

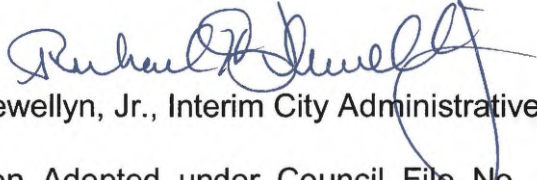
REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 13, 2017

CAO File No. 0220-04851-0012
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**

RECOMMENDATION

That the Committee note and file the report as it is provided for informational purposes only.

SUMMARY

Our Office reviewed the City Attorney's draft ordinance and it is consistent with the fee study conducted by our Office. Adoption of the ordinance will generate \$5 million to support the Department of City Planning's expanded Community Planning Program (CPP) and decrease the Department's reliance on the General Fund.

The Citywide CPP was expanded from 17 positions (Attachment 1) in Fiscal Year (FY) 2015-16 to 47 positions (Attachment 2) in FY 2016-17. The FY 2017-18 Adopted Budget increased the CPP to 78 positions (Attachment 3) which expands the CPP from three geographic teams to five geographic teams. The two additional teams will ensure that all 35 Community Plans will be less than 10-years old within a six-year timeframe.

BACKGROUND

In 2009, the Matrix Consulting Group (Matrix) conducted a comprehensive fee study (2009 Study) on behalf of the Department of City Planning (DCP) which utilized a cost-based analytical approach in calculating the full cost of providing case processing services, which follows best management practices to ensure fees are fair, equitable, and represent the estimated and reasonable costs of services, as required by the Government Code. The methodology employed was a "bottom up" approach to cost analysis, where time spent per unit of fee activity is determined for each position within the DCP. The times are totaled and then used in calculating all applicable City costs, which include: direct salaries and benefits, operating services and supplies, department and divisional overhead, and citywide overhead costs.

The 2009 Study included an analysis of the General Plan Maintenance Fee. The General Plan and 35 Community Plans, which collectively form the Land Use Element of the General Plan, help guide the growth of the community in a consistent manner. Government Code 66014 (b) allows local agencies to include the costs reasonably necessary to prepare and revise the plans and policies that a local agency must adopt before it can make any required findings and determinations and supports General Plan maintenance and update costs. Since a current General Plan document is needed to determine conditions of approval and entitlements, these costs are legitimate to recover in the programs and fees it supports. On August 5, 2009, the City adopted a three percent General Plan Maintenance Fee to defray a portion of the costs associated with updating the General Plan and 35 Community Plans.

In December 2016, the DCP completed their 2016 comprehensive fee study (C.F. 09-0969) with a goal of achieving full cost recovery for project planning services. The fee study and final report indicate the City is recovering approximately 74 percent of the estimated full cost of providing most fee related services, where the annual revenue collected is less than the estimated fully burdened costs of providing those services. Based on the fee study findings, the total cost determined for the expanded CPP is approximately \$12.7 million annually. In order to realize this amount of funding, a General Plan Maintenance Fee of 11% on all entitlement and building permits would need to be adopted. However, based on the fact that planning fees will be increasing and recognizing the importance of development to the City's economy, a General Plan Maintenance Fee of 7% was recommended. On March 3, 2017, the Mayor and Council adopted a report requesting the Office of the City Attorney to prepare and present an ordinance to increase the General Plan Maintenance Fee to 7% on all entitlement and building permits to support the DCP's expanded CPP.

FISCAL IMPACT STATEMENT

Consistent with the City's Financial Policies, the Mayor and Council have authorized setting the General Plan Maintenance Surcharge at a level lower than full cost recovery and have appropriated the necessary funds to subsidize the fee for service. The revised fee 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.

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Attachments

Department:
Program Name:

City Planning
Community Planning Program - Fiscal Year 2015-16

Quantity	Class Title	Class Code	Reg, Sworn, Reso, As-Needed, or Hiring Hall	Wages & Count Salary	Salary Savings Rate (%)	Number of Months Funding Requested	Net Salary
0	Principal City Planner	7947-0	Civ-Reso	\$ 158,250	1.0%	12	\$ -
0	Senior City Planner	7947-0	Civ-Reso	\$ 132,382	1.0%	12	\$ -
1	City Planner	7944-0	Civ-Reso	\$ 112,267	1.0%	12	\$ 111,144
7	City Planning Associate	7941-0	Civ-Reso	\$ 90,156	1.0%	12	\$ 624,781
7	Planning Assistant	7939-0	Civ-Reso	\$ 62,727	1.0%	12	\$ 434,698
0	Public Info Director I	1800-1	Civ-Reso	\$ 121,020	1.0%	12	\$ -
0	Geog Info Specialist	7213-0	Civ-Reso	\$ 74,456	1.0%	12	\$ -
0	Senior Administrative Clerk	1368-0	Civ-Reso	\$ 52,797	1.0%	12	\$ -
0	Oper & Stat Res Analyst I	1779-1	Civ-Reso	\$ 82,205	1.0%	12	\$ -
0	Transportation Eng Assoc. III	7280-3	Civ-Reso	\$ 87,717	1.0%	12	\$ -
1	Transportation Planning Assoc. II	2480-2	Civ-Reso	\$ 89,346	1.0%	12	\$ 88,453
1	Deputy City Attorney III	552-A	Civ-Reso	\$ 129,957	1.0%	12	\$ 128,657
0	Paralegal II	577-0	Civ-Reso	\$ 85,378	1.0%	12	\$ -
0	Senior Administrative Clerk	1368-0	Civ-Reso	\$ 52,797	1.0%	12	\$ -
17	TOTALS						

	Salaries General:	\$ 1,387,733
	Contractual Services:	\$ 500,000
	Pension/Health (Add/Delete Rate):	\$ 625,261
	TOTAL:	\$ 2,512,994

Account Name	TOTAL
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Department:
Program Name:

City Planning
Community Planning Program - Fiscal Year 2016-17

Quantity	Class Title	Class Code	Reg, Sworn, Reso, As-Needed, or Hiring Hall	Wages & Count Salary	Salary Savings Rate (%)	Number of Months Funding Requested	Net Salary
1	Principal City Planner	7947-0	Civ-Reso	\$ 158,250	1.0%	12	\$ 156,668
3	Senior City Planner	7947-0	Civ-Reso	\$ 132,382	1.0%	12	\$ 393,175
9	City Planner	7944-0	Civ-Reso	\$ 112,267	1.0%	12	\$ 1,000,299
9	City Planning Associate	7941-0	Civ-Reso	\$ 90,156	1.0%	12	\$ 803,290
9	Planning Assistant	7939-0	Civ-Reso	\$ 62,727	1.0%	12	\$ 558,898
1	Public Info Director I	1800-1	Civ-Reso	\$ 121,020	1.0%	12	\$ 119,810
4	Geog Info Specialist	7213-0	Civ-Reso	\$ 74,456	1.0%	12	\$ 294,846
1	Senior Administrative Clerk	1368-0	Civ-Reso	\$ 52,797	1.0%	12	\$ 52,269
1	Oper & Stat Res Analyst I	1779-1	Civ-Reso	\$ 82,205	1.0%	12	\$ 81,383
1	Transportation Eng Assoc. III	7280-3	Civ-Reso	\$ 87,717	1.0%	12	\$ 86,840
3	Transportation Planning Assoc. II	2480-2	Civ-Reso	\$ 89,346	1.0%	12	\$ 265,358
3	Deputy City Attorney III	552-A	Civ-Reso	\$ 129,957	1.0%	12	\$ 385,972
1	Paralegal II	577-0	Civ-Reso	\$ 85,378	1.0%	12	\$ 84,525
1	Senior Administrative Clerk	1368-0	Civ-Reso	\$ 52,797	1.0%	12	\$ 52,269
47	TOTALS						

	Salaries General:	\$ 4,335,599
	Contractual Services:	\$ 1,500,000
	Pension/Health (Add/Delete Rate):	\$ 1,878,838
	TOTAL:	\$ 7,714,438

Account Name	TOTAL
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Department:
Program Name:

City Planning
Community Planning Program - Fiscal Year 2017-18

Positions:			Reg, Sworn, Reso, As-Needed, or Hiring Hall	Wages & Count Salary	Salary Savings Rate (%)	Number of Months Funding Requested	Net Salary
Quantity	Class Title	Class Code					
1	Principal City Planner	7947-0	Civ-Reso	\$ 158,250	1.0%	12	\$ 156,668
5	Senior City Planner	7947-0	Civ-Reso	\$ 132,382	1.0%	12	\$ 655,291
15	City Planner	7944-0	Civ-Reso	\$ 112,267	1.0%	12	\$ 1,667,165
15	City Planning Associate	7941-0	Civ-Reso	\$ 90,156	1.0%	12	\$ 1,338,817
15	Planning Assistant	7939-0	Civ-Reso	\$ 62,727	1.0%	12	\$ 931,496
1	Public Info Director I	1800-1	Civ-Reso	\$ 121,020	1.0%	12	\$ 119,810
6	Geog Info Specialist	7213-0	Civ-Reso	\$ 74,456	1.0%	12	\$ 442,269
2	Senior Administrative Clerk	1368-0	Civ-Reso	\$ 52,797	1.0%	12	\$ 104,538
2	Oper & Stat Res Analyst I	1779-1	Civ-Reso	\$ 82,205	1.0%	12	\$ 162,766
2	Transportation Eng Assoc. III	7280-3	Civ-Reso	\$ 87,717	1.0%	12	\$ 173,680
5	Transportation Planning Assoc. II	2480-2	Civ-Reso	\$ 89,346	1.0%	12	\$ 442,263
5	Deputy City Attorney III	552-A	Civ-Reso	\$ 129,957	1.0%	12	\$ 643,287
2	Paralegal II	577-0	Civ-Reso	\$ 85,378	1.0%	12	\$ 169,049
2	Senior Administrative Clerk	1368-0	Civ-Reso	\$ 52,797	1.0%	12	\$ 104,538
78	TOTALS						

	Salaries General:	\$ 7,111,635
	Contractual Services:	\$ 2,500,000
	Pension/Health (Add/Delete Rate):	\$ 3,092,904
	TOTAL:	\$ 12,704,539

Account Name	TOTAL
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