
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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General Plan

OVERVIEW

On Monday, March 10, 2008 the City Council is being asked to approve the General Plan Update and associated actions. The process of updating the City's General Plan started in 1999 and has included periodic input from the Land Use & Housing (LU&H) Committee, Natural Resources & Culture (NR&C) Committee, the City's Planning Commission, and numerous forums with community planning groups and the general public. In addition, the Independent Budget Analyst (IBA) released report 07-115 on November 29, 2007 that offered preliminary observations, questions, and recommendations on the Draft General Plan.

The purpose of the General Plan is to set out a long-range vision and comprehensive policy framework for how the City of San Diego should plan for projected growth and development, provide public services, and maintain the qualities that define San Diego over the next 20 to 30 years. As stated in the September 2007 Public Hearing Draft General Plan – Strategic Framework section “the City’s General Plan is its constitution for development. It is the foundation upon which all land use decisions in the City are based.” It should be noted that the General Plan was last updated in 1979 and current state law requires each City to adopt a general plan to guide its future development and periodically update the plan.

The City's General Plan is its constitution for development. It is the foundation upon which all land use decisions in the City are based.

The Draft General Plan is comprised of an introductory Strategic Framework section and ten elements:

- Land Use and Community Planning
- Mobility
- Economic Prosperity
- Public Facilities, Services and Safety
- Urban Design

- Recreation
- Historic Preservation
- Conservation
- Noise
- Housing (Previously adopted by City Council on December 5, 2006)

During the December 5, 2007 LU&H and the January 30, 2008 NR&C Committee meetings, the Committee members tentatively approved the sections of the Draft General Plan with recommendations for edits to various sections of the plan. The LU&H Committee's recommended edits included changes suggested by the IBA in report #07-115. A summary of the LU&H and NR&C Committee's recommendations for edits are outlined in Attachment Six of the Mayor's February 27, 2008 Report (Report #08-019). Generally, staff has agreed with the LU&H and NR&C Committee's recommended edits. However, some of the recommended edits were omitted by staff or, in the opinion of the IBA, not adequately addressed. This report reviews the committee's recommended edits that were omitted or not adequately addressed, and also discusses the importance of integrating the General Plan into future budgets and financial planning documents.

FISCAL/POLICY DISCUSSION

Land Use & Housing Committee Recommended Edits Omitted from Final Draft or Not Adequately Addressed

Economic Prosperity Element - Policies related to Living Wages

On June 6, 2005, the City Council adopted the City of San Diego Living Wage Ordinance. The intent of the ordinance is to promote a livable wage in the City of San Diego. The City of San Diego promotes this goal by requiring contractors doing business with the City of San Diego to pay their employees a wage that will enable a full-time worker and their family to meet basic needs and avoid economic hardship. The Economic Prosperity Element provides multiple discussions on the goals of creating and retaining good jobs. The October 2006 Draft of the General Plan included multiple references to livable wages. However, in the September 2007 Draft of the General Plan, the references to the living wages were replaced with other language. Examples of where the term "livable wage" has been struck and replaced with other terms include:

Page EP-3, Second Paragraph

"The policies in this element are intended to improve economic prosperity by ensuring that the economy grows in ways that strengthen our industries, retain and create good jobs, increases average income ~~with livable wages~~" (September 7, 2007 Draft)

Page EP-25, EP-E3

“Support living wage, or similar legislation programs to increase the standard of living for lower-income residents.” (September 7, 2007 Draft)

At the December 5, 2007 LU&H Committee meeting, the Committee members approved the Economic Prosperity Element with direction to “ADD back language from the October 2006 version of the Economic Prosperity Element.” *The recommended edits to the General Plan does not include these changes.*

Natural Resources & Cultural Committee Recommended Edits Omitted from Final Draft or Not Adequately Addressed

Conservation Element – Environmental Policies

The Conservation Element of the General Plan contains policies that aim to transform San Diego into “an international model of sustainable development and conservation.” Included in the element are policies that seek to address land use impacts on climate change, water conservation, preservation of open space and landform, air quality, and coastal resources, to name a few.

On January 9, 2008 and January 30, 2008, the NR&C Committee recommended revisions to three policies in the Conservation Element covering green building standards, climate protection, and intergovernmental coordination of energy planning programs. Staff incorporated the Committee’s recommended change to Policy CE-A.13, regarding the City’s Climate Protection Action Plan. *Staff also incorporated the recommended changes for policies CE-A.5 and CE-I.2, but did not completely adopt the Committee’s policy language.* The following outlines what was approved by the NR&C Committee and what staff is proposing:

Policy CE-A.5 – NR&C Approved Revision

“Develop and implement green building standards for new and significant remodels of residential and commercial buildings to maximize energy efficiency and to achieve net zero energy construction by 2020 for residences and 2030 for commercial buildings.”

Policy CE-A.5 – Staff Response

“Develop and implement green building standards for new and significant remodels of residential and commercial buildings to maximize energy efficiency and *strive for net zero energy consumption by 2020 for new buildings.*”

Policy CE-I.2 – NR&C Approved Revision

“Coordinate City energy planning programs with federal, state, and regional agencies, maximize the use of energy efficiency, clean renewable resources and demand response.”

Policy CE-I.2 – Staff Response

“Coordinate City energy planning programs with federal, state and regional agencies. *Greatly enhance energy efficiency and use of clean renewable resources, and redirect more energy consumption to off-peak hours.*

Staff chose to adjust the language to allow greater flexibility in case future legislation conflicted with more stringent requirements of General Plan policies, preventing the need for General Plan amendments.

Implementation of the General Plan into the Annual Budget Process and Financial Planning Documents

The Draft General Plan provides a broad range of Citywide policies. When implemented, the General Plan will impact all aspects of City government including land development, staffing of City departments, and the construction, operations, and maintenance of existing and future City facilities. For the General Plan to be successful, a sound implementation plan that integrates the policies outlined in the plan into the City’s annual budget process and financial planning documents is essential.

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In our November 29, 2007 report on the General Plan (Report #07-115), we recommended that staff include information in the Implementation subsection of the Strategic Framework Section on how the General Plan policies and goals will be integrated into other City processes and long-term financial planning documents. In response, the Mayor’s staff proposes to include the following language in the Strategic Framework Section:

“Implementation of the General Plan is accomplished through a broad range of legislative and regulatory actions that are outlined in the Action Plan. Each policy in the General Plan corresponds with an Action Plan item which identifies the implementation tool, such as a community plan update, master plan, or modification to regulations and ordinances, to help implement the policy. Although the Action Plan provides anticipated timeframes for implementing plan policies, many of the work program items are dependent on budget decisions. A Five Year Financial Outlook was developed in 2007 and updated in 2008 to examine the City’s long range fiscal condition and establish funding priorities over the next five years. In addition, the Outlook established the framework for the development of the City of San Diego’s Annual Budgets. Eight significant initiatives were identified that require immediate City attention and resources and these initiatives as well as core City services are reflected in the Annual Budgets. It is during the budget process that new programs or additional funding for existing programs is allocated for the upcoming year. The General Plan Action

Plan will be monitored to track the progress of General Plan implementation measures and help inform the budget process.” **Attachment 3 – Staff Recommended Corrections/Edits to the Public Hearing Draft General Plan (Page 4)**

The IBA understands that the Five Year Financial Outlook is the Mayor’s primary planning document for the development of annual budgets. However, as our office pointed out in our January 25, 2008 report on the Mayor’s Five Year Financial Outlook (Report 08-09), the impacts of the General Plan update were not included in the most recent version of the Outlook. *It concerns our office that the importance of the General Plan and the policies outlined in the document will be overlooked without strong implementation language that details a defined process for consideration in the City’s annual budget process.* For comparison purposes, we have attached a copy of the implementation objectives, policies, and actions from the City of Berkeley’s General Plan (See Attachment A). The following is an excerpt from that document:

“To ensure that the City’s biennial budget decisions are consistent with the General Plan and the community has the opportunity to prioritize General Plan actions and programs prior to the City Council’s biennial budget decisions, the Implementation Element establishes a public process for making recommendations to the City Council on the status of the plan and proposed budget allocations. This approach to General Plan implementation ensures that the plan remains a dynamic, responsive document and that the City’s budget decisions are consistent with the long-term goals of the City’s General Plan.”

Another example of the importance the General Plan has in the development of a City’s annual budget process can be found in the City of San Jose’s recently established budget principles. In January 2008, the City of San Jose completed an in-depth process which included a full review of their budgetary and economic conditions, both past and future, and development of strategies to address the City’s structural deficit. One of the outcomes of this process was the development of 12 budget principles for Council consideration to help prevent future structural deficits. One of these principles addresses the importance of the City’s General Plan in the budget process:

11) GENERAL PLAN

The General Plan shall be used as a primary long-term fiscal planning tool. The General Plan contains goals for land use, transportation, capital investments, and service delivery based on a specific capacity for new workers and residents. Recommendations to create new development capacity beyond the existing General Plan shall be analyzed to ensure that capital improvements and operating and maintenance costs are within the financial capacity of the City.

As stated above, it concerns our office that the importance of the General Plan and the policies outlined in the document will be overlooked without strong implementation

language that details a defined process for consideration during the City's annual budget process. *We encourage the City Council to review the implementation objectives, policies, and actions outlined in the City of Berkeley's General Plan. We recommend that this type of language be included in the Strategic Framework section of the General Plan or the Action Plan that will be coming to Council later in the year.*

The Fiscal Year 2009 Budget and the General Plan

Provided below are items in the draft General Plan that the IBA recommends be discussed during the Fiscal Year 2009 Budget discussions. Some of the items listed below have funding requirements that will need to be addressed. Other items are reports that have been discussed in the Draft General Plan but have not been completed. These reports contain pertinent planning information that the City Council can use during budget deliberations.

Community Plans

The City of San Diego currently has 50 Planning Areas with 42 Community Plans. These Community Plans describe the issues and trends facing the community and identify strategies to implement community goals. Community plans refine the General Plan goals and policies that will guide the development of each community. Per the Draft General Plan "Community plans are to be updated on a regular basis." (Page LU-22). Many of the City's existing plans are in need of updating.

The cost to update a Community Plan can range from \$500,000 to \$1,500,000 depending on the complexity of the plan. In Fiscal Year 2008, \$400,000 was added to the City Planning and Community Investments Department's Fiscal Year budget for the purpose of updating Community plans in the Uptown, Old San Diego, Greater North Park, and Greater Golden Hill. However, it should be noted that historically the City has not adequately provided funds in annual budgets to cover the expenses related to updating the Community Plans. Many times the City has had to scramble to find funding from various sources to complete a Community Plan. A recent example is the Otay Mesa Community Plan. On December 4, 2007 the City Council authorized the transfer of \$800,000 from the City's Appropriated Reserve to complete the Community Plan.

The IBA recommends that during the Fiscal Year 2009 budget hearing on the City Planning and Community Investments Department's budget, a discussion should be held on funding of Community Plans. This discussion should include a timeline on updating the Community Plans and the estimated expenses.

Parks Master Plan

One of the implementation measures of the Recreation Element is the development of a comprehensive Parks Master Plan (PMP). The PMP will assess all City park lands, recreational uses, facilities, and services; the plan will also set priorities for protection and enhancement of existing park and recreation assets.

The PMP is expected to be prepared by consultants, with the assistance of Park Planning staff, as soon as funding is identified and becomes available. Funding for the PMP is expected to be identified sometime in Fiscal Year 2009 and continue through the next two fiscal years. In 2006, the cost of the PMP was estimated to be approximately \$4 million; adjusting for inflation, the current cost is estimated to be \$4.4 million. Staff is anticipating the work and related funding will need to be spread evenly over three fiscal years, requiring approximately \$1.5 million each year. These costs have not been included in the Mayor's Five Year Financial Outlook. ***The IBA recommends that during the Fiscal Year 2009 budget hearing on the Park and Recreation Department's budget, a discussion should be held on funding for the PMP.***

Fire Master Plan

The September 2007 Draft of the General Plan states that a master plan for fire station construction has been developed to assure levels of service standards are attained for existing development and as future development occurs. However, based on conversations with the Fire-Rescue Department, the report is still being developed. ***The IBA recommends that this document, once completed, should be released to the City Council to ensure that the Council members have all necessary information to make informed decisions on the Fire-Rescue Department's Budget.***

CONCLUSION

The development of the Draft General Plan has taken many years, and it encompasses all aspects of City services and facilities. It is intended to provide a strategy to guide future development, and will rely on community plans to give specific guidance to implement General Plan policies. The policies contained in the General Plan lay a foundation of future requirements and expectations that will necessitate the commitment of significant City resources, now and in the future.

The IBA recognizes the importance of the City having an updated General Plan in place. However, for the General Plan to be successful, a sound implementation plan that integrates the policies outlined in the plan into the City's annual budget process and financial planning documents is essential.

[SIGNED]

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Attachment A