



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

TOM BURNS, PLANNING DIRECTOR

May 20, 2008

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Agenda Date: 5/28/08
Item #: 10
Time: After 9:00 a.m.

Subject: Study Session on Proposed 2008-2009 Budget for the Planning Department

Dear Commissioners:

Annually, as part of the County's Budget process, staff presents your Commission a copy of the County Administrative Officer's (CAO) proposed budget for the Department for the next fiscal year. This is a requirement of the County Code. While the formal purpose of the discussion is in the context of the budget, these study sessions become the opportunity for a broad-level discussion of the Department's activities and future focus. A verbal overview is provided by the Director to introduce the item. As well, a copy of the proposed CAO's budget for the Department is provided for Commissioners.

As part of the item, Commissioners are encouraged to open broader topics for discussion than typically occur in the context of items before the Commission. At the conclusion of the study session, the Commission will be asked to make appropriate recommendation on the budget to the Board of Supervisors.

It is therefore **RECOMMENDED** that the Commission discuss the proposed Planning Department 2008-09 Budget, provide additional guidance to the Department in terms of future activities, and recommend that the Board approve the budget as proposed.

Sincerely,

Tom Burns
Planning Director

Attachment – CAO's Proposed Budget

PLANNING
Tom Burns, Planning Director
Unit Number: 54/00/00

Fund: General
Function: Public Protection
Activity: Other Protection

Financing Use Classification	Actual 2006-07	Appropriated 2007-08	Actual Estimated 2007-08	Requested 2008-09	Recommend 2008-09	Change FROM 2007- 08 APPROP.
Salaries & Benefits	\$ 8,984,044	\$ 9,572,084	\$ 9,195,085	\$ 9,715,275	\$ 9,715,275	\$ 143,191
Services & Supplies	6,076,463	4,351,524	4,184,724	3,630,147	3,630,147	(721,377)
Fixed Assets	36,424	22,000	17,000	0	0	(22,000)
Intra-Fund Charges	(3,364,929)	(394,609)	(394,609)	(341,502)	(341,502)	53,107
TOTAL EXPEND	\$ 11,732,002	\$ 13,550,999	\$ 13,002,200	\$ 13,003,920	\$ 13,003,920	\$ (547,079)
Less: Revenue	\$ 8,630,326	\$ 8,786,491	\$ 8,103,253	\$ 8,645,861	\$ 8,645,861	\$ (140,630)
NET COUNTY COST	\$ 3,101,676	\$ 4,764,508	\$ 4,898,947	\$ 4,358,059	\$ 4,358,059	\$ (406,449)
Positions	99.25	100.00	100.00	100.00	100.00	0.00

The Planning Department, through its offices in Santa Cruz, Aptos and Felton, is responsible for providing comprehensive planning and permit processing services for the unincorporated County area. The Department is in charge of developing, implementing and enforcing County land use ordinances and policies; administering environmental protection programs; processing and issuing building, zoning, and other development permits; carrying out long-range housing and community development programs; overseeing a variety of affordable housing assistance efforts; and operating neglected property and hazardous site/building programs. The Planning Department also provides staff support to the following Commissions: Planning Commission, Historic Resources Commission, Agricultural Policy Advisory Commission, and the Housing Advisory Commission. Finally, the Department oversees programs financed by a variety of special funds required to oversee the preparation of Environmental Impact Reports and the County's affordable housing activities.

ACCOMPLISHMENTS FOR FY 2007-08

During the 2007-08 Fiscal Year, the Department has continued to improve its core services and has focused on improvements to the permit process and general customer services. In addition, it has pursued a series of new policy and planning initiatives.

GOALS FOR 2008-09

The Department's proposed budget anticipates further customer service improvements, management and business initiatives, and additional planning and policy directions during FY 2008-09. Highlights of those efforts include:

- Continuing work with the various departments and agencies involved in the land use review process to streamline and simplify permit review;
- Implementing the final stages of the Hansen system for land use information tracking and record keeping;
- Refining the current code enforcement program to provide more effective services for the level of staff and legal resources available;

- Continuing a variety of affordable housing assistance efforts, including completing the current Housing Element Rezoning Program and preparing the next Housing Element for Board consideration; and
- Continuing to explore policy and regulatory changes to simplify the County's land use regulations and processes.

RECOMMENDED BUDGET

The 2008-09 recommended budget provides for a decrease of \$547,079 in expenditures and a decrease of \$140,630 in revenues, for a \$406,449 reduction in Net County Cost.

Expenditures

The recommended budget provides for an increase of \$143,191 in salaries and benefits reflecting negotiated increases in salaries, employee insurances and workers compensation offset by reductions related to the unfunding of 6.5 positions. The budget also includes one-time savings relative to completion of portions of the Hansen system contract and various other reductions that result in a recommended decrease in Services and Supplies of \$721,377, with an additional decrease in Intra-Fund Transfers. No fixed assets are requested or recommended.

The proposed budget will impact the department in a number of service areas. Holding 6.5 vacant positions unfunded will result in service delivery reductions, as staffing resources will need to be shifted among program areas—from those experiencing workload reductions (building permit related) to those not experiencing reductions (code enforcement and discretionary permits) and those with independent funding sources (Redevelopment Agency). These reductions will also reduce the department's ability to adjust to workload changes that occur over the course of the year.

Revenue

The recommended budget includes an overall decrease in revenues of \$140,630, which anticipates the economic impact of the current housing and credit crisis on our area. That total reflects a decrease in building permit related activities, offset in part by increases related to continued progress in cost-recovery for discretionary permits.

CENTRAL MANAGEMENT

This section provides overall management direction and support for the Department and includes the Director, an Assistant Planning Director for Operations, an Assistant Planning Director for Planning, a Fiscal Officer, and administrative and support services staff.

Support services staff perform a variety of functions, including: accounting support and systems development, personnel services, computer support, cashiering, customer service enhancements and fiscal services.

BUILDING SECTION

The Building Section is managed by the Chief Building Inspector (Building Official), who reports to the Assistant Planning Director for Operations. The Building Section includes the life safety and

structural plan check and field inspection functions. The plan check function also includes review for compliance with accessibility regulations. The building permit issuance rates and volume of inspections for recent years are as follows:

Building Section: Permit Activity					
	2004-05	2005-06	2006-07	2007-08 EA	2008-09 Proposed
Building Permits Issued	3,616	3,894	3,817	3,528	3,500
Building Permit Inspection Site Visits	12,247	12,157	10,785	9,075	9,075

Overall permit activity has dropped off the past couple years, with the reductions last year related to new homes and this year expanding into house remodels and additions. We anticipate similar levels of activity for next year.

CODE COMPLIANCE

The Code Compliance Section is directed by a Principal Planner, who reports to the Assistant Director for Operations. The Section provides investigation of complaints of zoning and building violations, and staff and administrative support for Neglected Property, Hazardous Building/Site Abatement Programs and the Environmental Cleanup Revolving Fund.

The following chart illustrates that the resolution rate for the past several years for code compliance cases has generally kept up with the rate of new complaints, a trend that is expected to continue next fiscal year.

Code Compliance: New Complaints v. Resolved Cases					
	2004-05	2005-06	2006-07	2007-08 EA	2008-09 Proposed
New Complaints	1,037	995	790	775	775
Resolved Cases	1,025	907	871	875	900

DEVELOPMENT REVIEW SECTION

The Development Review Section is managed by a Principal Planner under the guidance of the Assistant Planning Director for Planning.

Project review staff is responsible for processing land divisions, commercial, coastal, residential, agricultural and other development permits. In addition, the Development Review Section offers pre-development services to assist applicants in designing their proposed projects. This Section also includes the Urban Design function. Project review staff make presentations to the County Planning Commission, Agricultural Policy Advisory Commission, Zoning Administrator and the Board of

Supervisors.

As indicated in the following chart, the volume of discretionary applications over the past year has dropped somewhat, but we anticipate several large project applications next fiscal year.

Discretionary Permit Activity				
	2004-05	2005-06	2006-07	2007-08 EA
				2008-09 Projected
Discretionary Applications	397	386	371	325 ¹
				320

PERMIT CENTER SECTION

The Permit Center Section is managed by a Principal Planner under the guidance of the Assistant Planning Director for Planning. Permit Center staff are responsible for the public information, application intake and the zoning plan check review functions. Staff assigned to this Section answer general zoning questions, provide pre-application information and accept applications at the Santa Cruz, Felton and Aptos Permit Centers. The following chart illustrates the volume of public contacts and permit processing activities conducted at the three permit centers over time. While permit activity has dropped off, public inquiries have not.

Permit Center Activities				
	2004-05	2005-06	2006-07	2007-08 EA
				2008-09 Projected
Building Application Intake	3,701	3,539	3,383	3,071
Public Phone Inquiries	5,425	8,951	7,552	6,523
Walk-ins	7,986	14,931	13,878	14,298
				14,000

ENVIRONMENTAL PLANNING SECTION

The Environmental Planning Section is managed by a Principal Planner under the guidance of the Assistant Planning Director for Planning. This Section is responsible for administration and enforcement of environmental protection ordinances related to geology, riparian and sensitive habitats, significant trees, mining operations, grading and erosion control and related permits and approvals. Environmental Planning staff also administers California Environmental Quality Act (CEQA) requirements, including preparation and processing of Negative Declarations and Environmental Impact Reports. Permit statistics indicate a drop in activity related to building permits.

¹Does not include 99 applications to rezone properties to TPZ (Timber Production Zone).

Environmental Permits and Technical Reviews					
	2004-05	2005-06	2006-07	2007-08 EA	2008-09 Proposed
Discretionary Applications & Technical Reviews	998	726	776	761	761
Building Permit Applications	756	736	640	500	500

POLICY ANALYSIS

The Policy Analysis Section is managed by a Principal Planner under the guidance of the Planning Director. This Section has responsibility for the General Plan (including the Housing Element) and community plans, housing policy, land use ordinance revisions, coastal planning, historic resources, demographics, and special studies. This Section is also responsible for preparing an annual update on the Measure C Program, which is included at the end of the Department's budget narrative. As well, staff provide support to the Historic Resources Commission.

HOUSING

The Housing Section is managed by the Housing Manager under the guidance of the Planning Director. This Section has responsibility for overseeing a variety of County and Redevelopment Agency financed affordable housing programs and projects. Staff works cooperatively with the Policy Section in the development of new housing policy initiatives and provides support to the Housing Advisory Commission. Funds are provided in both the RDA Low and Moderate Income Housing Fund (in the proposed Redevelopment Agency Budget) and County Housing Funds (discussed starting on page 28-7). A detailed discussion of housing projects and programs proposed for FY 2008-09 is included in those budget units.

OTHER PROGRAMS

The Planning Department is also responsible for administering a number of activities funded through a number of special funds. Those funds include:

- The Environmental Impact Report (EIR) Trust Fund (Trust Fund 72502) is where deposits and expenses are managed over time to reflect actual costs and charges related to the preparation of EIRs. When the Board of Supervisors approves a contract for an environmental report, this fund is used to keep the applicant's deposit separate from General Fund monies and functions.
- Various funds related to the County's affordable housing efforts. Those include Indexes 136150, 135436, 136160, and 135155.

The budgets for these funding sources are included on the pages that follow.

CONSOLIDATED PLANNING DEPARTMENT STAFFING SUMMARY

Various mid-year reclassifications have occurred to allow the Department to more effectively address workload demands. Additionally, the budget includes unfunding 6.5 positions to respond to temporary reductions in building activity and other budgetary constraints as indicated in the footnotes on the personnel summary chart.

POSITION	Salary Range	2007-08 Allowed	Mid Year Change	2007-08 Total	2008-09 Request	2008-09 Recomm	Recomm. Change
Planning Director	4A	1.00		1.00	1.00	1.00	0.00
Administrative Aide	LO	1.00		1.00	1.00	1.00	0.00
Asst Planning Director	YJ	2.00		2.00	2.00	2.00	0.00
Accounting Tech	V2	2.00		2.00	2.00	2.00	0.00
Asst./Assoc. Civil Eng/Civil Eng.	YO/NH/NM	3.00		3.00	3.00	3.00	0.00
Bldg Counter Supv	IK	1.00		1.00	1.00	1.00	0.00
Bldg Inspector I/II	BP/JI	7.00		7.00	7.00	7.00	0.00
Bldg Permit Tech I/II/Senior	8D/86/HU	6.00		6.00	6.00	6.00	0.00
Bldg Plans Checker	HY	3.00		3.00	3.00	3.00	0.00
Chief Bldg Inspector	D9	1.00		1.00	1.00	1.00	0.00
Clerical Supv II	JY	1.00		1.00	1.00	1.00	0.00
Code Comp Inv I/II/III	DQ/IL/CZ	5.00		5.00	5.00	5.00	0.00 *
Code Comp Inv IV	TJ	1.00		1.00	1.00	1.00	0.00
Dept Info Sys Analyst	61	1.00		1.00	1.00	1.00	0.00 •
Dept. Fiscal Officer	T9	1.00		1.00	1.00	1.00	0.00
Executive Secretary	II	1.00		1.00	1.00	1.00	0.00
Housing Manager	TG	1.00		1.00	1.00	1.00	0.00
Imaging Technician	Y6	1.00		1.00	1.00	1.00	0.00
Planner I/IV	DS/TH	24.00	1.00	25.00	25.00	25.00	1.00 *
Planning Technician	FX	7.00		7.00	7.00	7.00	0.00
Principal Planner	D9	5.00		5.00	5.00	5.00	0.00
RDA Project Manager	MY	4.00	(2.00)	2.00	2.00	2.00	(2.00)
Records Clerk	FB	1.00		1.00	1.00	1.00	0.00
Reg Geologist	KV	1.00		1.00	1.00	1.00	0.00
Resource Planner I/IV	DS/TH	5.00		5.00	5.00	5.00	0.00
Sr Act Clk/Acct Tech	I9/V2	1.00		1.00	1.00	1.00	0.00
Sr Act Clk/Acct Tech/Sr Acct Tech	I9/V2/JL	1.00		1.00	1.00	1.00	0.00
Sr Acct Tech	JL	1.00		1.00	1.00	1.00	0.00
Sr. Bldg. Inspector	X6	1.00		1.00	1.00	1.00	0.00
Sr Dept Admin Analyst	LL	1.00		1.00	1.00	1.00	0.00
Supv Bldg Inspector	MQ	1.00		1.00	1.00	1.00	0.00
Typist Clerk I/II	J7/J8	2.00		2.00	2.00	2.00	0.00 •
Typist Clerk I/II/III	J7/J8/JF	5.00	1.00	6.00	6.00	6.00	1.00
Urban Designer	YK	1.00		1.00	1.00	1.00	0.00
DEPARTMENTAL TOTAL		100.00	0.00	100.00	100.00	100.00	0.00

*Includes the unfunding of 6.5 positions due to fiscal constraints: 1.0 Code Compliance Investigator position (work to be accommodated through the internal transfer of 1.0 Planning Tech), 1.0 Departmental Systems Analyst position, 3.5 Planner positions and 1.0 Typist Clerk position.

County Housing Programs

The Planning Department administers four County housing funds: two which receive revenues from past housing rehabilitation programs, the fund for the Paloma del Mar Rent Subsidy Program, and the fund receiving the County's In-Lieu Housing fees.

Index Code 136150 - Housing Rehabilitation Program - 1993 CDBG Grant

Requirements	Actual 2006-07	Appropriated 2007-08	Actual Estimated 2007-08	Requested 2008-2009	Recom. 2008-09	Change from 2007- 08 Approp.
Appropriations						
Other Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Op. Transfers Out	24,620	26,986	26,986	1,967	1,967	(25,019)
Total	\$ 24,620	\$ 26,986	\$ 26,986	\$ 1,967	\$ 1,967	\$ (25,019)
Increase Reserve	0	0		0	0	0
Total Requirements	\$ 24,620	\$ 26,986	\$ 26,986	\$ 1,967	\$ 1,967	\$ (25,019)
Available Funds						
Fund Balance Avail.	\$ 1,109	\$ 26,546	\$ 26,546	\$ 1,527	\$ 1,527	\$ (25,019)
Cancel Reserve	23,072	0	0	0	0	0
Interest	6,884	140	1,439	140	140	0
Other Revenue	20,101	300	528	300	300	0
Total	\$ 51,166	\$ 26,986	\$ 28,513	\$ 1,967	\$ 1,967	\$ (25,019)

This budget receives and appropriates funds from the 1993 CDBG Housing Rehabilitation Program, which was completed in fiscal year 1994-95. As funds from loan repayments become available, they are budgeted for transfer to Index 135436, where they are in turn used for additional affordable housing activities. In the case where substantial loan repayments are received, under the re-use plan approved by the State, that amount is budgeted for Rehabilitation Loans in Index 135436.

Index Code 135436 - Housing Rehabilitation Program - General

Requirements	Actual 2006-07	Appropriated 2007-08	Actual Estimated 2007-08	Requested 2008-2009	Recom. 2008-09	Change from 2007-08 Approp.
Serv & Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Charges	20,669	100,000	23,750	25,000	25,000	(75,000)
Approp. for Cont.	0	0	0	0	0	0
Total	\$ 20,669	\$ 100,000	\$ 23,750	\$ 25,000	\$ 25,000	\$ (75,000)
Increase Reserve	45,586	15,015	15,015	148,572	148,572	133,557
Total Requirements	\$ 66,255	\$ 115,015	\$ 38,765	\$ 173,572	\$ 173,572	\$ 58,557

Available Funds

Fund Balance Avail.	\$ 115,607	\$ 82,752	\$ 82,752	\$ 80,679	\$ 80,679	\$ (2,073)
Cancel Reserve	0	0	0	85,649	85,649	85,649
Interest	6,812	3,777	7,471	3,777	3,777	0
Other Revenue	1,968	1,500	2,235	1,500	1,500	0
Op Transfers In	24,620	26,986	26,986	1,967	1,967	(25,019)
Total	\$ 149,007	\$ 115,015	\$ 119,444	\$ 173,572	\$ 173,572	\$ 58,557

This budget provides appropriations for housing-related program activities and is funded by repayments of prior year affordable housing loans made through a variety of grant funded programs. The proposed budget includes \$25,000 for Rehabilitation Loans to meet the re-use regulations of the 1993 CDBG Program.

Index Code 136160 - Paloma del Mar Rent Subsidy Program

Requirements	Actual 2006-07	Appropriated 2007-08	Actual Estimated 2007-08	Requested 2008-2009	Recom. 2008-09	Change from 2007- 08 Approp.
Serv & Supplies	\$ 55,400	\$ 55,400	\$ 55,400	\$ 55,400	\$ 55,400	\$ 0
Total	\$ 55,400	\$ 55,400	\$ 55,400	\$ 55,400	\$ 55,400	\$ 0
Increase Reserve	0	0	0	0	0	0
Total Requirements	\$ 55,400	\$ 55,400	\$ 55,400	\$ 55,400	\$ 55,400	\$ 0

Available Funds

Fund Balance Avail.	\$ 23,037	\$ 28,498	\$ 28,498	\$ 28,883	\$ 28,883	\$ 385
Cancel Reserve	27,362	21,902	21,902	21,517	21,517	(385)
Interest	33,499	5,000	33,883	5,000	5,000	0
Other Revenue	0	0	0	0	0	0
Total	\$ 83,898	\$ 55,400	\$ 84,283	\$ 55,400	\$ 55,400	\$ 0

This budget provides funding for the Paloma del Mar Rent Subsidy Program. Funded through prior sales of affordable housing credits, this program allows a rent subsidy of \$100 per month for up to 42 low income senior households residing in the Paloma del Mar project and related administrative charges. This program is scheduled to expire in the year 2012.

Index Code 136155 - In-Lieu Housing Fees

Requirements	Actual 2006-07	Appropriated 2007-08	Actual Estimated 2007-08	Requested 2008-2009	Recom. 2008-09	Change from 2007- 08 Approp.
Serv & Supplies	\$1,454,777	\$ 2,374,237	\$ 1,343,890	\$ 2,154,905	\$2,154,905	\$ (219,332)
Approp. for Cont.	0	0	0	0	0	0
Total	\$1,454,777	\$ 2,374,237	\$ 1,343,890	\$ 2,154,905	\$2,154,905	\$ (219,332)
Increase Reserve	0	57,693	57,693		0	(57,693)
Total Requirements	\$1,454,777	\$ 2,431,930	\$ 1,401,583	\$ 2,154,905	\$2,154,905	\$ (277,025)
Available Funds						
Fund Balance Avail.	\$2,237,815	\$ 1,293,930	\$ 1,293,930	\$ 1,585,000	\$1,585,000	\$ 291,070
Cancel Reserve	40,393	0	0	119,905	119,905	119,905
Interest	92,950	50,000	66,051	50,000	50,000	0
In-Lieu Dev Fees	162,169	400,000	666,929	400,000	400,000	0
Other Revenue	215,380	688,000	959,673	0	0	(688,000)
Total	\$2,748,707	\$ 2,413,930	\$ 2,986,583	\$ 2,154,905	\$2,154,905	\$ (277,025)

This budget was created in 1997 at the direction of the Board of Supervisors to provide a means to appropriate funds received from developer housing fees as provided under County Code Chapter 17.10. The recommended budget totaling \$2,154,905 is available for housing projects in 2008-09. Of those funds, \$100,000 is earmarked for continuation of the Community Action Board Emergency Housing Assistance Program, \$150,000 for CAB Gemma House for the second year of a three year funding program, \$88,500 for the Winter Shelter Program, \$24,092 for the 2009 census and \$5,354 for the Homeless Strategic Plan. The balance of recommended appropriations will be available for projects that are identified by staff during the year and approved by the Board of Supervisors, as part of the County's overall affordable housing assistance efforts.

Measure C – Decade of the Environment - FY 2007-08 Summary Report

As requested by the Board of Supervisors, the Planning Department prepares an annual report on the Measure C "Decade of the Environment" Program, which identifies new initiatives throughout County government that have been undertaken to further program objectives related to energy conservation and environmental protection, as described in County Code Chapter 16.90. Prior Measure C reports have identified a wide range of programs that have been incorporated into the ongoing operations of various County departments. It is anticipated that future Measure C reports will be developed in coordination with the new Commission on the Environment. A summary of new and ongoing Measure C initiatives that took place in FY 2007-08 are noted below (more detailed reports from each individual agency are also available):

General Services:

- o Convened new Commission on the Environment, including preliminary work on scoping for County greenhouse gas emission inventory.
- o Continued programs for integrated pest management.
- o Energy efficient upgrades and replacements at various County buildings and facilities, purchase of "green" vehicles, and promotion of alternative commute solutions.

Planning Department:

- o Initiated the first step of a Green Building Program through requiring the submission of an educational checklist with all residential development applications.
- o Developed a draft handout for developers illustrating ways to incorporate green design into their projects.
- o Worked with affordable housing developers to maximize green building features.

Environmental Health Services:

- o Undertook various efforts to improve ground and surface water quality, improve fish habitat, and promote water resource management.

Public Works:

- o Continued various efforts to improve landfill diversion rates (recycling, composting, etc.).
- o Undertook various efforts to improve surface water quality (sewer overflow prevention, polluted runoff prevention, etc.).
- o Initiated Integrated Vegetation Management program to reduce use of pesticides.
- o Completed Green Building Directory update.
- o Participated in pollution prevention workshops and education programs.

Redevelopment Agency:

- o Undertook various efforts to increase number of street trees.
- o Undertook preliminary green building work for LEED certification for the Farm Neighborhood Park and Community Center Project and the Live Oak Resource Center Project.
- o Funded 2,000 linear feet of pedestrian improvements and over 5,000 linear feet of bike lanes in Live Oak.
- o Undertook community design process in conjunction with the Parks Department for the renovation of Floral Park in Live Oak.
- o Continued to provide funding for new storm water pollution control devices.

Parks and Recreation:

- o Planning for, and implementation of, energy conservation and recycling improvements at various Parks & Recreation facilities.
- o Undertook design work for Moran Lake Monarch Butterfly Management Plan.