

Meeting Date: 5/24/2016

Report Type: Consent

Report ID: 2016-00486

Title: Establishing the General Plan Update Program (I22000000)

Location: Citywide

Recommendation: Pass a Resolution: 1) authorizing the City Manager to budget the General Plan Maintenance Fees in Development Services Fund (Fund 2016); 2) establishing the General Plan Update Program (I22000000); and 3) transferring the unobligated balance (excluding the litigation funding) from I22400000 to I22000000.

Contact: Susanne Cook, Administrative Analyst, (916) 808-5375; Frances Chong, Program Manager, (916) 808-5010, Community Development Department

Presenter: None

Department: Community Development Dept

Division:

Dept ID:

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Background

City Attorney Review

Approved as to Form
Jeffrey Heeren
5/16/2016 10:45:53 AM

Approvals/Acknowledgements

Department Director or Designee: Ryan Devore - 4/29/2016 4:23:12 PM

Description/Analysis

Issue Detail: Between 2003 and 2005 (Resolutions 2003-668, 2003-732, and 2005-0129), the Development Services Fund (Fund 2016) was advanced cash from the General Fund (Fund 1001) to cover the cost of completing the 2030 General Plan Update and the associated Community Plan Updates. Since this cash advance has since been repaid, it is requested that the General Plan maintenance fees and expenditures be moved from General Fund to the Development Services Fund (Fund 2016), and that I22000000 be established as the General Plan Update Program with the remaining unobligated budgetary balance from the General Plan Update (I22400000). Remaining balances would be transferred to the new project at Fiscal Year 2015/16 end.

Policy Considerations: The proposed policy is consistent with the Mayor and Council's budget priority to adopt financially sound policies and procedures that are prudent and take into account long-term financial planning and stability.

Per Resolution 2015-0123, the General Plan and Community Plan updates will be managed in Fund 2016.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities and government fiscal activities that do not constitute a "project" as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines 15060(c)(3)).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: Establishment of a new project budget is necessary to provide a simplified historical (accounting) record of the General Plan updates after the repayment of the cash advance.

Financial Considerations: Presently, there is an estimated \$638,700 remaining in I22400000, all but \$100,000 of General Funds will be transferred to the new project budget (I22000000). The General Funds are associated with litigation filed in FY2014/15 on the 2035 General Plan. As the litigation is associated with costs incurred in I22400000, the budget associated with this litigation needs to remain in this project.

The unobligated revenue and expenditure budgets related to the program will be in Fund 2016 as part of the FY2016/17 Budget, excluding the \$100,000 for the General Plan litigation that will remain in the General Fund (Fund 1001). Having the funds in Fund 2016

and establishment of a new project provides clarification of the funding for the program. Once the litigation has been finalized, project I22400000 will be closed.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO. 2016-

Adopted by the Sacramento City Council

ESTABLISHMENT OF A NEW MULTI-YEAR OPERATING PROJECT FOR THE GENERAL PLAN UPDATE PROGRAM (I22000000)

BACKGROUND

- A. Between 2003 and 2005 (Resolutions 2003-668, 2003-732, and 2005-0129), Development Services Fund (Fund 2016) was advanced \$2.9 million from the General Fund (Fund 1001) to cover the cost of completing the 2030 General Plan Update and the associated Community Plan Updates.
- B. The General Plan Maintenance Fee was established with Resolution 2004-750 (\$0.59 per \$1,000 of valuation) and increased in Resolution 2008-225 (\$2.00 per \$1,000 of building permit valuation, with a maximum fee of \$20,000 on permits with a valuation over \$10 million).
- C. The cash advance was repaid at the end of FY2014/15.
- D. Consistent with the Development Stabilization Contingency Reserve and Development Services Fund Management Policy (Resolution 2015-0123), the General Plan and Community Plan updates are to be managed in Fund 2016.
- E. However, litigation was filed in FY2014/15 on the 2035 General Plan Update. As the litigation is associated with costs incurred in I22400000, the budget associated with this litigation will remain in this project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to budget the General Plan Maintenance Fees in Fund 2016.
- Section 2. The City Manager is authorized to establish a new multi-year operating project for the General Plan Update Program (I22000000).
- Section 3. The City Manager is authorized to transfer all but the General Plan Litigation funding (\$100,000 in General Funds) in the General Plan Update (I22400000) project to I22000000 in the Development Services Fund.

Background

The Development Services Fund (DSF) was established on February 23, 1999 (Resolution 99-077), to account for major plan review and building permit projects, cyclical surplus plan review and building permit revenues, and environmental impact review projects. In 1999 the City Council authorized the transfer of any remaining General Fund surpluses in the Development Services Department's budget into the DSF. The intent was that the DSF would provide support to the General Fund in years of lower building activity. Over time, these resources were used to fund ongoing workload, without an ongoing revenue stream. When the DSF could no longer support ongoing budgeted expenditures, the use of its funds was limited to the management of project activities.

Beginning in 2003, a \$2.9 million cash advance from the General Fund to the DSF was authorized to complete the 2030 General Plan Update: \$2.35 million with Resolution 2003-668, \$0.6 million with Resolution 2003-732, and \$83,268 with Resolution 2005-129. (The loan amount was later reduced in FY2010/11 by \$154,530.) The General Plan is the City's master plan for how and where the City will grow over the next 20 years. It also describes how the City will provide services to existing and future development including: roads, sewer, water drainage, parks, police, and fire protection. Planning for the next General Plan update is important because state law requires that the City maintain a legally adequate General Plan. It is essential to update the General Plan to keep it current, to stream line development review, and ensure that compliance with new state laws is maintained.

On July 23, 2013, the City Council adopted (Resolution 2013-0556) the Community Development Operational Fee Study report by Management Partners (Recommendation #6), which approved the use of the Development Services Fund to support baseline staffing levels, completion of multi-year projects, and ongoing training during fluctuating economic cycles.

On May 12, 2015, the Development Stabilization Contingency Reserve (DSCR) and the DSF management policy was established (Resolution 2015-123). This policy stipulated that the fees collected for the General Plan and Community Plan updates and all activities should be in the DSF.