

REPORT FROM

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: February 24, 2017

CAO File No. 0220-05347-0000

Council File No. 16-0422

Council District: Citywide

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Council Motion Adopted under Council File No. 16-0422 on February 8, 2017;  
Additional Information Received through February 21, 2017.

Subject: **INCREASE TO THE GENERAL PLAN MAINTENANCE SURCHARGE TO FUND  
THE EXPANDED COMMUNITY PLANNING PROGRAM**

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**RECOMMENDATION**

That the Council, subject to the approval of the Mayor, request the City Attorney, with the assistance of the Office of the City Administrative Officer, to prepare and present an ordinance to increase the existing General Plan Maintenance Surcharge to an amount equal to the greater of seven percent of the fee or \$1.00. Fifty percent of the monies received from the surcharge shall be used for costs directly related to updating the City's 35 Community Plans.

**SUMMARY**

The 2016-17 Adopted Budget provided the Department of City Planning (DCP) additional staffing to implement their strategic plan to update all 35 Community Plans within the City over the next ten years. The annual on-going cost to maintain a 10-year update cycle is \$7.4 million (Table 1). During the 2016-17 budget deliberations, our Office recommended increasing the General Plan Maintenance Surcharge (GPMS) to 7% to defray the additional costs to support the expanded Community Planning Program.

Table 1. Fully burdened cost to update Community Plans every 10 years.

	NO. OF POSITIONS	SALARIES	EXPENSES	INDIRECT COSTS/ BENEFITS	TOTAL
BASE	17	\$1,331,663	\$ 500,000	\$ 608,384	\$ 2,440,047
16-17 NEW	29	\$ 2,778,604	\$1,000,000	\$ 1,190,420	\$ 4,969,024
10-YEAR	46	\$4,110,267	\$1,500,000	\$ 1,798,804	\$ 7,409,071

An increase in the GPMS will decrease the DCP's dependence on the General Fund and provide a more reliable on-going funding source to ensure that Community Plans are updated on a regular basis. The existing GPMS does not provide sufficient funding to maintain the City's General Plan, nor the resources, including staffing, needed to implement plan amendments.

In February 2017, the Mayor and Council adopted a report (C.F. 16-0422) instructing our Office and the DCP to report with the necessary budget resources, staffing, and funding analysis to implement a six-year accelerated update. The DCP report dated February 21, 2017 outlines the budget resources and staffing required to achieve a six-year update cycle. With 30 additional positions, the Department could establish two additional teams to support the Community Planning Program. An additional \$5 million would need to be allocated annually to maintain a six-year update cycle (Table 2).

Table 2. Fully burdened cost to update Community Plans every six years.

	<b>NO. OF POSITIONS</b>	<b>SALARIES</b>	<b>EXPENSES</b>	<b>INDIRECT COSTS/ BENEFITS</b>	<b>TOTAL</b>
<b>10-YEAR</b>	<b>46</b>	<b>\$4,110,267</b>	<b>\$1,500,000</b>	<b>\$ 1,798,804</b>	<b>\$ 7,409,071</b>
<b>C.F. 16-0422</b>	<b>30</b>	<b>\$2,899,278</b>	<b>\$1,000,000</b>	<b>\$ 1,238,953</b>	<b>\$ 5,138,231</b>
<b>6-YEAR</b>	<b>76</b>	<b>\$7,009,545</b>	<b>\$2,500,000</b>	<b>\$ 3,037,757</b>	<b>\$12,547,302</b>

The DCP submitted a supplemental 2017-18 budget request to the Mayor’s Office to establish the two additional teams to maintain a six-year update cycle. If an increase to the GPMS is implemented, the Mayor and Council could utilize the DCP’s current General Fund appropriation for the 10-year cycle to fund the expanded six-year update cycle without impacting the General Fund in Fiscal Year 2017-18.

**FISCAL IMPACT STATEMENT**

The recommendation in this report is in compliance with the City’s Financial Policies in that an increase to the General Plan Maintenance Surcharge will provide a more reliable funding source for the Department of City Planning’s Community Planning Program and decrease the Department’s reliance on the General Fund by \$5 million.