improved service over the past two years, but demands at the PIC require additional staffing to reduce persistent wait times.

Management and Administration

Since the recent PPTS implementation, the Department has been able to more accurately track all staff costs to individual projects. This has enabled the Department to more

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accurately set fee schedules and 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. PPTS incorporation and advancements will continue to result in greater efficiencies and consistency in permit processing and review.

Citywide Planning Division Work Program

Adam Varat – Acting 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 develops plans and proposes policy on a wide range of topics, including housing, transportation, urban design, land use, and sustainability policy and development of long-range plans at a city-wide or neighborhood scale.

The Citywide Division's budget is divided into two major components in line with the revised Citywide Division 5-Year Work Program presented to the Planning Commission and Mayor in October 2016:

1. **General On-Going Work/Core Functions:** General Plan Updates and Maintenance, Policy and Zoning, Plan Implementation, Information and Analysis, City Design, and Division Administration.
2. **Major Planning Initiatives:** Advancing Community Equity and Opportunity, Housing for All, Connect SF, Bridging the Bay, City of Neighborhoods, Emerging Southeast (formerly Next Generation SF), Celebrating the City Center (formerly Heart of the City), and Resilient Waterfront

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#	Work Program Activity	Adopted FY16-17 Budget	Proposed FY17-18 Budget	Proposed FY18-19 Budget
General On-Going Work/Core Functions				
1	General Plan - Updates, Referrals, and Maintenance (GEN)	2.15	2.50	2.51
2	General Policy and Zoning (POL)	5.67	2.66	2.66
3	Area Plan Implementation (IMP)	2.70	2.26	2.26
4	Information and Analysis (IAG)	8.90	8.81	8.81
5	City Design (CDG)	3.20	3.06	3.06
6	Citywide Administration (ADM)	7.85	6.06	6.06
Major Planning Initiatives (per the 5 year work program)				
1	Bridging the Bay	0.40	0.31	0.35
2	City of Neighborhoods	10.90	7.31	7.27
3	Emerging Southeast (formerly Next Generation SF)	5.10	4.81	4.81
4	Celebrating the City Center (formerly Heart of the City)	6.48	4.46	4.46
5	A Resilient Waterfront	2.65	2.81	2.81
6	Housing for All (<i>new initiative</i>)	0.00	3.26	3.25
7	Connect SF (<i>new initiative</i>)	0.00	3.01	3.00
8	Advancing Community Equity and Opportunity (<i>new initiative</i>)	0.00	3.36	3.35
	Total	56.00	54.68	54.66

The Citywide Planning Division is proposing to maintain staffing at current levels for the next two fiscal years.

Over the past year, the Citywide Division updated its Five-Year Work Program. The Citywide Division Five-Year Work Program was first presented to the Planning

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Commission in October 2014. Since that time, San Francisco has seen significant changes across many dimensions, such as rising concerns about housing affordability, gentrification and displacement, on-going mobility and accessibility of services, adapting to environmental changes, and many other topics.

In response to these changes, we revised and updated the Citywide Division Five-Year Work Program, and presented the revised work program to the Planning Commission in October 2016. The revised version added three new initiatives to our work, including Advancing Community Equity and Opportunity, Housing for All, and Connect SF. These initiatives were already underway, but they were embedded within other programs and initiatives, and we are now calling them out specifically. The new initiatives are shown in this year's budget, resulting in adjustments to FTE counts to the other programs and initiatives, while maintaining total staffing at FY16-17 levels.

The sections below summarize additional highlights from the Citywide Division's proposed FY17-19 work program:

General On-Going Work/Core Functions

General On-Going Work/Core Functions includes comprehensive planning services and support, including General Plan Maintenance, General Policy and Zoning, Area Plan Implementation, Information and Analysis, and Urban Design Services. The core work also overlaps greatly and directly serves the proposed new Major Planning Initiatives. Most of the work in this category represents on-going annual work; however, there are several new projects included here.

The Citywide Division is the steward of the City's **General Plan**, and routinely maintains and updates the General Plan, as well as processes General Plan Referrals. As part of the General Plan work, the Division will be examining how best to use the General Plan to express the vision of the City's future and meaningfully give direction to the myriad of implementation activities performed by many departments.

The Citywide Division also conducts and participates in various **policy and zoning** initiatives, including housing, land use, transportation, open space, and sustainability policy, in coordination with implementing agencies, and zoning updates through our community planning efforts. The long-range transportation planning project was moved from the General Policy and Zoning category to Connect SF, which accounts for the decrease and increase in FTE, respectively, in these two categories.

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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 **City Design Group** (CDG) continues to provide leadership city-wide on urban design and public improvement projects that is nationally recognized. Its work is in constant demand and new projects are continually replacing completed projects. The group works across multiple scales, from Parklets to neighborhood-wide public realm plans, to city-wide urban design policies, and leads both permanent capital design projects and temporary public space improvements. The City Design Group also has enhanced its data-driven design techniques through its Public Life studies, in order to document how people use public space and document changes from design interventions. In addition, the CDG provides design review services for development proposals at all scales.

The **Information and Analysis Group** (IAG) continues its work in providing regular reports and data analysis to the Commission, Board, Mayor's Office, and public. The number of required monitoring reports continues to climb with Board mandates, additional adopted area plans, and General Plan Element updates, and so the staffing needs continue to increase annually. New planning policy development efforts as well as expanded city design and public life programs require additional technical support from the group. The IAG also carries out the Division's and much of the Department's graphic design and mapping/GIS needs.

Major Planning Initiatives

As described above, in 2015, The Citywide Division developed a five-year work program oriented around the five major planning initiatives described here. The five-year work program was subsequently revised and updated in late 2016, to add three new initiatives: Advancing Community Equity and Opportunity, Housing for All, and Connect SF. The major planning initiatives are summarized below:

Bridging the Bay: Many of the core issues facing San Francisco – housing affordability, economic opportunity, enhanced mobility choices, and adaptation to climate change – are fundamentally regional forces. In FY17-19, the Division will work on regional and

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sub-regional coordination, including job and housing strategies at the regional level and active participation in transportation initiatives for the core of the region.

City of Neighborhoods: San Francisco’s neighborhoods are where we lead our daily lives. As they continue to adapt and evolve over time and accommodate new residents and jobs, we seek to preserve their well-loved and unique attributes while helping shape their future.

Many of the Division’s popular on-going programs, such as Pavement to Parks, streetscape and public realm plans, the Urban Forest Plan, and Invest in Neighborhoods, are contained within the City of Neighborhoods initiative. This initiative also includes community-focused neighborhood planning for the Richmond (on-going) and Excelsior (new) Districts. Finally, this initiative includes the Department’s work on creating a family-friendly city.

Emerging Southeast: will envision and coordinate the long-term future for the City’s rapidly-growing southeast sector. Over the next generation, as much as 75 percent of the city’s growth will take place in the southeast sector, with as much as 75,000 housing units for over 150,000 new residents and space for up to 150,000 jobs. The key challenges will be connecting these growing neighborhoods to the rest of the city while improving the quality of life for existing residents.

Emerging Southeast carries forward and integrates many of the Division’s on-going projects, including implementation of the Eastern Neighborhoods Plans, completion of the Central SoMa Plan, shaping major master plans at Seawall Lot 337, Warriors Arena, Pier 70, Potrero Power Plant, India Basin, and the Potrero and Sunnysdale Hope SF sites.

The Division will create the Southeast Framework document, a policy and infrastructure needs and investment framework for addressing the needs of the southeast sector, and continue work on the Railyard Alternatives and I-280 Boulevard Feasibility Study (RAB), including selection of a preferred alignment.

Celebrating the City Center will focus on the City’s dynamic center for civic life, commerce, and public space – the Market Street corridor and surrounding neighborhoods.

Celebrating the City Center would carry forward and integrate many of the Department’s on-going projects, including Market Street planning, the Market Street

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Prototyping Festival, coordination with the City’s Better Market Street project, a comprehensive streetscape plan for the Transit Center District, and the Civic Center Public Realm Plan. This initiative also includes implementation of the Market and Octavia Plan and an update to planning for the Van Ness and Market area (“The Hub”).

A Resilient Waterfront will plan for a sustainable and inclusive future for the City’s waterfront in the face of natural hazards, such as sea level rise and seismic vulnerability. A Resilient Waterfront will work with key City and regional agencies and stakeholders to develop several products, including a Citywide Sea Level Rise Vulnerability and Risk Assessment and Adaptation Plan. The work will also include an amendment to the City’s Local Coastal Program, support for the Port of San Francisco’s Waterfront Land Use Plan Update, and coordination with other on-going efforts to address sea level rise and the effects on the City’s existing developed areas.

A Resilient Waterfront has lead the City’s efforts to launch and implement the Bay Area Resilient by Design Challenge, which will bring together government, community leaders, and technical experts from San Francisco and around the Bay Area to address resiliency challenges that affect the Bay and its adjoining neighborhoods, environment and infrastructure.

Advancing Community Equity and Opportunity: The region’s rapid economic growth, increasing unaffordability, and history of policy inequities have had disparate impacts on San Francisco’s low- and middle-income households and communities of color. The Citywide Division works in partnership with advocates and stakeholders to strengthen connections and build community capacity.

Key deliverables for this initiative include implementation of the Mission Action Plan 2020, the roll-out of a Racial and Ethnic Equity Action Plan, Tenderloin Community Data Project, and the Black SF Existing Conditions Study.

Housing for All: Stable and affordable housing is essential to the health and well-being of individuals and families. San Francisco’s rapid job and population growth has increased pressure on housing, especially for the most vulnerable San Franciscans.

Housing for All works to protect and expand our affordable housing stock, prevent displacement of vulnerable populations, plan proactively for a wide range of plentiful housing choices, and strive to better understand our shared housing needs and challenges through continued work on the Affordable Housing Bonus Program,

participation in the Inclusionary Housing Study led by the Controller’s Office, and development of an Affordable Housing Strategy, which will develop a long-term, integrated plan to address San Francisco’s housing affordability crisis.

Connect SF: Connect SF is a multi-agency collaboration to develop a long-range transportation vision and implementation strategy to improve mobility for all people in San Francisco. It seeks to build an effective, equitable and sustainable transportation system for our future, so current and future generations can get around the city safely, reliably, and conveniently.

Connect SF will develop a preferred transportation vision for the city, working through a community stakeholder process. This vision will be used to inform several client plans, including the Transportation Element update (led by Planning), San Francisco Transportation Plan (SFCTA), Freeway and Street Traffic Management Strategy (SFCTA), and Transit Modal Concept Study (SFMTA).

Environmental Planning Division Work Program

Lisa Gibson – Acting 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, and the National Environmental Policy Act (NEPA).

#	Work Program Activity	Adopted FY16-17 Budget	Proposed FY17-18 Budget	Proposed FY18-19 Budget
1	Environmental Application Review – Private	26.15	24.95	24.95
2	Environmental Application Review – City Sponsored	9.85	9.72	9.72
3	Process Maintenance & Review	2.75	3.25	3.25
4	Management & Administration	4.00	4.00	4.00
	Total	42.75	41.92	41.92

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The Environmental Planning (EP) division is proposing to maintain overall staffing levels in FY17-18 from FY16-17. Like the rest of the Department, EP has continued to experience a large and steady increase in applications. In addition, the number of California Environmental Quality Act (CEQA) appeals has increased in the latter half of FY16-17 and is anticipated to remain at this high level. EP continues to make a concerted effort to maximize the efficiency of environmental review.

EP has had a highly productive year, completing draft and final environmental impact reports (EIRs) for public and private projects, including the Natural Areas Management Plan, Potrero Hope SF Master Plan, 901 16th Street, the Academy of Art University (with an additional detailed Existing Sites Memorandum). In addition, EP issued draft EIRs for the Central South of Market Area Plan, 1500 Mission Street, Pier 70 Mixed-Use Project, One Oak Street Mixed Use Project and 1028 Market Street. Other complex and critical environmental review efforts include various determinations for the Mayor's Office of Housing and Community Development RAD projects. EP expects to propose certification of EIRs for the above-noted projects for which draft EIRs were recently completed as well as publish draft EIRs for the Better Market Street Project, Seawall Lot 337/Pier 48 Mixed-Use Project (Mission Rock), 1601-1635 Market Street (Plumber's Union/Affordable Housing Project), 10 South Van Ness Avenue Residential Project and 450 O'Farrell Street Project. The draft EIR for India Basin Mixed-Use Project is in process and EP has initiated scoping for the environmental review of the Market/Octavia Hub Plan and the Civic Center Public Realm Plan. Other upcoming EIRs that will be initiated include the Railyard Alternatives and I-280 Boulevard EIR/EIS and the Mission District Large Development Sites EIR.

An important and exciting effort that the Department is pursuing in partnership with the San Francisco Metropolitan Transportation Agency (SFMTA) and the San Francisco County Transportation Authority has been the development of new, more effective methods for evaluating and mitigating transportation impacts of new development in an effort known as the Transportation Sustainability Program (TSP). The first two phases of the program have been completed and the third phase, a Transportation Demand Management (TDM) program, is underway and legislation should be adopted in early 2017. These changes will encourage infill development and street improvements supporting transit, pedestrians and bicycles. EP will also be updating our 14-year-old Transportation Impact Analysis Guidelines to reflect the TSP and other changes in methodology.

Ensuring that CEQA review is both efficient and effective is an ongoing task for the EP Division. We have already achieved efficiency with the switch from level-of-service to vehicle-miles-traveled analysis, as part of the TSP program. We are now seeing fewer projects requiring a full transportation impact study and are instead seeing more projects requiring a circulation memo analysis, with reduction in staff review effort and time/cost savings for project sponsors. With the update to the Transportation Impact Analysis Guidelines we expect to achieve further efficiency in EP’s transportation review process. We are also engaged in improving our air quality impact analysis process by updating the Community Risk Reduction Plan with the Department of Public Health.

In the upcoming year, EP will be working with other divisions in the Planning Department to perform environmental review on updates to the preservation and transportation elements of the General Plan. EP will be working on environmental review for projects sponsored by other City departments such as the SFMTA, Public Works and the Port of San Francisco. EP also expects substantial application activity from the Department of Recreation and Park related to implementing their bond-related projects. In addition, EP will begin to prepare the EIR for the San Francisco International Airport Master Plan and EIRs for San Francisco Public Utilities Commission projects such as the Alameda County Creek Recapture Project and the Biosolids Digester Facilities Project.

Zoning Administration and Compliance Division Work Program

Scott Sanchez – 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 FY16-17 Budget	Proposed FY17-18 Budget	Proposed FY17-18 Budget
1	Zoning Administration Functions	3.50	3.50	3.50
2	Code Enforcement	11.54	12.77	13.00
3	Short-Term Rental Program	3.00	3.00	3.00
	Total	18.04	19.27	19.50

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The Zoning and Compliance Division includes the Zoning Administrator and Code Enforcement functions (including the General Advertising Sign Program or GASP). Additionally, the Division provides 3 FTE for short-term rental enforcement through the Office of Short-Term Rentals. In FY17-18, the Division will also staff and manage the Department's Transportation Demand Management (TDM) Program, 1 FTE of which had been approved under the FY16-17 budget and the proposed addition of 1 FTE for FY17-18, also approved in last year's rolling budget. This program is expected to be created before the end of the current fiscal year.

In 2016, code enforcement planners closed more than 1,291 complaints. Current code enforcement active case count as of January 24 was 1,237, including short-term rental. The Department has experienced an overall increase in enforcement over the past several years, which is reflected in the increase of Code Enforcement staff as follows: 8FTE in FY13-14; 10.92 FTE in FY14-15; 13.31 FTE in FY15-16 (first year of Short-Term Rental Program); and, 14.54 FTE in FY16-17. It should be noted that the For FY17-18, the Division does not propose to add additional staffing and will stabilize at a total of 15 FTE (12 FTE for general enforcement and 3 FTE for Short-Term Rental Program). The Division does propose to convert one budgeted position from the General Fund to be supported by enforcement revenue.

Administration Division Work Program

John Rahaim - Director

Tom DiSanto – Director of Administration

AnMarie Rodgers – Senior Policy Advisor

Daniel Sider – Senior Advisor for Special Projects

Jonas Ionin – Director of Commission Affairs

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.

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#	Work Program Activity	Adopted FY16-17 Budget	Proposed FY17-18 Budget	Proposed FY18-19 Budget
1	Director's Office, (Communications, Legislative Affairs & Special Projects)	15.04	15.90	15.85
2	Administrative & Financial Services	14.25	16.00	16.00
3	Information Technology	7.50	7.50	7.50
4	Operations	5.88	4.00	4.00
5	Office of Commission Affairs & Custodian of Records	4.00	4.00	4.00
	Total	45.35	47.40	47.35

The Administration Division proposes to maintain current staffing levels in FY17-18 and FY18-19 compared to FY16-17. The overall FTE count increases between the current and next fiscal year from position annualizations. Additionally, Special Projects within the Director's Office is proposing to repurpose an existing vacant FTE to create a role for Development Agreement management.

Communications

In FY17-18, the Communications team aims to increase and simplify access to public information online, enhance transparency, effectively communicate with the public to provide clarity about the Department's work and role, and broaden overall community outreach and engagement efforts. We will produce improved and expanded informational materials to be distributed at the Planning Information Center, on the Department website, the City's commissions and boards, and community meetings and events. Major efforts include a complete redesign of the Department's website with a focus on clarity, simplicity and resources, building an extensive library of tutorial and educational videos about the Department's work, further development of the Department's Community Outreach and Education Program, and a quarterly public newsletter, *Placemaking*.

Legislative Affairs

The Legislative Affairs group continues to analyze proposals to amend the City's Municipal Code as required by the Planning Code and to maintain a liaison function with elected officials. In the upcoming year, the group will be focused on addressing the

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City's ongoing housing crisis. This effort will protect existing housing, evaluate changes to the City's inclusionary housing program, and encourage thoughtful housing production. The group will also continue its work from the previous year, including the Calle 24 Special Use District and simplifying and reorganizing the Planning Code.

Special Projects

The Special Projects function facilitates complex, inter-divisional, and/or inter-agency development projects along with policy initiatives directly related to development projects. These undertakings include high-level project coordination, departmental process improvements, collaboration with a wide range of City stakeholders to implement housing and economic development strategies, and engagement with other agencies to foster sound planning principles on a citywide basis.

Financial Services

Finance staff are preparing for the launch of the City's new financial system, which will deploy on July 1, 2017. This new system will require changes in all aspects of the City's financial processes, from paying invoices to contracts creation to receiving employee reimbursements. The team has been working closely with the Controller's Office to prepare for this major shift so that business process impact will be minimal.

Technology

In FY16-17 the technology groups have been moving forward with implementing an electronic document management system, the Department's records digitization efforts, and continual maintenance and support for existing functions. The document management system will capture and store Planning department documents, as well as allow access to the documents upload and edit via PPTS, both for internal staff and the public. It is scheduled to roll out in spring of 2017. The digitization project continues, with more than 500,000 images scanned and available for online viewing already.

Among other achievements, the technology group replaced the Department's Cisco core switching infrastructure, migrated PIM to new cloud servers, launched TIM, and launched sftdmtool.org, replaced the department's 6 multi-functional device units, updated one third of department staff PC', and upgraded five conference rooms to enhance visual presentations for the public.

Future work for the projects team will be to continue analysis and research for selecting an Electronic Document Review (EDR) product. An implementation is planned after EDMS is in place and stable. Additionally, the projects team plans to finalize and open

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PPTS' Citizen Access module. This feature will allow for filing an online Planning application, as well as paying the fees. All projects will require core technology team work for implementation, including necessary upgrades to existing systems.

Office of Commission Affairs

The Office of Commission Affairs staffs the Planning Commission and the Historic Preservation Commission. In addition, it responds to record requests submitted to the Department as the Custodian of Records. The Office will begin to outsource hearing transcription services in order to improve meeting minutes in the current fiscal year. Additionally, the Department is continuing work on its Record Digitization Project. Having negotiated a contract for digitization, Phase I, which includes organizing and scanning on-site records, is underway.

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FY 2017-19 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 22, 2017.

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

Date	Budget Agenda Item
02/01/17	Draft budget and work program review with the Historic Preservation Commission
02/02/17	Draft budget and work program review with the Planning Commission
02/15/17	Requesting “recommendation of approval” of the budget and work program with the Historic Preservation Commission
02/16/17	Requesting “approval” of the budget and work program with the Planning Commission
02/21/17	Budget Submission to the Mayor
06/01/17	Mayor’s Proposed Budget is published
07/25/17	Final Appropriation Ordinance Adopted

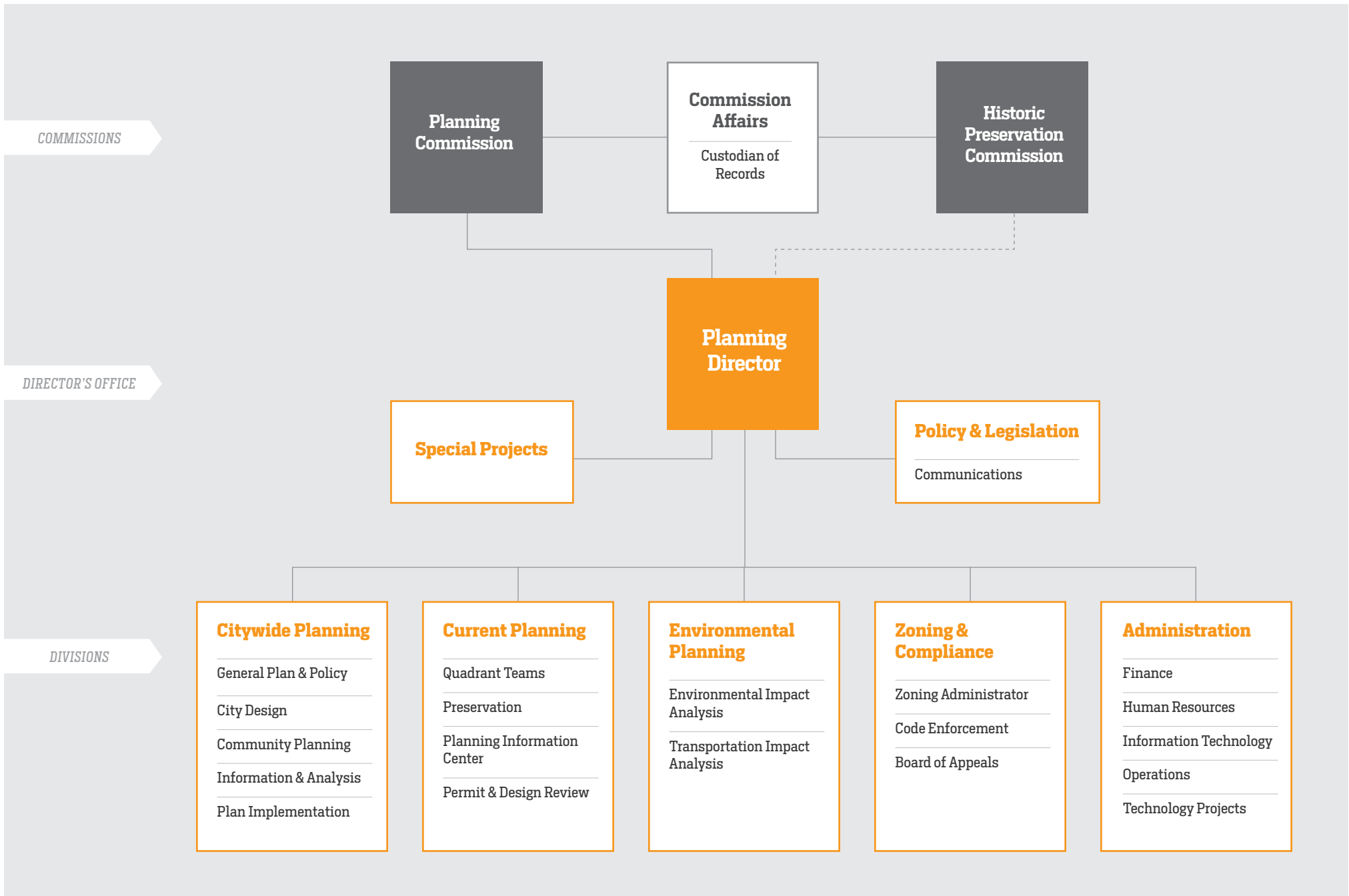
Attachment I – Organizational Chart

Attachment II – Proposed FY17-19 Work Program

Attachment III – Grants Program Update Memo

Organizational Chart

SAN FRANCISCO PLANNING DEPARTMENT / FISCAL YEAR 2016-2017



San Francisco Planning Department
Division Work Program Budget Summary - Fiscal Years 2017-2019

Work Program Activity		Adopted FY15-16 FTEs	Adopted FY16-17 FTEs	Proposed FY17-18 FTEs	Proposed FY18-19 FTEs
I.	CURRENT PLANNING	71.66	76.87	76.65	76.64
1.	Application Review & Processing	38.37	41.29	40.38	40.32
2.	Historic Preservation	13.66	14.60	14.95	14.95
3.	Public Information	8.31	9.08	9.25	9.31
4.	Process Maintenance & Improvements	2.32	2.51	2.57	2.57
5.	Management & Administration	9.00	9.39	9.50	9.50
II.	CITYWIDE PLANNING	52.18	56.00	54.68	54.66
	General On-Going Work/Core Functions				
1.	General Plan - Updates, Referrals, and Maintenance (GEN)	5.35	2.15	2.50	2.51
2.	General Policy and Zoning (POL)	3.52	5.67	2.66	2.66
3.	Area Plan Implementation (IMP)	2.30	2.70	2.26	2.26
4.	Information and Analysis (IAG)	8.67	8.90	8.81	8.81
5.	City Design (CDG)	2.80	3.20	3.06	3.06
6.	Citywide Administration (ADM)	5.96	7.85	6.06	6.06
	Major Planning Initiatives				
1.	Bridging the Bay	0.40	0.40	0.31	0.35
2.	City of Neighborhoods	7.85	10.90	7.31	7.27
3.	Emerging Southeast (Previously NextGeneration SF)	5.92	5.10	4.81	4.81
4.	Celebrating the City Center (Previously Heart of the City)	5.41	6.48	4.46	4.46
5.	A Resilient Waterfront	4.00	2.65	2.81	2.81
6.	Housing for All	0.00	0.00	3.26	3.25
7.	Connect SF	0.00	0.00	3.01	3.00
8.	Advancing Community Equity and Opportunity	0.00	0.00	3.36	3.35
III.	ENVIRONMENTAL PLANNING	41.18	42.75	41.92	41.92
1.	Environmental Application Review - Private	24.50	26.15	24.95	24.95
2.	Environmental Application Review - City Sponsored	9.14	9.85	9.72	9.72
3.	Process Maintenance & Improvements	2.77	2.75	3.25	3.25
4.	Management & Administration	4.77	4.00	4.00	4.00
IV.	ZONING ADMINISTRATION &	16.81	18.04	19.27	19.50
1.	Zoning Administrator Functions	3.50	3.50	3.50	3.50
2.	Code Enforcement	11.00	11.54	12.77	13.00
3.	Short Term Rental Program	2.31	3.00	3.00	3.00
V.	ADMINISTRATION	39.69	45.35	47.40	47.35
1.	Director's Office	10.66	15.04	15.90	15.85
2.	Administrative & Financial Services	12.00	14.25	16.00	16.00
3.	Information Technology	7.15	7.50	7.50	7.50
4.	Operations	5.88	4.56	4.00	4.00
5.	Office of Commission Affairs & Custodian of Records	4.00	4.00	4.00	4.00
DEPARTMENT TOTAL - ALL DIVISIONS		221.52	239.00	239.92	240.08
Year on Year Change		15.69	17.48	0.92	0.16



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 25, 2017

TO: Members, Historic Preservation Commission, Planning Commission

FROM: Sheila Nickolopoulos, Grant Writer

RE: Planning Department Awarded \$3.5 Million in Grants for Special Projects

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

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415.558.6409

Planning
Information:
415.558.6377

I am pleased to update you on the Planning Department's continuing success with securing grant funding for priority projects. Our current grants portfolio includes a total of \$3,538,133 in grants, which is funding work in this fiscal year and for several years to come. These funds, from local, state, and federal agencies, are supporting a variety of projects. The Planning Department's current grants include the following.

Federal

#	Amount	Description
1	\$898,763	Priority Development Area (PDA) funds (a mix of federal transportation dollars) for phase one of the Railyard Alternatives and I-280 Boulevard Feasibility Study.
2	\$255,774	PDA funds for technical analyses supporting the Bayshore Station Relocation study.
3	\$198,774	PDA funds for Ocean Avenue Pedestrian and Streetscape Improvements; a collaborative effort with MTA and DPW to improve conditions between transit stations and the neighborhood commercial corridor.
4	\$76,000	PDA funds for transportation demand management analysis for the proposed Balboa Reservoir Development
5	\$55,000	National Park Service grant to partner with local nonprofit SF Heritage to look at the theme of Civil Right advancement and make individual National Register nominations..
Total	\$1,484,311	

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Historic Preservation & Planning Commissions
Planning Department Grants Program Update

State and Local

#	Amount	Description
1	\$700,000	Metropolitan Transportation Commission (MTC) grant for phase two of the Railyard Alternatives and I-280 Boulevard Feasibility Study.
2	\$600,000	MTC grant to fund the Environmental Impact Report for the central SoMa growth strategy and design plan.
3	\$490,672	California's Strategic Growth Council grant for phase two of the Railyard Alternatives and I-280 Boulevard Feasibility Study.
4	\$173,750	California Coastal Commission and the Ocean Protection Council grant to update the City's Local Coastal Program.
5	\$89,400	Friends of City Planning (FOCP) grant for staff professional development, conference attendance, and special projects.
Total	\$2,053,822	

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. We currently have requests for \$790,000 in grant funds pending with various funders.

In the coming year, we will continue to focus our grant writing efforts on historic preservation and the five focus areas of the Citywide division: Heart of the City, A Resilient Waterfront, Next Generation SF, A City of Neighborhoods, and Bridging the Bay. We 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 would 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.