OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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General Plan

OVERVIEW

On Wednesday, December 5, 2007, the Land Use & Housing Committee will hear a report from the City Planning & Community Investment Department regarding the General Plan Update. The process of updating the City's General Plan started in 1999 and has included periodic input from the Land Use & Housing Committee, the City's Planning Commission, and numerous forums with community planning groups and the general public. It is planned for the City Council to review the General Plan in early 2008.

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)

This report provides the IBA's preliminary observations, questions, and recommendations on the Draft General Plan.

FISCAL/POLICY DISCUSSION

In October 2002, the City Council adopted the Strategic Framework Element, which set forth the City of Villages strategy, and also contained citywide policies for the growth and development of the City. The Strategic Framework Element served as the foundation for the update to the existing General Plan. The Strategic Framework Element currently in effect will be replaced by the new General Plan, following its adoption.

Strategic Framework Section

The Strategic Framework Section provides the introduction to the Draft General Plan. Included in this section is an overview of the supporting strategies and guiding principles used to develop the Draft General Plan. Additionally, this section provides brief overviews of each of the ten elements. Listed below are observations, questions, and recommendations regarding subsections of the Strategic Framework Section:

City of Villages Strategy – Pilot Villages

In February 2004, the City Council unanimously approved five projects to become Pilot Village demonstration projects for the City of Villages strategy. The projects that were selected included:

- Mi Pueblo
- The Boulevard Marketplace – MCTIP
- North Park
- The Paseo
- Village Center at Euclid and Market

The City of Villages Strategy *focuses growth into mixed-use activity centers that are pedestrian-friendly districts linked to an improved regional transit system.*

These projects were selected to represent the variety of approaches and styles that would demonstrate how Villages can revitalize existing neighborhoods while retaining their individual character. With the exception of North Park, the goal was to complete the projects within three to five years.

The IBA offers the following questions on the Pilot Villages:

- What is the status of each of the Pilot Villages?
- Has the City of Villages concept been successful in the Pilot Villages?
- What has worked/not worked in the Pilot Villages?
- Were incentives provided to Pilot Village projects?

Implementation of the General Plan (Pages SF-21 – SF-23)

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 is essential. Currently, City staff is developing a General Plan Action Plan that identifies specific measures needed to implement the General Plan once approved. The Action Plan will be periodically updated and an annual report will be presented to measure the progress in implementing the General Plan. However, the IBA would like to point out that the current draft of the Action Plan is vague on how the policies and goals of the General Plan will be integrated into other City's processes including the Annual Operating and Capital Budget Process and the City's current and future long-term financial planning documents. The IBA offers the following question and recommendation regarding implementation of the General Plan:

For the General Plan to be successful a sound implementation plan is essential.

- If approved by the City Council, how will the policies and goals outlined in the General Plan be integrated into the Annual Budget Process and the Mayor's Five Year Outlook?
- ***Recommendation:*** The IBA recommends that information be provided in the Implementation subsection of the Strategic Framework Section of the General Plan on how policies and goals will be integrated into other City process and long-term financial planning documents.

Land Use and Community Planning Element

The Land Use and Community Planning Element provides policies to implement the City of Villages strategy. Additionally, this element addresses zoning and policy consistency, the plan amendment process, annexation policies, airport-land use planning, balanced communities, equitable development, and environmental justice. Listed below are

observations, questions, and recommendations regarding subsections of the Land Use and Community element:

Community Plans Subsection (Pages LU-11 – LU-29)
The City of San Diego currently has 50 planning areas each of which has their own Community Plan. 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). The IBA offers the following questions on the Community Plans subsection:

- What is the status of updating the community plans and how are they prioritized?
- What is the plan to fund community plan updates?
- Does the planning department currently have adequate staffing to regularly update the City's various community plans as required by the Draft General Plan?

$400,000 was added to the City Planning and Community Investments Department's Fiscal Year 2008 Budget for the purpose of updating Community Plans. The Community Plans to be updated included: Uptown, Old San Diego, Greater North Park, and Greater Golden Hill.

Policies related to creating and applying incentive zoning measures (Page LU-31)
In Policy recommendation LU-F.2 it is recommended that the City create and apply incentive zoning measures to achieve the desired mix of land uses and public benefits. It is also recommended that development incentives be re-evaluated on a regular basis to be certain that the granting of incentives remain in proportion with the benefits derived. The IBA offers the following questions and recommendation on the process for reviewing incentive zoning measures:

- What is the current/proposed process for the regular review of Incentive Zoning measures?
- Will a report on these policies be developed and presented to the City Council or City Council Committee?
- ***Recommendation:*** Define the process for review of Incentive Zoning Measures in Policy LU-F.2.

Economic Prosperity Element

The Economic Prosperity Element includes policies that are intended to improve the City's economic prosperity and growth. This element links economic prosperity goals

with land use distribution and employment use policies. Listed below are observations, questions, and recommendations regarding subsections and policies discussed in the Economic Prosperity Element:

Industrial Land Use

The Economic Prosperity Element discusses the importance and availability of industrial land in the City. It mentions that only one-fourth of all designated industrial land remains vacant. More than two-thirds of total vacant industrial land in the City is located in the community of Otay Mesa. Noting the statement in the legend, the IBA questions why Otay Mesa industrial land has not been designated as such in the Economic Prosperity Element's map of Industrial and Prime Industrial Land (Page EP-8).

The Economic Prosperity Element indicates that as community plan amendments are requested for collocation or conversion, the City needs to minimize land use conflicts and preserve prime industrial land from residential, public assembly and other sensitive receptor land uses. However, the City is currently processing a community plan amendment in Otay Mesa that contemplates converting a significant amount of prime industrially zoned land, in a predominantly industrial area, into residential and other sensitive receptor uses. The Economic Prosperity Element recommends comprehensive studies to determine when industrial land designations may no longer be required. The IBA offers the following question and recommendation on the Industrial Land Use Subsection:

- Why has the Otay Mesa industrial land not been designated as such in the Economic Prosperity Element's map of Industrial and Prime Industrial Land? (Page EP-8)

- ***Recommendation:*** The Committee may wish to discuss proposed land use goals and policies as they relate to what is currently underway in Otay Mesa.

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 all 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. On page EP-5 staff points out that national and local economic trends are potentially creating a skewed economy (fewer middle-income jobs, more high-quality professional jobs, and many low-wage service jobs), therefore exacerbating income, social, and spatial disparities. In light of this, and the clear direction provided by the City

Council to promote the creating of "living wage" jobs, the IBA would like to point out that in some areas of the Draft General Plan the term "livable wage" has been struck and replaced with other terms. Examples include:

> "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~~ ….." (Page EP-3, Second Paragraph)
>
> "Support ~~living wage, or similar legislation~~ programs to increase the standard of living for lower-income residents." (Page EP-25, EP-E3)

The IBA offers the following questions concerning the striking of living wage references in the Economic Prosperity Element:

- What was the intent of replacing "living wage" references in the text of the Economic Prosperity Element? What are the policy consequences of doing this?

- The IBA was not able to find any reference to the City of San Diego Living Wage Ordinance in the Draft General Plan. Is there a reason that this information was not included?

Economic Development Strategic Plan

The EPE recommends that an Economic Development Strategic Plan be developed and updated every three years to "report on economic trends, describe targeted industry clusters, identify economic issues for the City, inform infrastructure and land use priorities, develop strategies for assessing near-to-mid-term economic issues, and identify new initiatives with the private sector, within the context of long-term goals." The IBA strongly supports this recommendation as the City's current Community & Economic Development Strategy document has not been updated since 2004. We would further recommend that the presentation of an updated Economic Development Strategic Plan be utilized as an opportunity for the City Council to discuss necessary resources and costs associated with pursuing economic development opportunities.

In the "Elected Officials Guide on Economic Development", the Government Finance Officers Association (GFOA) discusses the benefits of having a vibrant economy: stronger employment, neighborhood reinvestment, ability to provide cultural amenities, and the ability to support government services. The IBA believes that the Economic Prosperity Element goals and policies have been thoughtfully developed. However, many of the policy statements lack specificity as to how desired outcomes will be facilitated or achieved. In order to realize goals and objectives, we recommend that the Economic Development Strategic

Plan be utilized as one, of perhaps several, tools for developing specific strategies and action plans for City Council consideration.

> ***To retain, attract, and/or develop new business activity, policies designed to encourage private sector investment/activity will typically require various forms of public sector investment/activity.***

Whether the City wishes to retain, attract, and/or develop new business activity, policies designed to encourage private sector investment/activity will typically require various forms of public sector investment/activity. Public sector investment can take many forms including fiscal incentives, technical assistance, infrastructure investment, training, staff outreach, workforce assistance, etc. It is reasonable to expect that there will be expenditures and/or opportunity costs associated with public investment decisions to foster economic prosperity goals and policies as set forth in this element. The IBA recommends that the expenditures and criteria for measuring the associated public benefits be discussed by the Committee upon reviewing the Economic Prosperity Element and the Economic Development Strategic Plan. The IBA offers the following recommendations related to the Economic Development Strategic Plan:

- ***Recommendation:*** Once the Economic Development Strategic Plan is updated, it should be presented to the City Council so they have an opportunity to discuss necessary resources and costs associated with pursuing economic development opportunities.

- ***Recommendation:*** The City Council or Council Committee should review the opportunity costs and expenditures associated with business incentive programs.

Public Facilities, Services and Safety Element

The Public Facilities, Services and Safety Element addresses facilities and services that are publicly managed. These include Fire-Rescue, Police, Wastewater, Storm Water, Water Infrastructure, Waste Management, Libraries, Schools, Information Infrastructure, Disaster Preparedness, and Seismic Safety. Listed below are observations, questions, and recommendations regarding subsections and policies discussed in the Public Facilities, Services and Safety Element:

Public Facilities Financing Subsection and policies related to Operations and Maintenance

On page PF-5 staff writes that "Disinvestment in capital improvements needed for urbanized communities…..must be reversed to successfully plan for the future." Additionally on page PF-8 staff writes that "The ultimate implementation of the City of Villages strategy is contingent upon the City's ability to provide and

maintain its facilities in a timely fashion." Included in the Public Facilities Financing subsection is a discussion on the current challenges facing the City to fund existing and future capital projects (Bricks and Mortar) (Pages PF-3 – PF-12). The IBA would like to point out that the discussion on funding capital projects in the Draft General Plan does a good job of capturing the funding issues for building capital projects. However, the Draft General Plan lacks information or a discussion on funding options for operations and maintenance expenses. Generally, operations and maintenance includes staffing and equipment related to the day-to-day operations of the public facilities. These costs are not covered through the financing means used to construct the facilities. Most operating and maintenance expenses for departments such as Fire-Rescue, Police, Library, and Park & Recreation are funded through the City of San Diego's General Fund or special revenues generated specifically to pay for a service. The primary funding source for the General Fund includes Sales Tax and Property Tax.

To discuss the funding options for the construction of capital projects but not discuss funding sources for related operations and maintenance does not give the public or elected officials an accurate picture when it comes to the City's facilities.

To discuss funding options for the construction of capital projects but not discuss funding sources for operations and maintenance does not give the public or elected officials an accurate picture when it comes to the City's facilities. The IBA offers the following questions concerning the Public Facilities Financing subsection:

- On Page PF-12 the chart on Major Revenue Options has been removed. Some of the options included in the chart could fund operations and maintenance expenses. Why was this chart removed?

- Does staff plan on including a discussion on current and future funding of operations and maintenance related expenses?

- ***Recommendation:*** Staff should include in the Public Facilities, Services and Safety Element a discussion on the challenges of funding operations and maintenance costs for the City's facilities. This discussion should include information on the City's current and future tax base in comparison to future operation expenses (including the projected new facilities outlined in the Draft General Plan). In addition, information should be provided on major revenue options that could be used to fund operations and maintenance costs.

Fire-Rescue Subsection

On Page PF-22 staff writes that in order to meet national Fire Protection Association 1710 standards for emergency response times and to assure adequate

emergency response coverage, the Fire-Rescue Department has identified the need to construct additional fire stations in several presently underserved communities. In IBA report #07-06 we noted that an additional 22 fire stations are needed to address national standard response times. The current cost for a fire station ranges from $6.5 to $8 million to design and construct depending on size and configuration.

The Draft General Plan states that a Fire Master Plan for construction of fire facilities has been developed to assure service standards are attained for existing development and as future development occurs. It is important to include these types of standards as goals to achieve in the future. This fact is very important when considering that the Fire-Rescue department failed to achieve national accreditation in 2005. The department was informed that their inability to achieve compliance with national emergency response time standards of five minutes 90% of the time weighed heavily in the decision to deny accreditation.

The IBA commends the Mayor's staff for including these response time standards in the Draft General Plan to ensure that the City works diligently to achieve these essential goals. The IBA offers the following questions concerning the Fire-Rescue Subsection:

- What is the plan to meet the response time standards outlined in the Draft General Plan?

- How will the City maintain the response time standards as growth occurs?

- How will the response time standards be integrated into future budget processes and the Mayor's Five Year Outlook?

Police Subsection

In the Discussion of the Police Subsection, staff points out that until the 1980's the City provided services primarily through a centralized facility. However, after consultant studies were conducted in the 1970's it was decided that decentralizing police functions was better operationally and several area stations were constructed. Staff notes that several area stations built during the 1980's are already crowded and in need of improvement. In addition, staff points out that as development and growth continue in the City, additional infrastructure will be required to maintain the City's established police response times goals.

To put into context, the type of expenditures that will be required to maintain response times currently and in the future, reference should be made to the Police Department's December 15, 2005 Five-Year Plan. In the plan, the department noted that they would require $100 million over a five-year period to address needs such as equipment, vehicle maintenance, and data processing.

Additionally, based on population growth and staffing projections through Fiscal Year 2011, the Police department estimated that they were short 100 patrol vehicles based on staffing and they would be short an additional 50 vehicles. At the time it was estimated that approximately $30.9 million would be needed to return the existing fleet to a normal life cycle replacement profile. The IBA offers the following questions concerning the Police Subsection:

- Is the Police department currently maintaining average response time goals contained in the Draft General Plan?

- How will the City maintain the average response time goals as growth occurs?

Water Subsection

As part of the Water Infrastructure Policies, the Draft General Plan commits the City to "continue to develop the recycled water customer base, and expand the distribution system to meet current and future demand." This language presumably refers to the non-potable recycled water customer base, and the existing "purple pipe" system. It does not appear that the Water Infrastructure Policies contemplate recycled water for potable uses. The IBA offers the following question and recommendation concerning the Water Subsection:

- Does the Water Infrastructure Policies laid out in the General Plan provide for potable water reuse options?

- ***Recommendation:*** Modify the language of Water Infrastructure Policy PF-H.1(e) to allow the City flexibility in the type of recycled water programs it pursues, including, but not limited to, potable water uses.

Libraries Subsection

The Library Goals include "Providing a library system that is responsive to the specialized needs and desires of individual communities." Further, the plan describes the library system's regular evaluation process utilized to adapt to service demands, to take advantage of constantly evolving technology and to provide for facility construction and maintenance costs.

Given these needs and realities, policies such as PF-J.2 and PF-J.3 that predefine a minimum square footage (of 15,000) or encourage larger facilities suggest a "one-size fits all approach" that does not acknowledge the unique needs of each community. The plan is likely to be in place and provide guidance for the next ten to twenty years. During that same time, technology will continue to evolve, and it is likely that components and standards of future libraries are also very likely to evolve. It may not always be the case that larger is better, or necessary,

to meet the future needs. The IBA offers the following question concerning the Libraries:

- Are the minimum standards sufficiently flexible to allow for the unique needs of each community and for likely technological advances?

Recreation Element

The Recreation element includes policies and goals related to preserving, acquiring, developing, maintaining, and enhancing public recreation opportunities and facilities throughout the City. Listed below are observations, questions, and recommendations regarding subsections and policies discussed in the Recreation Element:

Policy on development of a Parks Master Plan

The Recreation Element recommends that a comprehensive Parks Master Plan (PMP) be prepared to inventory and assess all City park lands, recreational uses, facilities and services, set priorities for protection and enhancement of existing park and recreation assets, and develop implementation strategies to meet present and future community needs.

The PMP will become the critical foundation for decision-making related to the development of future parks and recreational facilities, as it will identify communities that may be park-deficient, and may detect possible inequities in the distribution of park and recreational facilities throughout the city. Updates to community plans are to be consistent with the PMP. Success of the Recreation Element is contingent on the ability to create a thorough and timely PMP. The IBA offers the following questions concerning the development of a Parks Master Plan:

- Will the PMP be prepared by city staff, or will consultant services be necessary?
- What is the estimated cost and required timeframe to prepare the PMP?
- Will the PMP be revised or updated at regular intervals?

Table RE-3 Parks Guidelines (Page RE-30)

Table RE-3 Parks Guidelines (Page RE-30) calls for a minimum standard of 2.8 acres per 1,000 population for population-based Community Parks and Neighborhood Parks. According to Table RE-2, Existing Park and Open Space Acres within the City of San Diego, the City, in total, currently has 2.22 gross acres (and 1.32 net useable acres) per thousand, however the minimum standard is unclear as to whether it refers to gross or net useable acreage calculations. This lack of clarity may lead to ambiguous interpretations of the standards meant to be defined in the plan.

While the table showing existing park and open space acres helps provide context, especially in comparison to the minimum standards, similar information related to the type and number of current recreational facilities in not provided. Without this information, it is unclear how facilities compare to the standards provided.

Policy RE-F.1.h states "Include measurements of recreation performance based on Table RE-2, Existing Park and Open Space Acres within the City of San Diego." The IBA fully supports the inclusion of measurements of performance of all kinds in every aspect of the plan.

- ***Recommendation:*** Include the measurements used in the Recreation Element in future annual budget documents to provide citizens with information reflecting levels of service provided in conjunction with budgetary data.

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 require the commitment of significant City resources, now and in the future, without citing any order of magnitude or the identification of potential funding sources.

The IBA recognizes the importance of the City having an updated General Plan in place, and looks to contribute to the dialogue to raise important questions or issues related to the implementation of the plan, once adopted by Council. It is important that the City provide a plan that is realistic and can be implemented.

SIGNED

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