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DEPARTMENT OF
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

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June 12, 1990

*Budget and Finance
Sacramento, California*

Honorable Members in Session:

**SUBJECT: Report Back RE: 90-91 Operating Budget;
Planning and Development Department**

SUMMARY

The proposed FY 90-91 operating budget for the Planning and Development Department was reviewed by the Budget and Finance Committee on May 29. A report back covering several items was requested. This report fulfills that request.

BACKGROUND

During the May 29, budget discussions several requests were made by committee members and other Councilmembers in attendance. Councilmember Fargo requested a copy of the November 1989 report dealing with proposed improvements to the Housing and Dangerous Buildings program (Building Division) and a list of the members of the ad hoc Committee which formulated these recommendations. This report was forwarded to Councilmember Fargo under separate cover. Councilmember Mueller requested that a complete copy of the "Budget Summary Presentation" be provided to the Committee. This information is attached to this report.

In addition, the Committee requested more information in three areas: expansion of the Housing and Dangerous Buildings program; the extent of fee support for the Department; and a review of staffing needs in the Planning Division.

HOUSING AND DANGEROUS BUILDINGS PROGRAM EXPANSION

Approximately \$776,000 is currently allocated to the Housing and Dangerous Buildings program. In November of 1989, after reviewing the report of the Ad Hoc Housing Committee, the Budget and Finance Committee requested that the Department formulate a budget proposal to implement the recommendations of the Housing Committee. This was done during the budget process. However, General Fund dollars were determined to not be sufficient to fund an expansion of the program. Consequently, the Department is formulating a proposal to fund the augmentation from an increase in Building fees plus an increase in support from SHRA for Housing and Dangerous Building work in redevelopment target areas.

The cost of the expanded program would be approximately \$303,000 for the first full fiscal year. These costs include:

<i>An increase in inspection staff support</i>	<i>\$101,000</i>
<i>An increase in relocation and repair funding</i>	<i>\$115,000</i>
<i>An account clerk position to better track liens against property.</i>	<i>\$ 28,000</i>
<i>Other operating expenses</i>	<i>\$ 9,000</i>
<i>One-time start-up costs</i>	<i><u>\$ 50,000</u></i>
Total	\$303,000

In addition to the above, additional legal staff assistance will be required for the program.

Unless the Committee desires to provide funding from other sources, the best opportunity for funding this program is the combination of fee and SHRA support referenced above. However, new fee revenue is not expected to be available until the beginning of the second quarter of the new fiscal year at the earliest or the third quarter at the latest. Staff is just beginning the process of reviewing fee proposals with the building industry and expects to have fee recommendations available for the Council to consider during August or early September.

In the opinion of staff, the best opportunity for full funding of this program from non-general fund sources during the 90-91 fiscal year is to implement new funding for the program effective January 1, 1991. To do so would allow the next several months

to be used for putting the necessary fee adjustments in place, to work out increased program support from the Housing and Redevelopment Agency and to recruit additional staff.

In the meantime, the department proposes to do the following things to expand the Housing and Dangerous Buildings program effective July 1, 1990.

- 1. Temporarily transfer the equivalent of two building inspector positions from other duties between July 1, 1990, and January 1, 1991.*
- 2. Utilize funding currently set aside in the Division's consultant services account. (up to a maximum of \$50,000 for relocation/repair expenses as required through January 1, 1991.*
- 3. The Assistant Director of Planning and Development will be assigned to work with the Building Inspections Manager to oversee expansion of the program effective July 1, 1991*

FEE SUPPORT TO THE DEPARTMENT

Attachment B to this report is a five-year summary of fee income received by the Planning and Development Department. California law provides a mechanism for charging the full cost of services that can be attributed to a specific end user. Some Advance Planning and most of the cost of Neighborhood Services and Economic Development programs cannot be substantially offset by fees and therefore must be heavily supported by the General Fund. However, the cost of Current Planning, Environmental and Building Division services should be self-supporting from user fees.

The Department has initiated a two-phased effort to significantly increase fee support to the Department. During the 88-89 fiscal year, user fee income offset approximately 41 per cent of all of the Department's annual operating cost. Due to fee adjustments (predominately related to the Building Division) approved by the City Council in 1989, fee support in fiscal year 1989-90 has risen to approximately 65 percent of annual operating costs. A phase two fee proposal primarily directed toward improving service and staffing capability in the Planning Division, Housing and Dangerous Buildings program, and for automation is currently being formulated. This proposal should be available for Council discussion by late summer and if approved, will likely further increase fee support to the department to about 75% to 80% of total operating cost.

PLANNING DIVISION--STAFFING AND ORGANIZATIONAL CHANGES

A major objective for the Planning Division this year (FY 89-90) was to re-evaluate its staffing needs and the distribution of staff resources due to increasing demands on the Department and the Division to better manage current development activities and plan for the future. Major conclusions of this evaluation are that there is a need to place greater emphasis in the following areas:

- 1. Neighborhood Planning, i.e., administration of community plans and the monitoring of conditions of approval to insure compliance.***
- 2. Geographical staff assignments to help improve the staff's knowledge of community needs and preferences in different areas of the City and to increase available staff time for responding to neighborhood concerns.***
- 3. Improving the efficiency of day-to-day zoning administration.***
- 4. Research policy analysis in key growth management subject areas such as air quality, transportation, general plan maintenance, and the like.***

Specific proposals to increase staff resources in the Planning Division to help respond to the above-stated needs were submitted along with the Department's FY 90-91 budget. However, it was determined that added Planning permit fee income will be required in order to fund the additional new and needed resources. This request will be resubmitted to the Budget and Finance Committee along with a companion fee proposal later this summer.

In addition, Councilmember Mueller asked for a written evaluation of turnover in the Planning Division. The Division has experienced higher than usual turnover this year due to a variety of circumstances. Four (4) planners accepted positions in the private sector (one incumbent subsequently returned to City service) and one (1) Senior Planner transferred to the Housing and Redevelopment Agency. In addition, two (2) planners were transferred/promoted to positions in the new Environmental Services Division, and two (2) planners accepted promotions to another public agency.

Staffing changes this year have affected work on several special projects such as the Alhambra Corridor Study, the Granite Pit Project, and certain annexation proposals. However, the positive side to these changes has been the opportunity for numerous promotions of existing staff. Recruitment activities are underway to fill existing

vacancies and current staffing levels should return to normal by the end of the summer.

POSITION LISTING CHANGES

The Committee also requested an overview of the changes to the allocation of positions within the Department as reflected on pages C-105 to C-108 of the Budget. These changes fall into two categories. First, the total number of FTE is increased by 8 from 173 to 181. This change is entirely the result of an increase in staffing for the Environmental Division recently approved by the City Council.

Second, numerous transfers of existing positions are shown. These changes are to be bring the budget document into conformance with various organizational refinements which have been made over the past several years. For example, most changes of this type are in the Building Division and reflect staffing assignment changes made last year as a result of the administrative audit of the Division. Changes in the Planning Division reflect changes to the distribution and supervision of clerical support staff plus creation of the "Downtown Team" approved earlier this year. The increase in FTE in the Administrative Division is a "paper change" to show the organizational assignment of two data clerks that have actually been assigned here for several years.

FINANCIAL IMPLICATIONS

In addition to responses to other inquiries by the Committee, this report identifies steps being taken to fund an expansion of staff resources in the Planning and Building Divisions. Existing funds and staff resources available to the Building Division can be utilized to expand the Housing and Dangerous Building program effective July 1, 1990. New funding will have to be added to the Department's budget to continue the "expanded" Housing and Dangerous Building Program beyond January 1, 1990.

POLICY IMPLICATIONS

None other than financial as described above.

MBE/WBE

Not applicable.

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Report Back RE: 90-91 Operating Budget

RECOMMENDATION

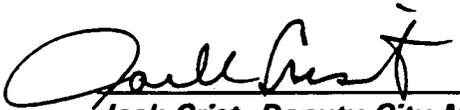
For Council information only. Action not required.

Respectfully submitted,



Michael M. Davis, Director
Planning and Development Department

APPROVED FOR COMMITTEE INFORMATION:



Jack Crist, Deputy City Manager

Contact Person: Michael M. Davis
449-5571

All Districts
June 20, 1990

OVERVIEW OF PLANNING AND DEVELOPMENT

DEPARTMENT BUDGET

PRESENTATION OF MAY 29, 1990

ATTACHMENT A

ATTACHMENT A
PLANNING AND DEVELOPMENT DEPARTMENT

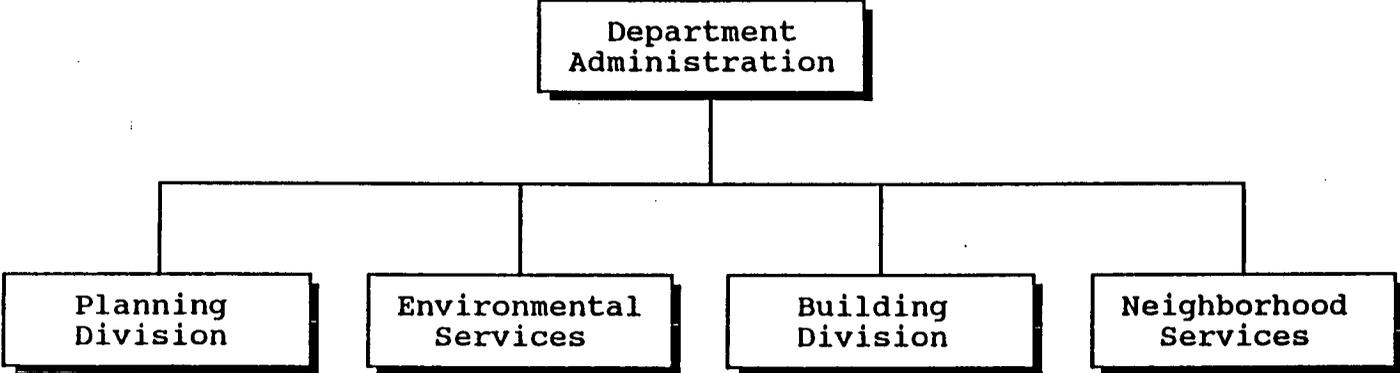
Accomplishments

- New Environmental Services Division
- Neighborhood Services : Complaint Intake/Tracking
- Streamlined Plan Check/Permit Process
- Planning for 90's/Beyond
- Sharper Focus/Economic Development
- Decreased General Fund Support

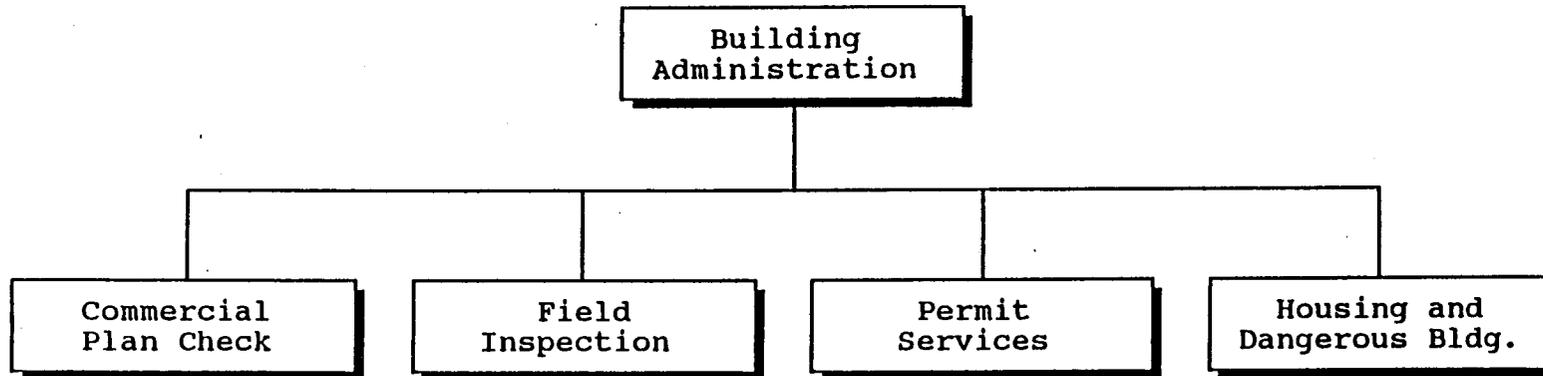
Highlights of Objectives for 1990-91

- Improve operating efficiency/customer service
- Increase funding: Housing, Planning, Automation
- Implement Neighborhood Preservation Program
- Adopt New High Rise Regulations
- Focus economic development on research, business advisory service, liaison to business groups
- Evaluate Design Review Program
- Establish an Environmental Mitigation Monitoring Program
- Implement a geographically based Community Planning Program
- Implement Toxics Management Oversight Program
- Complete Special Planning Studies
- Start update of the Central City Plan
- Establish long range Planning Policy Objectives

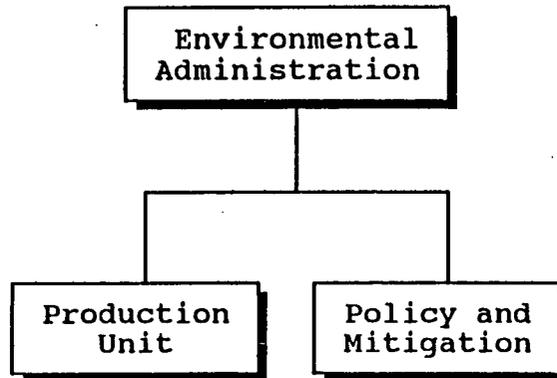
Department Organization



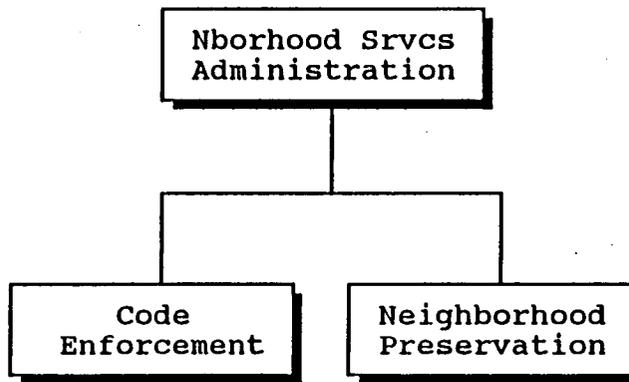
Building Inspections



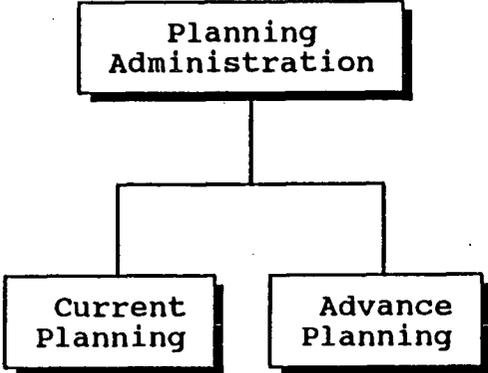
Environmental Services



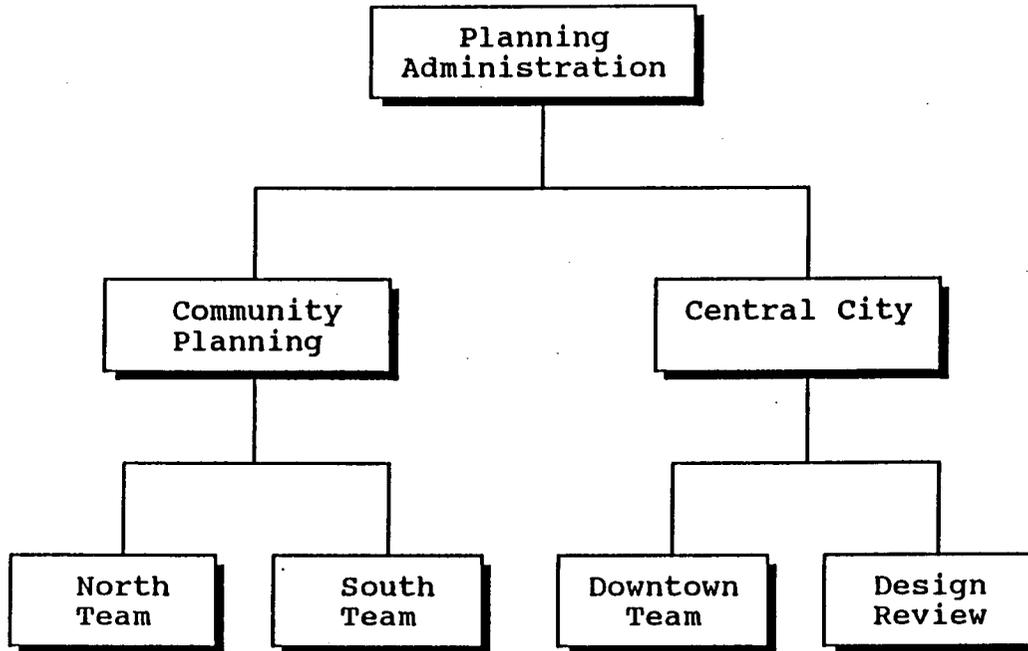
Neighborhood Services



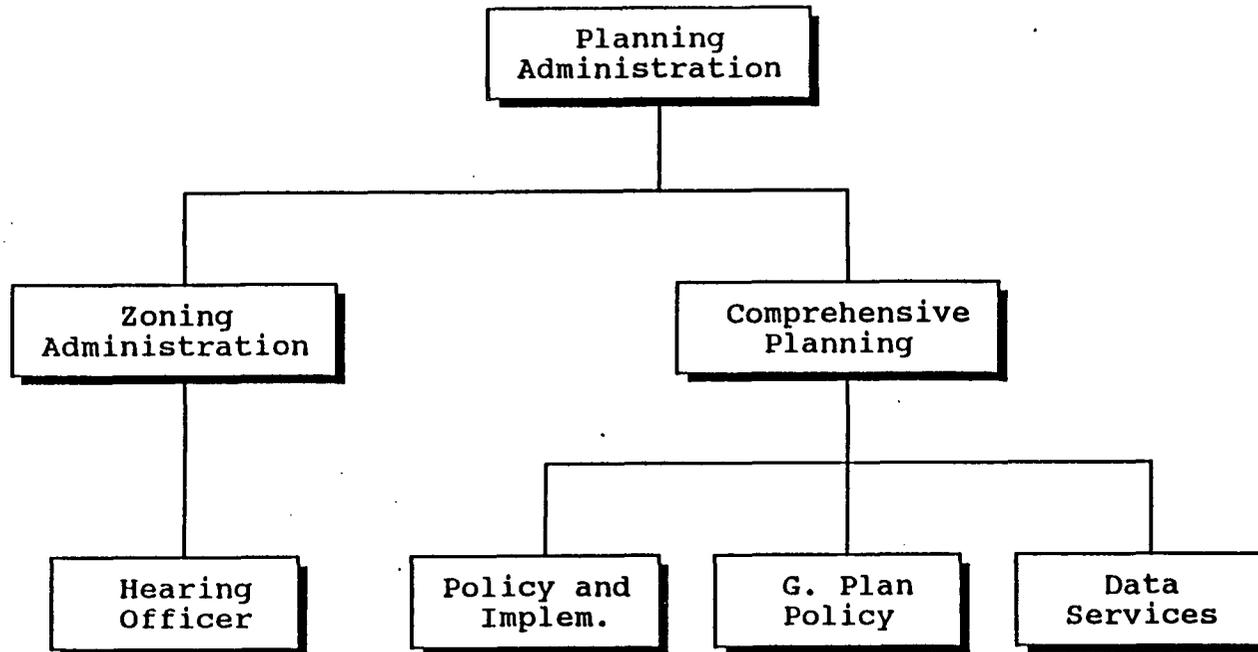
Planning Division



Planning Division Reorganization



Planning Division Reorganization



Issues 1990-91 Operating Budget

Funding for major projects:

1. Planning Division reorganization and staffing
2. Housing and Dangerous Building expansion
3. Automation:
 Permit Services
 GIS

Other Issues:

1. Expansion of Design Review
2. Plan Updates: Central City, Airport Meadowview, North Natomas, East Sacramento (Alhambra Corridor)
3. Union Railyards
4. Parking Management

PLANNING AND DEVELOPMENT

OPERATING COSTS OFFSET BY REVENUE

