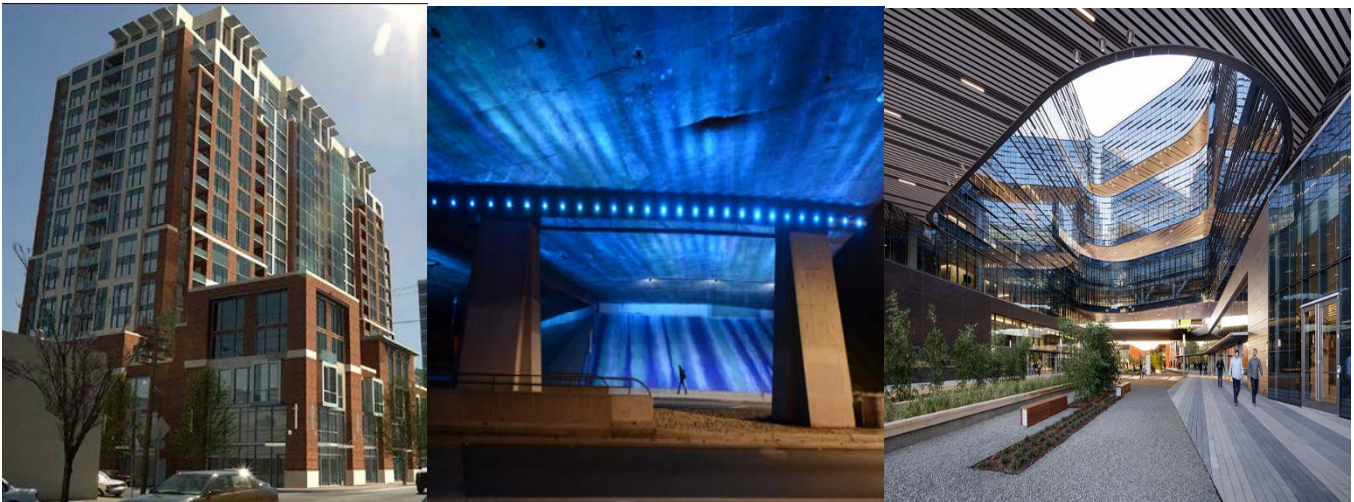


Community and Economic Development



***Mission:** To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings*

Primary Partners

Economic Development
Fire
Housing
Planning, Building and Code
Enforcement
Public Works

CSA OUTCOMES

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks

City Service Area
Community and Economic Development
SERVICE DELIVERY FRAMEWORK

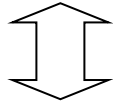
CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists

Community & Economic Development CSA

Mission:

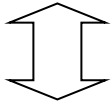
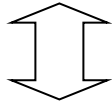
To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings



CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners

Outcomes:

- Strong Economic Base
- Safe, Healthy, Attractive, and Vital Community
- Diverse Range of Housing Options
- Range of Quality Events, Cultural Offerings, and Public Artworks



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

City Manager - Office of Economic Development

Core Services:

Arts and Cultural Development

Business Development and Economic Strategy

Real Estate Services

Regional Workforce Development

CORE SERVICES
 Primary deliverables of the organization

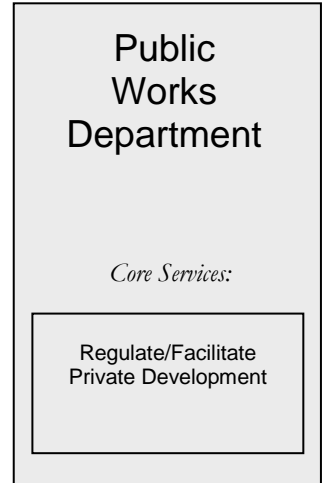
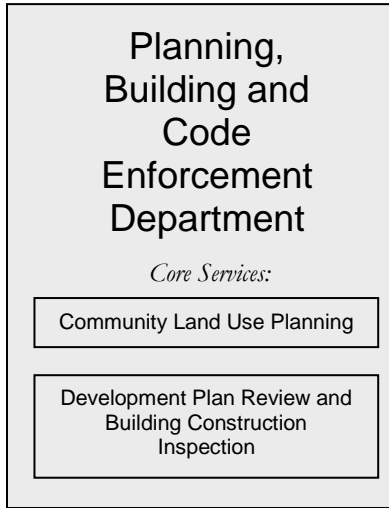
Fire Department

Core Services:

Fire Safety Code Compliance

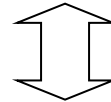
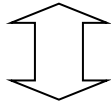
City Service Area
Community and Economic Development
SERVICE DELIVERY FRAMEWORK

PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

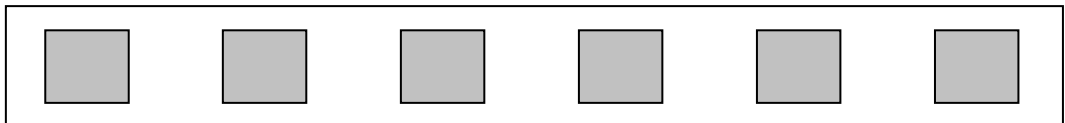


CORE SERVICES
 Primary deliverables of the organization

PROGRAMS
 Elements of Core Services; the "front-line" of service delivery



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery



Community and Economic Development

Expected 2018-2019 Service Delivery

- ❑ Engage and assist companies that can create jobs and expand the City's tax base, with particular focus on emerging growth companies, anchor employers and revenue generators, and attracting foreign investment.
- ❑ Continue to lead and partner with collaborative initiatives such as the Silicon Valley Manufacturing Roundtable, SF Made, MFG: SJ, the Silicon Valley Economic Development Association, and the Silicon Valley Organization.
- ❑ Facilitate the implementation of Urban Villages through a comprehensive framework that provides funding for enhanced community amenities while spurring development.
- ❑ Formulate retail strategies for North San José, Downtown, and Citywide that position San José to capture tomorrow's retailers that will enhance City revenues and activate neighborhoods and ground-floor spaces.
- ❑ Implement Housing Crisis Workplan, including amendments to General Plan, Zoning Ordinance, and North San José Area Development Policy.
- ❑ Manage local implementation, promotion, and monitoring of federal Opportunity Zone program to facilitate investment in qualified communities.
- ❑ Continue to provide a wide range of re-employment services through work2future to residents who are unemployed and underemployed by creating opportunities to earn job skills and credentials in growing-demand occupations including advanced manufacturing, information technology, and construction.
- ❑ Manage the City's land assets with a focus on streamlining the property leasing management of the City's real estate assets and focus on revenue generation.
- ❑ Ensure a coordinated City effort to facilitate Google and Diridon area development.
- ❑ Manage the Google Diridon work plan for 2018-2019 including the Station Area Advisory Group (SAAG) work, completion of the Memorandum of Understanding (MOU), and a Purchase and Sale Agreement (PSA) for the project.
- ❑ Manage the City's operating agreements for the Convention Center, Cultural Facilities, and SAP Center.
- ❑ Implement work2future's local plan to convene a network of mandatory and non-mandatory partners authorized under the Workforce Innovation and Opportunity Act of 2015 (WIOA) to leverage funds and continue to provide employment and training services to job seekers and employers in the local area.
- ❑ Launch new career pathways Sector Strategy Initiative to engage advanced manufacturing companies and job seekers with a comprehensive workforce system approach.
- ❑ Transition fully to a single integrated State of California data system (CalJOBS) by July 1, 2018 to ensure consistently defined and applied data elements and facilitate compliance with performance reporting and evaluation requirements.
- ❑ Implement city-wide "San José Creates & Connects," a neighborhood creative placemaking initiative and other city-wide placemaking activities and strategies, including Make Music Day San Jose, neighborhood gateway galleries, and the #408Creates public communications efforts.
- ❑ Lead the stewardship of cultural facilities in partnership with non-profit partners, through O&M agreements with the Children's Discovery Museum; San José State University (Hammer Theatre Center); Tech Museum of Innovation; San José Museum of Art, School of Arts and Culture at MHP; and History San José. Support the acquisition of a permanent site for the San José Stage Company theater and the development of a Levitt Pavilion San José.
- ❑ Support the management and activation of the convention and cultural facilities managed by Team San José, as well as its convention and visitor bureau activities.

Community and Economic Development

Expected 2018-2019 Service Delivery

- Implement the first phase of the downtown wayfinding program to encourage pedestrian exploration, and connect people to local and regional transit.
- Expand the Downtown and North San José banner programs to provide additional opportunities to support public facilities, events, and messages.
- Continue to support the City's partnership with the San José Sports Authority by managing City services for signature events such as the 2019 College Football Championships, National Hockey League All-Star Game, the NCAA Men's Basketball Championships, and the Amgen Tour of California.
- Continue to implement the *Public Art Next!* master plan through high impact public art city-wide such as the Playa to Paseo initiative developed between an innovative partnership between the Office of Cultural Affairs and Burning Man Project.
- Complete plans for East Santa Clara and Berryessa/BART Urban Villages.
- Commence the planning process for the North 1st Street and Eastside Alum Rock Urban Village plans.
- Bring to the City Council for consideration an Environmental Impact Report (EIR) and Transportation Program for the West San José Urban Villages (Santana Row, Stevens Creek, South Bascom, West San Carlos, and Winchester)
- Complete the Downtown Strategy 2040 EIR to increase development capacity for residential and office development in Downtown.
- Finalize and implement policy changes geared toward further economic growth and development of the downtown core including policy around vacant storefronts, building heights with respect to airport operations and large-format off-site advertising.
- Continue to support local small businesses and entrepreneurs through the BusinessOwnerSpace.com (BOS) collaborative consisting of over 25 government, non-profit, and private-sector partners.
- Continue to facilitate and coordinate multilingual "Doing Business in San Jose" workshops at various community locations throughout San José.
- Amend the North San José Area Development Policy to allow between 4,000 and 8,000 housing units from Phase II to be constructed.
- Work with the San José Police Department on exploring municipal ordinance changes that could allow cannabis distributors, manufacturers, and testing labs to operate in San José.
- Amend the Envision San José 2040 General Plan with multiple text amendments and the movement of Horizon I and II Urban Villages on Light Rail into Horizon I, to facilitate the construction or entitlement of 25,000 housing units by 2023.
- Complete Electronic Billboard Signage Ordinance Adoption Phase I, which will identify City-owned sites, city-wide, that are eligible for electronic billboards and amend the General Plan and Zoning Code to allow electronic billboards on these locations.
- Initiate Electronic Billboard Signage Ordinance Adoption Phase II to identify privately-owned sites that are eligible for electronic billboards and amend the Zoning Code to allow electronic billboards on these sites.
- Complete an update to the City's Lighting Policy to no longer require use of low-pressure sodium lights for private development as these lights are no longer manufactured.
- Streamline the City's Sidewalk Café process to align the Zoning Ordinance with the City's interdepartmental goals/principles of easy urbanism.
- Update the Cannabis Distribution/Testing/Manufacturing Ordinance to determine the parameters upon which cannabis product manufacturing, testing, and distribution could be allowed on industrial sites.

Community and Economic Development

Expected 2018-2019 Service Delivery

- ❑ Complete quarterly updates to the Zoning Code to correct inconsistencies and errors found in the Zoning Code, bring the code into conformance with State and Federal law changes, and to facilitate development.
- ❑ Continue to work with VTA and other partners on planning and design for the extension of BART service into downtown San José.
- ❑ Continue to work with the Habitat Agency and co-permittees to implement the Santa Clara Valley Habitat Conservation Plan, including review and processing of Habitat Conservation plans and the collection of fees for continued coverage under the plan.
- ❑ Based on the recent *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report*, adjustments to permit fees are recommended to maintain full cost recovery, as discussed in the 2018-2019 Fees and Charges document. The revenue from these adjustments to the fees is discussed in more detail in the General Fund Revenue section of this document.
- ❑ Continue to support and expand the Streamlined Restaurant Program to provide customer-specific targeted permitting, plan review, and coordination with the Santa Clara County Health Department to small business customers who wish to open a restaurant in San José. Phase I of the program was completed in 2017-2018. Phase II will develop a “Thoroughly Prepared Designer” criteria that would require less permit review time and expedite approval process.
- ❑ Continue to assist small businesses, with the tri-lingual Small Business Ally team, by conducting public trainings and workshops, responding to general and current project inquiries, and leading customers through permitting and inspection processes.
- ❑ Continue to provide simple and efficient online permit and combination inspection scheduling for residential solar photovoltaic installations and electric vehicle charging stations and expand the program to include commercial, industrial, and battery storage installation projects.
- ❑ Develop a Plan Check Priority List to streamline the plan review process for residential and expand to include commercial, industrial, and electric vehicle, decreasing the overall time spent on the review process and ensure the priorities on the list are verified accordingly.
- ❑ Increase housing and service opportunities for the City’s homeless residents, through AB 2176, with the Building Division continuing to develop the Emergency Bridge Housing/Emergency Cabin Ordinance.
- ❑ Raise awareness to minimize damage from seismic events and further ensure public health, safety, and welfare by promoting seismic preparedness, with Building Development Services being the advocate for and encouraging soft story building retrofits and bracing and bolting of crawl spaces in residential buildings.
- ❑ Continue to improve and better coordinate Downtown construction activity/outreach as the City center redevelops to ensure safe and efficient multi-modal connectivity through construction zones.
- ❑ Continue to hold development industry discussions on stormwater compliance issues for private development projects while improving communications and outreach to development customers.
- ❑ Provide program level support, permitting/inspection services, and process improvement/project streamlining necessary to support the City Manager’s Office of Civic Innovation’s efforts to fulfill the City’s Smart City Vision, which includes the Broadband and Digital Inclusion Strategy.
- ❑ Plan and execute marketing communications programs including branding, advertising, media relations, and collateral materials that support economic development service delivery initiatives.

Community and Economic Development

Expected 2018-2019 Service Delivery

- Submit an application in early July 2018 to the California Hazard Mitigation Grant Program to develop a Soft Story Seismic retrofit incentive program.
- Release \$100 million of new funding for affordable housing developments to provide for up to 800 affordable apartments.
- Complete construction on 836 affordable apartments that will provide housing for 521 chronically homeless individuals.
- Identify at least two affordable housing developments to apply for the Affordable Housing and Sustainable Communities Program to leverage both affordable housing and infrastructure funds.
- Fund 200 rental subsidies and supportive services for up to 200 individuals and families at any given time.
- Fund outreach services to identify and refer homeless residents into permanent supportive housing developments.
- Partner with Destination: Home, a public-private partnership, in its continued implementation of the Community Plan to End Homelessness.
- Develop a comprehensive dashboard to better communicate the outcomes of homeless services and housing.
- Implement the pilot rehabilitation loan program to provide housing for homeless veterans.
- Continue to implement city-wide homelessness response programming through crisis response systems, including outreach and engagement services, mobile case management, overnight warming locations, encampment abatement, and deterrent measures.
- Continue to promote, support, and expand the Temporary and Incidental Shelter Program to provide temporary shelter at sites designated for assembly use.
- Implement the 2018-2019 Annual Action Plan authorizing the use of approximately \$20 million in federal funds to increase and preserve affordable housing, respond to homelessness, strengthen neighborhoods, and promote fair housing.
- Fund a legal services program for low-income tenants and landlords.
- Implement the Apartment Rent Ordinance, Tenant Protection Ordinance, and Ellis Act Ordinance. Develop an outreach and education program to inform landlords and tenants of new and existing regulations.
- Create a Moderate-Income Strategy workplan to promote housing opportunities for San José residents who typically receive no housing subsidies but are suffering in our expensive housing market.
- Begin development of broad Anti-Displacement platform, which identifies existing and new strategies to protect vulnerable residents.
- Develop Tenant Preference policies for affordable apartments as a tool to protect local vulnerable populations.
- Develop a Source of Income Ordinance and accompanying strategies to combat discrimination against rental subsidy holders and to increase landlords' acceptance of rental subsidies.
- Initiate the process to update the City's Affordable Housing Dispersion Policy.
- Implement a pilot education program to promote the construction of Accessory Dwelling Units.
- Added a Citywide Planning Deputy Director and an Assistant to the Director positions to the Planning, Building and Code Enforcement Department, which will provide additional capacity and leadership focus for the Department to address citywide planning needs for a city with plans for significant future growth.

Community and Economic Development

Expected 2018-2019 Service Delivery

- Develop a communication plan and materials to support the Housing Department's programs including enhancing the website by the Department's new Public Information Team.
- Complete the negotiation of a new agreement with the Santa Clara County Housing Authority for the administration of the City Housing Authority Housing Choice Voucher Program.
- Continue to provide career pathway internships and increased employment opportunities through the San José Works Program for 1,000 youth.
- Make use of innovative technology. Implement the fully Integrated Permitting System, which includes: electronic plan submittal review, mobile inspections, and an improved public portal on the website.
- Continue to provide on-site code inspections and code plan review services to the City of San José business community and residents.
- Implement a database for tracking required maintenance of building fire protection systems.
- Complete the Assembly Shelter Ordinance to allow organizations to provide temporary shelter at sites designated for assembly use.
- In partnership with the Silicon Valley Regional Interoperability Authority, replace the existing public safety radio systems currently in use in Santa Clara County with new systems that will improve in-building public safety radio coverage and reduce the need for developer-funded signal enhancement systems.
- Initiate the process to update the City's Affordable Housing Dispersion Policy.
- Partner with the Santa Clara County Office of Supportive Housing on Measure A (affordable housing bonds) implementation.
- Complete modifications to the Apartment Rent Ordinance. Implement Tenant Protection Ordinance (formerly known as the Anti-Retaliation and Protection Ordinance) and Ellis Act Ordinance.

2018-2019 Key Budget Actions

- ❑ Adds ongoing funding of \$1.5 million to continue the San José Works Youth Jobs Initiative as directed in the Mayor's March Budget Message for 2018-2019.
- ❑ Adds one-time funding of \$200,000 to support business communications, small business support, and other programmatic needs to support core economic development services.
- ❑ Adds one-time funding of \$50,000 to support the partnership formation, project design, and implementation services provided by the Silicon Valley Talent Partnership (SVTP).
- ❑ Adds one-time funding of \$1.58 million, offset by revenue of \$1.33 million, to continue the planning activity, provide the resources that are required, and ensure that the properties surrounding the Diridon Station Area are developed in ways that best benefit the City and its residents.
- ❑ Adds one-time funding of \$150,000 to the Economic Development Pre-Development Activities appropriation to the Office of Economic Development (OED) to fund consultant services, studies, appraisals, pro-forma analysis, costs related to Development Services partners' work, economic and fiscal analysis, and property management costs which are not covered by other departments.
- ❑ Adds one-time funding of \$100,000 for repairs and upgrades of the downtown ice rink in support of Downtown Ice as directed in the Mayor's March Budget Message for 2018-2019.
- ❑ Adds 1.0 Events Coordinator II position in the Outdoor Events Program to support the coordination of over 500 event days city-wide, the attraction and support of large destination events, and event production.
- ❑ Adds one-time funding of \$150,000 to help draft proposed Municipal Code and policy changes, such as those identified in the work program of the Envision San José 2040 General Plan's Housing Element (as certified by the State), the phases of the Council-adopted Sign Code Update strategy adopted by Council in 2010 as part of the Comprehensive Sign Code Update, and various Council-directed policy priorities, including electronic billboards, simplifying the application process for legal, non-conforming uses, Urban Village financing, and streamlining the permit process for sale of alcohol at grocery stores.
- ❑ Continues 5.0 positions (2.0 Planner IV, 1.0 Senior Analyst, 1.0 Senior Engineer, and 1.0 Supervising Applications Analyst) through June 30, 2019 to support the Integrated Permit System (IPS) project that is anticipated to be completed by June 2020.
- ❑ Continues 1.0 Planner III through June 30, 2019 to review environmental documents for public projects that require CEQA review, providing non-fee funded support to other City departments.
- ❑ Continues 1.0 Planner II through June 30, 2019 to support work Urban Village plans development, including N. 1st Street, Berryessa/BART and the West San José Environmental Impact Report as well as the new Eastside Alum Rock Urban Village.
- ❑ In the Public Works Development/Utility Fee Program, adds 7.0 (1.0 Senior Construction Inspector, 1.0 Building Inspector Combo, 1.0 Principal Engineering Technician, 1.0 Senior Engineer Technicians, 1.0 Principal Engineer, and 2.0 Engineers) with two vehicles to support the City's Smart City Vision and Broadband Strategy. These positions will provide program level support, and permitting/inspection services associated with small cell utilities. These positions will support the City Manager's Office of Civic Innovation's efforts to fulfill the City's Smart City Vision, which includes the Broadband and Digital Inclusion Strategy. Additionally, the Principal Engineer will lead a process improvement/streamlining project to provide consistent and streamlined permitting and inspection services to utility companies (e.g. telecoms).

City Service Area
Community and Economic Development
BUDGET SUMMARY

City Service Area Budget Summary

	2016-2017 Actual*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed
Dollars by Core Service				
<i>City Manager - Office of Economic Development</i>				
Strategic Support - Other - Community & Economic Development	n/a	1,657,765	1,173,795	1,600,463
Strategic Support - Community & Economic Development	n/a	3,662,182	3,165,926	5,163,257
Arts and Cultural Development	n/a	37,324,939	30,074,120	31,356,389
Business Development and Economic Strategy	n/a	8,769,399	7,521,473	7,918,219
Regional Workforce Development	n/a	9,934,891	10,592,999	11,173,322
Real Estate Services	n/a	2,304,092	2,144,655	2,144,655
<i>Fire Department</i>				
Fire Safety Code Compliance	n/a	5,363,050	5,960,050	5,960,050
Strategic Support - Community & Economic Development	n/a	1,173,621	541,837	700,127
<i>Housing Department</i>				
Strategic Support - Other - Community & Economic Development	n/a	4,935,548	4,216,365	2,536,680
Strategic Support - Community & Economic Development	n/a	3,318,791	3,686,483	3,875,296
Rent Stabilization and Tenant Protection	n/a	1,400,538	1,752,394	2,520,543
Neighborhood Capital Investment and Public Services	n/a	10,601,478	10,613,592	17,384,871
Affordable Housing Portfolio Management	n/a	1,867,825	1,884,612	2,135,425
Homelessness Interventions and Solutions	n/a	13,027,526	10,635,081	19,905,155
Affordable Housing Production and Preservation	n/a	33,436,518	33,725,457	27,351,245
<i>Planning, Building and Code Enforcement Department</i>				
Strategic Support - Other - Community & Economic Development	n/a	947,882	839,551	916,306
Strategic Support - Community & Economic Development	n/a	2,441,651	2,180,881	2,055,564
Development Plan Review and Building Construction Inspection	n/a	36,430,980	35,008,643	35,937,241
Citywide Land Use Planning	n/a	5,393,890	3,781,601	4,441,276
<i>Public Works Department</i>				
Strategic Support - Other - Community & Economic Development	n/a	1,350,000	650,000	650,000
Regulate/Facilitate Private Development	n/a	12,087,459	13,136,712	14,658,822
Total CSA	n/a	\$197,430,025	\$183,286,227	\$200,384,906
Authorized Positions	n/a	474.79	472.49	499.11

* Data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

** Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from the display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

Community and Economic Development

2018-2019 Key Budget Actions

- ❑ In the Fire Development Fee Program, extends 1.0 limit-dated Senior Engineer and related non-personal added as part of the Integrated Permitting System implementation.
- ❑ Makes permanent 1.0 Development Officer position in the Rapid Rehousing Program to support homeless programs including overnight warming centers, church shelters, mobile/hygiene services, and support for rapid rehousing programs.
- ❑ To implement changes to the Tenant Protection Ordinance limiting no-cause evictions and establishing new requirements for property owners, adds 3.0 Analyst, 1.0 Staff Technician, 1.0 Office Specialist, 1.0 Deputy City Attorney IV, and extends 1.0 limit-dated Information Systems Analyst positions to the Rental Rights and Referrals Program.
- ❑ To establish a Public Information Team to respond to the large number of media and community requests for information directed at the Housing Department, adds 1.0 Public Information Manager and 1.0 Public Information Representative positions offset by eliminating 1.0 Public Outreach Worker.
- ❑ To oversee all affordable housing transactions, adds 1.0 Housing Policy and Planning Manager position. The Housing Department is planning to issue a \$100 million Notice of Funding Availability and anticipates underwriting a large number of new projects in response to the City's 10,000 affordable housing unit goal.
- ❑ To manage increased numbers of homeless contracts and State and Federal grants, adds 1.0 Analyst position offset by the elimination of 1.0 Staff Specialist and 1.0 part-time Community Activity Worker in the Grants Management Team.
- ❑ In coordination with the Office of Emergency Management, adds one-time funding of \$100,000 to fund half of consultant costs to develop an Emergency Housing Plan.
- ❑ Provides \$175,000 in one-time consultant funding for the third phase of a consultant agreement with Tax Credit Asset Management for the automation of revenue projection models.

Service Delivery Accomplishments

- Facilitated the attraction, relocation, and expansion of signature companies including Google, Broadcom, Adobe, Super Micro Computer, Okta, and Jabil.
- Facilitated the transition of several historic buildings in Downtown San José to new owners who have significant renovation plans, including the Saratoga Capital building and the iconic Bank of Italy building.
- Facilitated the attraction and expansion of companies Downtown including Wrike, Okta, and Cohesity.
- Completed a North San José retail strategy, including zoning changes, and kicked off citywide and downtown retail strategies.
- Provided detailed recommendations to the California State Department of Finance on the selection of San José census tracts for the newly-established federal Opportunity Zones to optimize the city's unique opportunities and challenges for redevelopment in key zones near BART expansion, urban villages, and growth areas.
- Spearheaded the creation of Manufacture: San José (MFG:SJ), a new non-profit to serve the San José's hundreds of small-to-medium sized locally owned manufacturing businesses.
- Responded to Amazon's Request for Proposals with a marketing pitchdeck that was designed to be re-purposed for general business attraction use.
- Organized the Silicon Valley Manufacturing Roundtable in December 2017, hosting approximately 100 professionals in the manufacturing sector including original equipment manufacturers, service providers and government partners from around the region.
- Convened a Sector Partnerships task force to increase career pathways for manufacturing workforce in the San José area, bringing together 30 competing companies to work together toward common goals in increasing the talent pipeline and training opportunities within the manufacturing sector.
- Engaged more than 300 companies in business outreach visits and pre-development or permit facilitation assistance.
- Successfully sold approximately 16.6 acres of land remaining at FMC for approximately \$36.4M which retired all debt on the FMC property and eliminated annual debt service payments of \$2.8M per year.
- Received Council approval for an Exclusive Negotiating Agreement, a Compensation Agreement with Google for development of the Diridon area, including extensive community outreach for the project which has begun with the formation of the Station Area Advisory Group (SAAG).
- Assisted more than 1,400 small businesses looking to establish or expand in San José through the Small Business Ally Program.
- Awarded \$200,000 in Storefronts Activation Assistance Grants to 19 locally owned small businesses and community organizations.
- Expanded distribution of the Downtown map to San José Norman Y. Mineta International Airport and Content Magazine.
- Executed master agreement for wayfinding and design services for a permanent wayfinding program in the Downtown core.
- The Special Tenant Improvement (STI) program issued approximately 606 permits for 192 projects with a valuation of over \$165 million and 1.9 million in square feet of construction space. Large projects included: Amazon, Adobe, Boston Scientific, Broadcom, EBAY, HGST, Jabil, Oracle, Silver Springs Networks, Western Digital, and Xylinx.
- The Industrial Tool Installer (ITI) program issued 166 permits for 60 projects with a total valuation over \$12 million and 20 thousand square feet of construction space. Some notable projects included: Cisco, Canon, Lumentum, Intel, Thin Film, and Western Digital.

Service Delivery Accomplishments

- The Streamlined Restaurant Program Team was a recipient of the 2017 Pride of San José award. Following a pilot effort in 2016, the City's Building Division officially implemented its Streamlined Restaurant Program early last year and was able to reduce plan review time for restaurant projects from four to six months down to approximately one month or less. The program helps qualified, small business restaurants and cafés obtain their City and County permits in a smooth and expedited fashion. Bilingual staff are available on-site to help customers who may need assistance in Spanish and Vietnamese.
- International Code Council (ICC) awarded the Building Division with the Community Service Award. Residents rely on the City of San José's Building Development Services for the daily business of getting permits, scheduling inspections, and gathering building code information, but Building Development Services goes beyond in promoting public health, safety, and welfare for the community in San José. Building Development Services frequently holds open houses, workshops, and training sessions to educate customers about home improvements, the changing building codes, and the permitting process. In 2016, Building Development Services conducted over 220,000 inspections, processed more than 17,000 plan reviews, and issued approximately 37,000 permits.
- Building Development Services received the Building Department of the Year award from California Building Officials (CALBO), an honor for providing quality service to constituents through a series of programs, including reaching out to the "Next Generation of Building Officials" at local high schools and colleges; a highly-successful Streamlined Restaurant Program; an award-winning Over-the-Counter streamlined home improvement service from the Permit Center; an expanded Coordinated Plan Review Program for new multifamily and commercial/industrial buildings; a tri-lingual Small Business Ally Team; and a Special Tenant Improvement Team.
- The Planning Development Services development review team processed over 300 land use entitlement permits for residential, commercial, and industrial projects.
- Collaborated with the Department of Transportation to prepare a new Council Policy 5-1 to replace the vehicular Level of Service (LOS) metric with a Vehicle Miles Traveled (VMT) metric for transportation analysis under the California Environmental Quality Act in conformance with State Legislation (SB 743).
- Prepared the environmental sections of a detailed report on the effects of the privately-initiated Evergreen Senior Homes Initiative under the provisions of California Elections Code Section 9212.
- Prepared Environmental Impact Reports for major development projects, including America Center III, Cilker/Microsoft, and Museum Place.
- Completed review of 22 Habitat Conservation Plan applications, including major projects such as Communications Hill and Evergreen Circle.
- The Historic Landmarks Commission recommended the nomination of two separate Conservation Areas in the Greater Gardner neighborhood.
- Received awards for excellence in public outreach from the California Chapter of the American Planning Association and at the national level for the tutorial video entitled: "How to Make an Addition to Your Single Family Residence."
- City Council adoption of the Santana Row/Valley Fair, Winchester, and Stevens Creek Urban Village Plans.
- Density Bonus Ordinance approved by City Council to comply with the City's Housing Element which requires that the City adopt a Density Bonus Ordinance and State Law.
- Completed Tree Permit Streamlining Ordinance to streamline the tree removal permit process for the public.
- City Council passed the Incidental Shelter Ordinance to help address the growing homeless population issues within the City. This ordinance provides rules and regulations for allowing incidental shelter use on properties currently being used for assembly use.

Service Delivery Accomplishments

- Completed additional amendments to the Mobilehome Park Ordinance, adding provision for the consideration for the conversion of mobilehome parks to other uses.
- City Council approval of zoning code, General Plan, and North San José Area Development Policy amendments to facilitate the development of new retail and amenities in North San José.
- Completed the Four-Year Review of the Envision San José 2040 (General Plan) with City Council approval of staff and Task Force recommended amendments to the General Plan. Completed The Alameda Urban Village Plan and obtained City Council approval.
- City Council approval of the San José Urban Agricultural Incentive Zone Ordinance, an ordinance allowing temporary large banner signs/supergraphics in the Downtown Sign Zone, and zoning code provisions with respect to riparian setbacks and development of bird-safe buildings.
- City Council approval of municipal code modifications providing more flexibility for and facilitating secondary detached residential units on residential parcels.
- Provided services and subsidies for 200 transitionally homeless households, and services for an additional 180 chronically homeless individuals. Continued to implement an inclement weather shelter program that provided approximately 120 beds at four overnight warming locations at City-owned facilities during extreme weather conditions.
- Closed construction funding for Villas on the Park, which will serve 83 formerly homeless individuals.
- Committed \$20 million to affordable housing developments and site acquisitions to create 64 new or newly-affordable apartments.
- Completed a multifamily affordable housing loan revenue projection model to accurately predict loan repayments.
- Conducted over 500 encampment clean-ups with the Santa Clara Valley Water District, removing 1,000 tons of trash.
- From the Homeless Concerns Hotline, received approximately 5,000 phone calls and emails regarding homeless encampments, input all correspondence in a database and deployed outreach services to the reported locations.
- Developed and implemented an inclement weather shelter program that provided approximately 150 beds of nightly emergency shelter and refuge at religious assemblies and City-owned facilities during extreme weather conditions.
- Secured \$27.9 million in State funding to help fund two affordable housing developments in San José helping to create nearly 300 apartments for chronically homeless Veterans and low income individuals as well as greenhouse gas reducing transportation improvements under the State Affordable Housing and Sustainable Communities “Cap and Trade” program. Modified the Apartment Rent Ordinance to set limits on rent increases, establish a process to obtain certain capital improvement pass throughs, and impose a rent registry requirement.
- Modified the Tenant Protection Ordinance (TPO) to reduce the categories of additional family members covered by the exemption to the TPO’s allowed eviction for material or habitual rental agreement violation.
- Worked with Assembly member Nora Campos and State officials to pass AB 2176, which enables San José to pilot a special building code for Emergency Bridge Housing on selected sites.
- Closed construction funding for Second Street Studios, which will be the City’s first 100% Permanent Supportive Housing development for the chronically homeless.
- Issued a notice for funding availability (NOFA) for Homeless Developments together with the County’s Housing Authority and the County – the Housing Department’s first ever jointly-issued NOFA and obtained City Council approval for one of two eligible San José development applications. Committed \$44.9 million to affordable housing developments and site acquisitions to create over 300 new or newly-affordable homes, including commitments to support 345 new homes for homeless residents, per the Adopted Affordable Housing Investment Plan (2015-2016 through 2016-2017) that established the spending plan for \$103.5 million in affordable housing resources.

Service Delivery Accomplishments

- Adopted the Affordable Housing Investment Plan (2016-2017 through 2017-2018) that established the spending plan for \$48.2 million in affordable housing resources through 2017-2018.
- Activation of the convention center and cultural facilities managed by Team San José through high profile events with key partners like Apple.
- In 2017-2018, the City's Office of Cultural Affairs Special Events staff coordinated an estimated 497 events city-wide, including signature sporting events, neighborhood street festivals, farmers' markets, and fun runs. The continued uptick for special events coordinated is due to more marches, filming activities and new events conducted on private property. Additionally, over 350 additional activities were facilitated by staff as "information only" activities during this calendar year and included placemaking events, public art installations, etc.
- Through private/public partnerships, completed *Paradise of Dreaming* at the Airport and a largescale bronze installation at the new Berryessa BART station. Released two RFQ's, and received 176 applicants for two projects that are part of Illuminating Downtown, an initiative aimed at animating Downtown through interactive, artist-designed lighting projects.
- Launched year one of Playa to Paseo, an innovative partnership between the Office of Cultural Affairs and Burning Man Project. Year one projects included the successful *Sonic Runway*, *Ursa Mater*, and *Tara Mechani*.
- Produced participatory cultural events – Make Music Day San José, CityDance and Sonic Runway: Experiments in Sound Series
- Stewarded approximately \$4.5 million in investments of Transient Occupancy Tax (TOT) funding through the Cultural Funding Portfolio, awarding approximately 100 grants to nonprofit organizations providing arts and cultural programming.
- work2future placed 950 youth in subsidized and unsubsidized youth opportunities through the San José Works Program.
- Over 1,500 work2future participants secured employment with anticipated quarterly earnings of up to \$36 million.
- Conducted 10 "Doing Business in San José" workshops that provided over 180 attendees opportunities to network and learn about business-assistance programs and resources
- Coordinated two Small Business Week events in May 2018 for more than 200 attendees each including 1) the 7th Annual Summit on Entrepreneurship and Innovation with Santa Clara County, and the Small Business Development Center and other BusinessOwnerSpace.com partners with an emphasis on immigrant business owners, and 2) the 2018 San Jose Youth Entrepreneurship Summit with Network for Teaching Entrepreneurship and supported by Citi Foundation and IBM.
- Performed an estimated 6,000 new construction and tenant improvement plan checks and 8,500 new construction and tenant improvement inspections.
- Published Wildland-Urban Interface guidelines to assist developers and homeowners with safe construction and vegetation management in wildfire-prone areas.
- Worked with Santa Clara County fire marshals and industry experts to establish mobile fueling guidelines and issued related operation permits.
- Added a limit-dated Principal Planner position to serve as the City's Historic Preservation Officer and provide focused management of the historic consultant contracts and survey strategy along with attending Historic Landmarks Commission meetings and public hearings for the designation of historic resources, conservation areas, and historic districts.

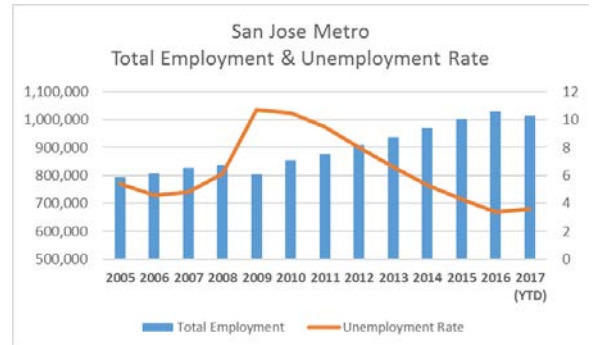
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Service Delivery Environment

- **Job Growth and Employment:** Unemployment for the San José metro area and City of San José dropped to historically low numbers (3% vs. 2.9%). As of February 2018, total employment in the metro area was 1.05 million, representing 2.4% annual growth since February 2017. As of June 2017 (the most current period available), the City of San José was home to 402,689 payroll jobs, representing a 12.2% year-over-year increase. Currently, San José is home to a labor force of 556,500 of whom 540,200 are employed. An estimated 16,300 San José residents are unemployed, representing a decrease from 21,100 in February 2017.



- **Housing Affordability:** According to the Santa Clara County Association of Realtors, the median sales price of a single family home in San José as of February 2018 was \$1,205,000, an increase of 26% from February 2017's median sales price of \$955,000. Median sales prices for condominiums/townhomes for February 2018 was \$720,000, an increase of 19% from February 2017's median price of \$605,500. As long as the economy remains robust, the tight housing inventory, relatively low interest rates, and strong demand for housing in San José will likely lead to higher housing prices.
- **Rental Market:** Rents in San José continue to remain among the highest in the nation and, therefore, unaffordable to lower-income residents. However, rents appear to have flattened over the past twelve months. According to Rent Jungle, the average rent for a market-rate one-bedroom as of February 2018 was \$2,479, signifying no change from the year prior. Over the same time period, the average rent for a market-rate two-bedroom was \$3,085, a decrease of 3%. Assuming that no more than 30% of income goes to housing costs, a household would need to earn \$99,160 annually to afford a one-bedroom apartment and \$123,400 for a two-bedroom apartment in San José. As of Q4 2017 San José's overall vacancy rate was 5%, in-line with what is deemed the ideal vacancy rate of a healthy rental market. The demand for affordable housing far exceeds the supply and the vacancy rate for affordable housing is nearly 0% as evidenced by long wait lists at most developments.

CSA Priorities/Key Services

- Engage driving industry and revenue-generating companies to help facilitate their retention and growth in San José.
- Support the start-up and growth of new businesses.
- Promote San José as the premier destination for scaling companies, highlighting advantages in cost, lifestyle, and business climate.
- Increase jobs in the City of San José through widespread recruitment efforts.
- Manage and implement economic development branding to communicate the advantages of living and working in San José.
- Continue to provide high quality land-use development and permitting services for all customers.
- Continue to manage the City's real estate assets.
- Continue to invest in development process improvements in coordination with stakeholders to improve speed, consistency, predictability, and customer experience.
- Ensure that the City speaks with "one voice" on development issues while improving the speed, consistency, and predictability of the development review process.
- Continue to offer re-employment services to residents and businesses through work2future.

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- Support the provision of a range of quality arts, cultural, sports, and entertainment offerings that appeal to San José’s diverse community.
- Identify strategies to fund affordable and permanent supportive housing, transportation, and Urban Village infrastructure needs.
- Identify strategies to increase production of moderate-income housing.
- Ensure that residents have a diverse range of housing options by increasing housing opportunities for people of all income levels, ages, abilities, and household types.
- Increase housing and services opportunities for the City’s homeless residents, including those living in encampments.
- Continue to develop and implement policies, procedures, strategies, and tactics that will enhance the economic and social viability and vitality of downtown San Jose for continued growth and development.
- Champion the City’s public life strategy for the well-being of its residents.

Development Services Budget Summary

**2018-2019 Proposed Operating Budget
 Development Fee Program Summary**

	<u>Revenue</u>	<u>Cost</u>	<u>% Cost Recovery*</u>	<u>Positions</u>	<u>Works-in-Program Reserves**</u>
2018-2018 Modified					
Building	\$ 32,500,000	\$ 36,921,309	88.0%	166.37	\$ 20,418,614
Fire	8,647,000	8,988,903	96.2%	33.58	8,023,009
Planning	7,730,000	8,661,964	89.2%	48.38	1,819,969
Public Works	11,985,000	13,261,585	90.4%	65.87	5,265,494
Total	\$ 60,862,000	\$ 67,833,761	89.7%	314.20	\$ 35,527,086
2018-2019 Proposed					
Building	\$ 32,500,000	\$ 36,921,309	88.0%	167.21	\$ 18,094,532
Fire	8,100,000	8,742,822	92.6%	33.57	7,380,187
Planning	8,960,000	9,499,269	94.3%	49.14	210,731
Public Works	14,533,690	14,885,804	97.6%	72.27	4,913,380
Total	\$ 64,093,690	\$ 70,049,204	91.5%	322.19	\$ 30,598,830

* Excludes the development fee program reserves. In 2017-2018 and in 2018-2019, all programs reach 100% cost recovery once the use of Works-in-Progress reserves are incorporated.

** The Works-in-Progress Reserves for 2018-2019 are the estimated reserve levels once 2017-2018 revenues and expenditures are reconciled and 2018-2019 balancing actions are included.

Development Services is a \$70.0 million business for the City of San José, providing integrated technical plan review and inspection services across Planning, Building, Public Works, and Fire (Development Services Partners). Businesses, homeowners, and other customers use Development Services when remodeling, building new structures, or making other investments to their properties. These investments bring tax revenue, jobs, and other direct benefits to the City. Development Services are provided in an efficient, thorough, and quality-driven manner. While each partner’s budget is discussed within their particular Department section, all partners are committed to working closely together to provide “one voice” to Development Services customers.

Development Services Budget Summary

Over the last year, the Development Services Partners have continued to experience a high level of activity, and strong activity is expected to continue in 2018-2019. Continued implementation of the upgraded Integrated Permit System and small cell utility permitting will be the priorities for the Development Services Partners in 2018-2019. After adjusting for base changes that result in a net decrease of 5.95 positions to the program, position changes for the Development Fee Program included in this budget are: an addition of 8.35 positions in the Public Works Development and Utility Fee Programs primarily for small cell utility permits and to realign staff to capital programs, an increase of 2.24 positions in the Planning Development Fee Program for the integrated permit system upgrade project, an increase of 2.21 positions in the Building Development Fee Program primarily for the integrated permit system upgrade project and an increase in the Fire Development Fee Program by 1.14 positions, primarily due to the integrated permit system upgrade project. The staffing changes include the continuation of positions supporting the implantation of the upgraded Integrated Permit System used by the Development Services Partners (2.0 Planner IV, 2.0 Senior Engineer, 1.0 Senior Analyst, and 1.0 Supervising Applications Analyst) and new positions (1.0 Building Inspector Combination, 2.0 Engineer II's, 1.0 Principal Engineer/Architect, 1.0 Principal Engineering Technician, 1.0 Senior Construction Inspector, and 1.0 Senior Engineering Technician) to address increased activity for small cell utility permits that is anticipated as a result of the implementation of the City's Broadband and Digital Inclusion Strategy and workload anticipated for the Public Works Development Fee Program.

In December 2016, City Council accepted *the City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report*. The report showed the Development Services Partners are covering approximately 81% of their costs in the form of fees and charges collected from customers, with the individual Partners capturing between 76% and 84% of their respective costs. To move closer to full cost recovery with less reliance on the Development Fee Program Reserves, the first phase of fee changes was included in the 2017-2018 Adopted Fees and Charges document. The 2018-2019 Fees and Charges Report will include the remaining fee changes recommended in the report for the Building and Public Works Development Fee Programs to help close the cost recovery gaps. For the Planning Development Fee Program average fee increases of 34% and a restructuring of the tree permits are proposed to generate additional revenue. The fee adjustments combined with process improvements and the implementation of the new permitting system in the coming fiscal years will help increase staff efficiency and improve the customer service experience. The revenue from these adjustments to the fees is summarized in the General Fund Revenue section of this document.

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Budget Dollars at Work: Performance Goals

OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2016-2017 Actuals	2017-2018 Target	2017-2018 Estimate	2018-2019 Target	5-Year Goal
Facilitate Major Corporate Development	1. Estimated jobs generated/retained by companies that received OED assistance by:					
	Type of Company:					
	- Industrial	7,276	4,000	5,400	6,000	16,000
	- Commercial/Retail	1,162	1,500	400	500	2,000
	Type of Job:					
	- New	1,277	1,500	500	1,500	5,000
	- Retained	7,161	5,000	5,300	5,000	9,500
	2. # of Clean Tech Jobs generated/retained from City efforts	1,472	250	137	N/A ¹	N/A ¹
Stimulate Revenue for City Services	1. Economic Impact of Convention Center (attendance by visitor type)					
	- Local/Social	1,275,474	1,070,663	1,239,350	1,176,025	N/A ²
	- Out of Town	69,785	60,128	54,165	56,300	N/A ²
	- Exhibitors	11,486	8,821	9,004	9,150	N/A ²
	2. Estimated increases in sales and business taxes from attracted or expanding businesses which previously received assistance from the City (excludes property and utility taxes):					
	- Taxes from new companies	\$1.9M	\$1.0 M	\$0.6M	\$1.0 M	\$4.5 M
	- Taxes from retained companies	\$1.9 M	\$1.5 M	\$2.3 M	\$1.5 M	\$3.0 M
	Total	\$3.8 M	\$2.5 M	\$2.9 M	\$2.5 M	\$7.5 M

¹ The last year for collecting data for this performance measure will be 2017-2018 as it corresponds to the City's former Green Vision, which has been replaced by Climate Smart San José.

² The management agreement between the City and Team San José does not include a 5-Year Goal for these measures.

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Budget Dollars at Work: Performance Goals

OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2016-2017 Actual	2017-2018 Target	2017-2018 Estimate	2018-2019 Target	5-Year Goal
Retain Industrial Jobs, Suppliers and Industrial Land Uses	1. Jobs gained/(lost) in areas with "heavy" and "light" Industrial General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	0 jobs (0 acres)	20 jobs ¹ (1.54 acres)	0 jobs (0 acres)	0 jobs (0 acres)
	2. Jobs gained/(lost) in areas with "Industrial Park" and "Campus Industrial," and other R&D General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	0 jobs (0 acres)	1,500 jobs ¹ (13.02 acres)	0 jobs (0 acres)	0 jobs (0 acres)
	3. Estimated ratio of San José jobs to employed residents	0.86	0.88	0.80	0.83	0.95
Facilitate Small Business Expansion	1. # of Business Owner Space participants receiving assistance, access to capital, technical or human resources support or information	54,849	40,000	50,000	40,000	100,000
Be Active Partner in Developing a Skilled Workforce	1. Number of work2future clients receiving discrete services (counseling, job placement, and occupational training)	2,220	1,585	1,535	1,585	TBD ⁴
	- Adults	1,396	1,100	850	1,100	TBD ⁴
	- Dislocated Workers	550	250	450	250	TBD ⁴
	- Youth	274	235	235	235	TBD ⁴
	2. Estimated % of clients employed six months after initial placement					
	- Adults	82.70%	55%	84% ³	TBD ⁴	TBD ⁴
	(% of target met)	(104.7%)	(100%)	(106.3%)	(100%)	(100%)
	- Dislocated Workers	87.62%	62%	86% ³	TBD ⁴	TBD ⁴
	(% of target met)	(105.6%)	(100%)	(103.6%)	(100%)	(100%)
	3. Estimated % of clients placed in jobs					
- Adults	56.33%	57.5%	58.0% ³	TBD ⁴	TBD ⁴	
(% of target met)	(109.4%)	(100%)	(112.6%)	(100%)	(100%)	
- Dislocated Workers	66.71%	63.4%	66.0% ³	TBD ⁴	TBD ⁴	
(% of target met)	(114.0%)	(100%)	(112.8%)	(100%)	(100%)	
- Youth	60.22%	62.4%	60.5% ³	TBD ⁴	TBD ⁴	
(% of target met)	(100.4%)	(100%)	(100.8%)	(100%)	(100%)	

¹ For the 2017 Envision San José 2040 General Plan annual review cycle, hearings took place September 2017 through November 2017 with the Planning Commission and November 2017 and December 2017 with the City Council. In the 2017 General Plan annual review cycle, there were seven City-initiated and two privately initiated General Plan text amendments, and three City-initiated and four privately initiated land use amendments. For 2018, there are currently nine privately initiated and four City-initiated General Plan text amendments, and one City-initiated land use amendment on file.

² Targets were changed by the Employment Development Department after the adoption of the 2017-2018 Operating Budget.

³ Targets have not been negotiated with the Employment Development Department for the 5-Year Goal and are expected to be established in fall 2018.

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Budget Dollars at Work: Performance Goals

OUTCOME 2: SAFE, HEALTHY, ATTRACTIVE, AND VITAL COMMUNITY

Strategic Goals	CSA Performance Measures	2016-2017 Actual	2017-2018 Target	2017-2018 Estimate	2018-2019 Target	5-Year Goal
Quality Living and Working Environment	1. % of residents surveyed who rate the quality of architecture and landscaping design/maintenance in new development in their neighborhood as good or better	N/A ¹	N/A ¹	N/A ¹	N/A ¹	70%
Increase the City's Housing Unit Capacity	1. # of dwelling units added to the General Plan holding capacity annually	0 ²	0 ²	0 ²	0 ²	0 ²
	2. San José housing production compared to regional fair share number target (in parenthesis)	2,665 units (3,986)	3,000 units (4,385)	3,175 units (3,986)	2,875 units (3,986)	14,225 units (19,930)
	3. % of units receiving development permit approval compared to target (actuals in parenthesis)	88% (3,000 units)	100% (3,000 units)	105% (3,000 units)	100% (2,875 units)	100% (19,930 units)
Provide Seamless and Effective Development Review Including Implementation of Environmental Regulations, in a Customer Friendly Fashion	1. % of projects receiving consistent feedback from staff throughout the course of the project review:					
	- Planning Permit Plan Review	74%	75%	61%	75%	80%
	- Public Works Permit Plan Review	83%	85%	79%	79%	85%
	- Building Permit Plan Check	80%	80%	77%	77%	85%
	- Fire Permit Plan Check	88%	88%	84%	84%	90%
	2. Ratio of current year fee revenue to fee program cost (includes use of reserves)	100%	100%	100%	100%	100%
	3. Development projects completed within processing time targets:					
	- Entitlement Process	81%	85%	80%	85%	85%
	- Construction Process:					
	- Plan Check	82%	85%	87%	88%	88%
	- Inspections in 24 hours	65% ³	88%	65% ³	85%	85%
	- Inspections in 48 hours	77% ³	95%	73% ³	95%	95%
	4. % of development services walk-in customers served in less than 30 minutes (wait time)	77%	80%	73%	80%	80%
5. % of customers surveyed rating service as good or better						
- Discretionary ⁴	75%	75%	76%	75%	80%	
- Ministerial ⁵	77%	78%	79%	80%	80%	
6. % of customers surveyed who indicate the City has improved customer service in the past 12 months						
- Discretionary ⁴	68%	70%	67%	70%	80%	
- Ministerial ⁵	75%	75%	79%	80%	80%	

¹ Staffing vacancies have reduced capacity for soliciting feedback on new development projects.

² The Envision San José 2040 General Plan includes capacity/plans for 120,000 new dwelling units. No additional dwelling units were added or are planned to be added to the overall capacity of the General Plan.

³ While additional positions have been added in the past several years and some positions have been filled, vacancies still remain as a result of the continuous departure of existing staff and difficulties in filling the positions quickly with qualified candidates. The Administration continues to recruit for a wide range of development services positions.

⁴ Discretionary projects are those that require a public hearing (e.g. zoning change, General Plan amendment).

⁵ Ministerial projects are administrative in nature and do not require a public hearing (e.g. water heater replacement).

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Budget Dollars at Work: Performance Goals

OUTCOME 3: DIVERSE RANGE OF HOUSING OPTIONS

5 Year Strategic Goals	CSA Performance Measures	2016-2017 Actual	2017-2018 Target	2017-2018 Estimate	2018-2019 Target	5-Year Goal
Increase the Supply of Affordable Housing	1. % of annual target achieved for completion of affordable housing (housing units)	109% (171)	100% (213)	102% (216)	100% (671)	100% (3,506)
Direct Significant Affordable Housing Resources to Lower-Income Households	1. % of Housing Department funds reserved by income levels over 5 years: - Very Low (<=50% of median) - Extremely Low (<=30% of median) - Very Low (31-50% of median) - Low (51-80% of median) - Moderate (81-120% of median)	89%	60%	88%	60%	60%
		50%	30%	57%	30%	30%
		39%	30%	31%	30%	30%
		11%	25%	12%	25%	25%
		0%	15%	0%	15%	15%

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Budget Dollars at Work: Performance Goals

OUTCOME 4: RANGE OF QUALITY EVENTS, CULTURAL OFFERINGS, AND PUBLIC ARTWORKS

5 Year Strategic Goals	CSA Performance Measures	2016-2017 Actual	2017-2018 Target	2017-2018 Estimate	2018-2019 Target	5-Year Goal
Provide a diverse range of arts and cultural offerings for residents and visitors	1. % of residents rating the availability of a diverse range of quality arts and cultural activities in the City as good or excellent	40%	44%	N/A ¹	50%	50%
Encourage a full range of outdoor special events that serve diverse communities and visitors	1. % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	40%	40%	N/A ¹	45%	45%
	2. Estimated City revenue from signature events (events and festivals solicited and supported by the City)	N/A ²	N/A ²	N/A ²	N/A ²	\$4.5M

¹ Data is based on results from the Community Survey. The next survey is due July 2019.

² An economic impact analysis for the signature events is needed to obtain the data for this measure.

Community and Economic Development
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
ECONOMIC DEVELOPMENT			
• Business Outreach and Support Services		200,000	200,000
• Outdoor Special Events Coordinator	1.00	109,639	0
• Strategic Partnerships Assistant Director	0.00	0	81,066
<i>Subtotal</i>	1.00	309,639	281,066
FIRE			
• Fire Development Fee Program	1.00	158,290	158,290
<i>Subtotal</i>	1.00	158,290	158,290
HOUSING			
• Rental Rights and Referrals Program	6.00	639,217	0
• Housing Department Public Outreach Program	1.00	315,644	(3,186)
• Housing Department Special Projects		175,000	0
• Affordable Housing Transactions	1.00	152,658	0
• San Jose Streets Team Litter and Trash Removal		135,000	135,000
• Revenue Results Software Phase II Implementation		1,300	0
• Homeless Services Staffing	1.00	0	0
• Federal Grant Program Staffing	(0.50)	(23,428)	(5,921)
• Print Management		(4,129)	0
<i>Subtotal</i>	8.50	1,391,262	125,893
PLANNING, BUILDING AND CODE ENFORCEMENT			
• Integrated Permit System Staffing	4.66	690,422	658,655
• Urban Village Planning Staffing	1.00	314,681	314,681
• Housing Development Planning Staffing	2.00	248,096	248,096
• Policy and Ordinance Support		150,000	150,000
• Environmental Review Planning Staffing	1.00	124,680	0
• Assistant Director Funding Realignment	(0.14)	(56,526)	(56,526)
• Print Management		(12,560)	(12,560)
<i>Subtotal</i>	8.52	1,458,793	1,302,346
PUBLIC WORKS			
• Public Works Development Fee Program	7.00	1,433,200	1,433,200
• Public Works Department Staffing Plan	0.60	90,258	90,258
• Print Management		(1,348)	(1,348)
<i>Subtotal</i>	7.60	1,522,110	1,522,110
Subtotal Departments	26.62	4,840,094	3,389,705

City Service Area
Community and Economic Development
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
CITY-WIDE EXPENSES			
• College Football Playoff National Championship		100,000	100,000
• Diridon Station Area Development Planning		1,580,000	1,580,000
• Domestic Violence		150,000	150,000
• Downtown Ice Capital Infrastructure Investment		100,000	100,000
• Economic Development Pre-Development Activities		150,000	150,000
• San José Works: Youth Jobs Initiative		1,500,000	1,500,000
• Service Year		300,000	300,000
• Silicon Valley Talent Partnership		50,000	50,000
• Sports Authority Event Support		350,000	350,000
Subtotal Other Changes	0.00	4,280,000	4,280,000
Total Proposed Budget Changes	26.62	9,120,094	7,669,705

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