

**2015-2016**

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**OPERATING BUDGET**

**COMMUNITY AND  
ECONOMIC  
DEVELOPMENT  
CSA**

**COMMUNITY AND ECONOMIC  
DEVELOPMENT CSA**

# 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**

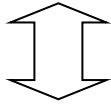
**CITY SERVICE AREA**  
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**MISSION STATEMENT**  
 Why the CSA exists

**Community & Economic Development CSA**

*Mission:*

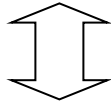
To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings



**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

**CORE SERVICES**  
 Primary deliverables of the organization

**City Manager - Office of Economic Development**

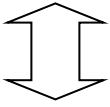
*Core Services:*

Arts and Cultural Development

Business Development and Economic Strategy

Real Estate Services

Regional Workforce Development



**Planning, Building and Code Enforcement Department**

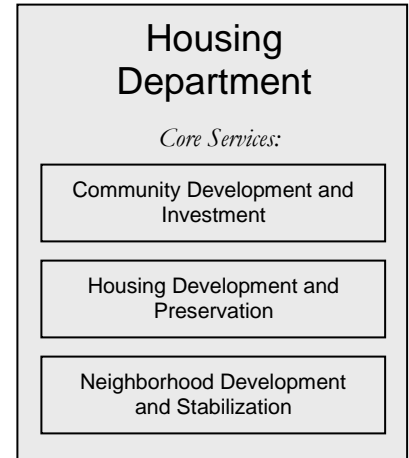
*Core Services:*

Development Plan Review and Building Construction Inspection

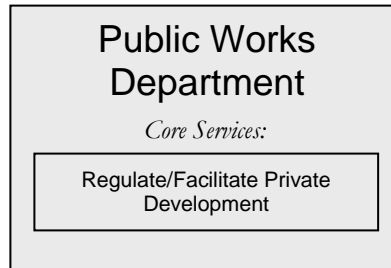
Long Range Land Use Planning

*City Service Area*  
**Community and Economic Development**  
***SERVICE DELIVERY FRAMEWORK***

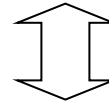
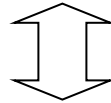
**PRIMARY PARTNERS**  
 Departments with Core Services that contribute to achievement of CSA Outcomes



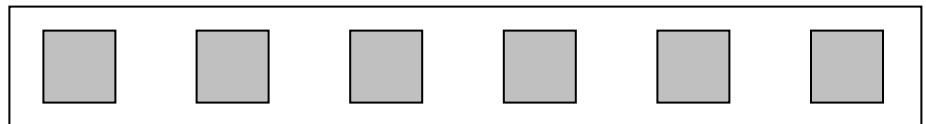
**CORE SERVICES**  
 Primary deliverables of the organization



**OPERATIONAL SERVICES**  
 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 2015-2016 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 and the Chamber of Commerce's Regional Economic Development Initiative.
- ❑ Provide a wide range of re-employment services to residents who remain unemployed by creating opportunities to earn job skills and credentials.
- ❑ Manage the City's land assets with a focus on streamlining the property leasing management of the City's real estate assets and revenue generation.
- ❑ Manage the City's operating agreements for the Convention Center, Cultural Facilities, and SAP Center.
- ❑ Support cultural vibrancy and economic vitality through arts organizations, cultural facilities, and outdoor event producers. Launch City-wide "San José Creates & Connects," a neighborhood creative placemaking initiative.
- ❑ Lead the stewardship of cultural facilities in partnership with non-profit partners, including expansion of the Children's Discovery Museum and public process to develop Hammer Theatre Center's new operating model.
- ❑ Continue to implement a new event service model that has led to partnering with private companies and organizations for sponsorship funds and/or transferring production of events.
- ❑ Assess condition of the City's public art collection to determine the maintenance needs and develop a plan and budget for ongoing maintenance and conservation needs.
- ❑ Continue to implement the *Public Art Next!* master plan including projects with the Department of Transportation and through *SoFA Creates and Connects*, activating SoFA District with creative entrepreneurs.
- ❑ Complete a draft of the East Santa Clara Urban Village plan, initiate the Winchester Urban Village planning process and re-initiate Santana Row and Stevens Creek plans.
- ❑ Update the Downtown Strategy and Environmental Impact Report by spring 2016.
- ❑ Update the North San José Area Development Policy and Environmental Impact Report by fall 2016.
- ❑ As activity levels remain high across all Development Services divisions, the staff will continue to take measures to meet performance targets.
- ❑ Make use of innovative technology, such as the expansion of pilot electronic plan review process and initiation of pilot mobile inspection process.
- ❑ Implement the new 2015-2020 Consolidated Plan to invest \$29.0 million during the next fiscal year across the four federal housing and community development programs.
- ❑ Continue to use available funds to increase the affordable housing supply. Fund remaining pipeline of projects and pursue new land acquisition and development opportunities. Advance several large new homeless development projects.
- ❑ Partner with the County on jointly funded supportive-housing developments for the homeless. Work with the County and the Housing Authority of Santa Clara County to align efforts around homelessness.
- ❑ Partner with Destination: Home, a public-private partnership, in its implementation of the new Community Plan to End Homelessness, focusing on community-based services and permanent supportive housing opportunities.
- ❑ Continue to implement the Homeless Response Team and Rapid Rehousing programs by providing supportive services and housing subsidies to homeless participants and by implementing abatement and deterrent measures at encampment sites.

## **Community and Economic Development**

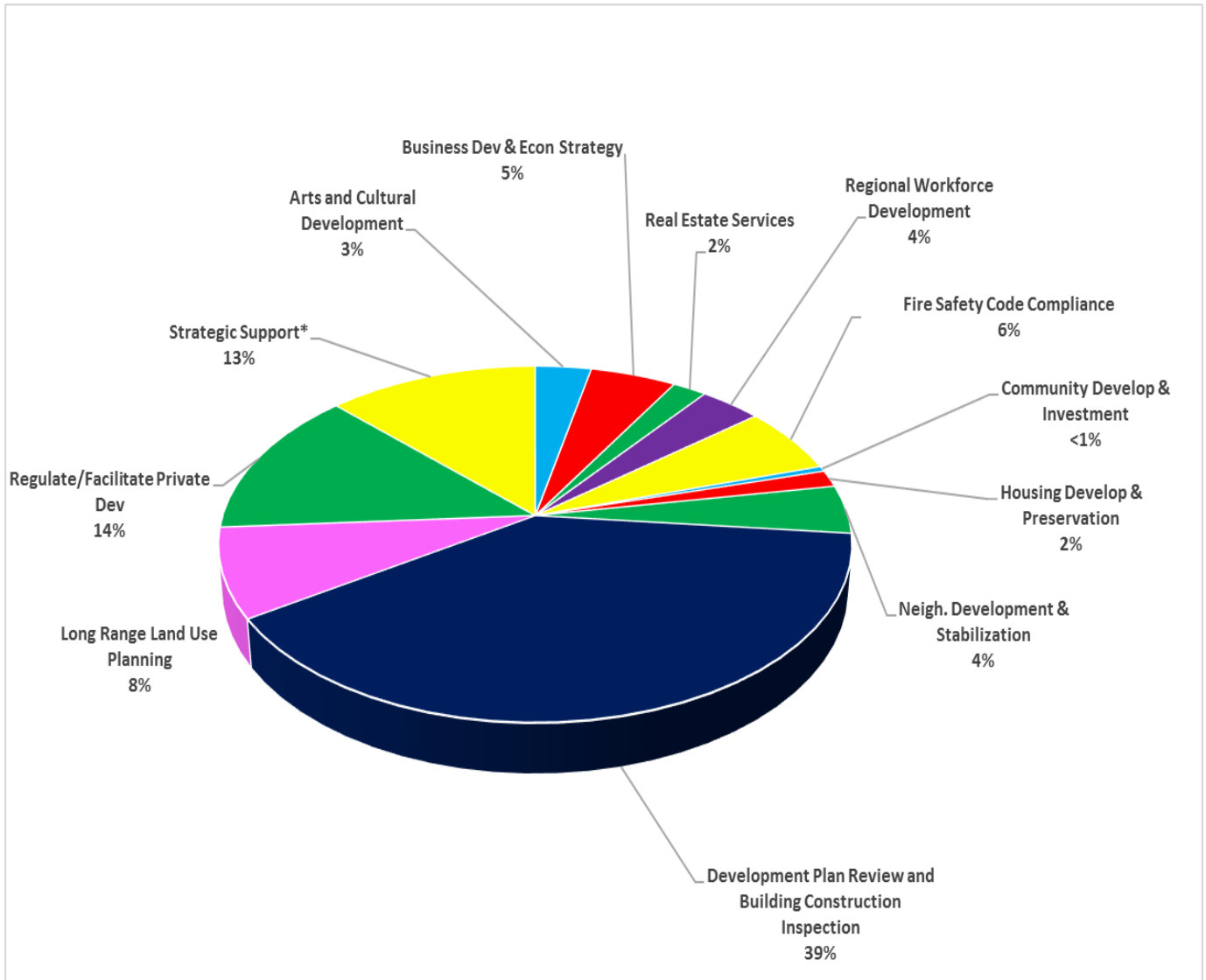
### **2015-2016 Key Budget Actions**

- ❑ One-time funding of \$200,000 is added to support business communications, small business support, and other programmatic needs to support core economic development services that were shifted from the Redevelopment Agency to the Office of Economic Development (OED).
- ❑ One-time funding of \$250,000 is added to provide small business retention and assistance. This will include continuation of the SJ Storefronts Initiative to support small business by providing one-time grants to help businesses lease street-facing vacant spaces in the Downtown and Neighborhood Business Districts and facilitating pop-up retail locations on public and private properties to further encourage street activation. The grants will offset the cost of City permitting, fees, and taxes. In addition, one-time funding of \$200,000 is added to launch the Manufacturing Jobs Initiative as an incentive to retrofit older, vacant industrial buildings by covering most of the permit approvals.
- ❑ To support the goals in the Envision San José 2040 General Plan, the following resources are added for Long Range Land Use Planning: 3.0 Planner I/II/III, one-time consultant services funding to perform a four-year major review of the General Plan, and one-time contractual services funding to update the North San José Area Development Policy and potential changes to the Traffic Impact Fee.
- ❑ In the Planning Division, a Planner I/II/III is added to support general planning work and serve as a direct point of contact for customers calling with questions related to development and planning.
- ❑ In the Building Development Fee Program, the following resources are added to improve target cycle times and customer service levels: 3.0 Building Inspector Supervisor, 3.0 Associate Engineer, ongoing peak staffing funding, one-time funding to purchase tablets for mobile inspections, and one-time funding for replacement vehicles.
- ❑ In the Public Works Development Fee Program, a new Construction Inspector and Building Inspector are added to address increased activity and workload anticipated for 2015-2016.
- ❑ In the Fire Development Fee Program, the addition of a Senior Engineer and 0.50 Analyst positions and elimination of a Senior Hazardous Materials Inspector position are included in the 2015-2016 Operating Budget to improve performance for plan review, provide assistance to monitor works-in-progress, and monitor revenues and expenditures. Funding to replace one vehicle and to purchase a new vehicle is also included.
- ❑ To address the ongoing need to house the homeless, one-time funding for both the Homeless Response (\$1.7 million) and the Rapid Rehousing (\$2.0 million) programs along with four associated positions are added on an ongoing basis. These programs provide funding for encampment abatement, prevention, enforcement, and housing placement and support for individuals and families living in San José encampments. One-time funding from the Homeless Trust Fund will add a new position to provide enhanced community outreach and response to community concerns regarding homelessness. A limit-dated position funded by the Low and Moderate Income Housing Asset Fund will advance several large homeless housing projects. Two Park Ranger positions, funded by the Santa Clara Valley Water District, will patrol and enforce illegal camping laws and protection of water quality and wildlife along Coyote Creek and the Guadalupe River Park corridors.

*City Service Area*  
**Community and Economic Development**  
**BUDGET SUMMARY**

**2015-2016 Total Operations by Core Service**

CSA Dollars by Core Service \$73,270,214



\* The Strategic Support category includes strategic support costs for the Office of Economic Development, Fire Department, Housing Department, and Planning, Building and Code Enforcement.

*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***City Service Area Budget Summary***

	2013-2014 Actual 1	2014-2015 Adopted 2	2015-2016 Forecast 3	2015-2016 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
<i>Economic Development</i>					
Arts & Cultural Development	\$ 1,999,608	\$ 2,054,099	\$ 2,185,211	\$ 2,442,322	18.9%
Business Development & Economic Strategy	2,161,394	3,133,044	3,279,535	3,745,663	19.6%
Real Estate Services	1,527,432	1,606,175	1,251,641	1,480,962	(7.8%)
Regional Workforce Development	3,243,319	2,598,632	2,603,529	2,676,326	3.0%
Strategic Support	1,099,190	622,377	591,342	606,388	(2.6%)
<i>Fire</i>					
Fire Safety Code Compliance	3,738,358	4,432,509	4,272,767	4,469,425	0.8%
Strategic Support	620,779	434,108	555,268	569,750	31.2%
<i>Housing</i>					
Community Develop & Investment	45,356	297,220	330,837	348,416	17.2%
Housing Development & Preservation	533,890	844,971	984,374	1,113,785	31.8%
Neighborhood Development & Stabilization	2,350,993	3,694,071	3,257,405	3,216,512	(12.9%)
Strategic Support	4,206,785	4,589,562	4,770,337	5,553,021	21.0%
<i>Planning, Bldg &amp; Code Enforcement</i>					
Development Plan Review & Building Construction Inspection	22,018,954	26,270,531	25,693,227	28,751,658	9.4%
Long Range Land Use Planning	3,383,786	4,289,342	3,882,101	5,934,087	38.3%
Strategic Support	1,336,605	2,232,848	2,252,104	2,464,816	10.4%
<i>Public Works</i>					
Regulate/Facilitate Private Dev	8,297,589	9,200,612	9,389,147	9,897,083	7.6%
<b>Dollars by Core Service Subtotal</b>	<b>\$ 56,564,038</b>	<b>\$ 66,300,101</b>	<b>\$ 65,298,825</b>	<b>\$ 73,270,214</b>	<b>10.5%</b>
<b>Other Programs</b>					
City-Wide Expenses	\$ 24,328,475	\$ 30,127,404	\$ 21,483,462	\$ 31,286,089	3.8%
General Fund Capital, Transfers and Reserves	2,251,358	49,408,631	1,000,000	40,670,334	(17.7%)
<b>Other Programs Subtotal</b>	<b>\$ 26,579,833</b>	<b>\$ 79,536,035</b>	<b>\$ 22,483,462</b>	<b>\$ 71,956,423</b>	<b>(9.5%)</b>
<b>CSA Total</b>	<b>\$ 83,143,871</b>	<b>\$ 145,836,136</b>	<b>\$ 87,782,287</b>	<b>\$ 145,226,637</b>	<b>(0.4%)</b>
<b>Authorized Positions</b>	<b>390.84</b>	<b>416.83</b>	<b>416.21</b>	<b>437.04</b>	<b>4.8%</b>



*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***Service Delivery Accomplishments***

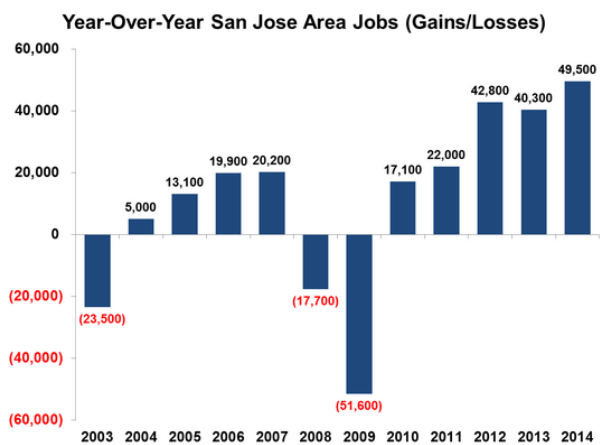
- Successful efforts in 2014-2015 to facilitate corporate and retail expansion/relocation efforts included: Vanderbilt, Blach Construction, BenteK Manufacturing, Verizon, Sirota, Dice, Network Remedy and ASML.
- Engaged 427 companies in business outreach visits.
- Launched the Prospect Silicon Valley (ProspectSV) Technology Demonstration Center to support emerging technology companies through demonstration, testing and commercialization. Continue to act as ProspectSV's nonprofit operating partner.
- Real Estate Services generated over \$1.5 million in real estate transactions by disposing of underutilized City properties, the sale of temporary and permanent rights, and the leasing of City-owned facilities.
- The Special Tenant Improvement (STI) Program issued permits for approximately 127 projects resulting in approximately two million square feet of construction space and \$106 million of tenant improvements (TI). Some STI projects include office TIs and R&D spaces for companies such as BAE, Jabil Manufacturing, and Avago.
- The Industrial Tools Installation (ITI) Program issued approximately 71 permits. Some notable projects that were served are HGST Labs and Tools, BD Biosciences, Lam Research, Philips Lumileds, the Signature Flight fuel farm.
- Draft Urban Village Plans were completed for West San Carlos and South Bascom, as well as for the Alameda. These plans will be considered pending resolution of the Envision San José 2040 CEQA lawsuit.
- Completed a draft of the updated Envision San José 2040 Housing Element and submitted to the State Department of Housing and Community Development for certification.
- As part of the Quarterly Zoning Ordinance Modification process, updated multiple existing zoning and sign ordinances to facilitate economic development.
- Completed the development of multiple new ordinances including medical marijuana, hotel supportive housing, and short-term rentals in residential districts.
- Worked with Destination: Home and other partners on the Housing 1000 campaign, housing more than 850 chronically homeless participants to date.
- Funded and facilitated the complete installation of 110 mobile home seismic retrofits between June 2014 and June 2015. Through the Federal Emergency Management Agencies Hazard Mitigation Grant, the City facilitated the completion of 840 mobile home seismic retrofits over a four year period.
- Completed the implementation of the Neighborhood Stabilization Program 2 (NSP2). Facilitated the rehabilitation of three NSP2-funded homes. In collaboration with the City's partners, rehabilitated and sold 53 single-family homes, rehabilitated a 58-unit apartment building, converted a 74-unit apartment complex to affordable housing, and developed two new affordable apartment buildings creating 92 new units.
- Conducted over 100 encampment clean-ups with Santa Clara Valley Water District, removing 700 tons of trash.
- Created housing subsidies and case management opportunities for 100 homeless participants from the Story Road encampment. Leveraged rental subsidies and support from Santa Clara County and other agencies for over another 100 chronically homeless participants in need of long-term care.
- Led City-wide effort to transition the Hammer Theatre upon the closure of the San José Repertory Theatre, the facility operator.
- Coordinated an estimated 397 events city-wide, including signature sporting events as well as neighborhood street festivals, farmers markets, and fun runs.
- Permitted and coordinated the first Downtown fireworks show since 2009.
- Executed *SoFA Creates & Connects*, which included a sculptural shade structure for Parque de los Pobladores.

***Service Delivery Accomplishments***

- Stewarded approximately \$2.8 million in investments of Transient Occupancy Tax (TOT) funding through the Cultural Funding Portfolio, awarding approximately 90 grants to nonprofit organizations providing arts and cultural programming.
- Launched the DeVos Institute, a capacity building program for a cohort of 20 local art organizations aimed at strengthening their programming, marketing, fundraising, and revenue generation.
- Worked closely with the Police and Transportation Departments to create a new outdoor special event traffic control model.

***Service Delivery Environment***

- Unemployment and Job Growth: After significant job loss in 2008 and 2009, 2014 saw continued gains of 49,500 in the San José metro area. As of June 2015, the total number of jobs was 1,066,700, still below the peak level of 1,085,800 achieved in 2000. The unemployment rate, according to the Bureau of Labor Statistics (reported in July 2015), decreased from 5.3% in June 2014 to 4.1% in June 2015 (the nation’s unemployment rate was 5.5%). An estimated 24,400 area residents remain unemployed.
- Housing Affordability: The median sales price of a single family home in San José as of June 2015 was \$865,000, an increase of 9% from June 2014’s median sales price of \$795,400. Median sales prices for condominiums/townhomes for the same period increased by 20% from \$457,000 to \$550,000. As long as the economy remains robust, the tight housing inventory, historically low interest rates, and strong demand for housing in San José will likely lead to higher housing costs.
- Rental Market: Rents in San José continue to remain among the highest in the nation and, therefore, unaffordable to lower-income residents. Average rents increased 46% over the past five years. The average rent for a one-bedroom for the second quarter 2015 was \$2,186, which is an increase of 12% from the second quarter in 2014. Over the same time period, the average rent for a two-bedroom was \$2,736, an increase of approximately 9.6%. Assuming that no more than 30% of income goes to housing costs, a household would need to earn \$87,440 annually to afford a one-bedroom apartment and \$109,440 for a two-bedroom apartment in San José. San José’s overall vacancy rate is 4.7%, which indicates a healthy balance between supply and demand and reflects the new supply of apartment homes that have recently been added to San José’s rental stock.
- Homelessness: According to the City’s January 2015 Homeless Census and Survey, there were 4,063 homeless individuals residing in San José, 69% of whom were unsheltered and 31% were sheltered. There were 778 homeless individuals in homeless encampments throughout the City.
- Foreclosures: San José experienced approximately 1,704 foreclosure filings in 2014, returning to pre-recession levels and down from the peak period in 2009 when an estimated 16,552 foreclosure filings were issued.



*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***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.
- 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 the 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.
- Support the provision of a range of quality cultural, sports, and entertainment offerings that appeal to San José’s diverse community.
- Identify strategies to fund affordable housing, transportation, and Urban Village infrastructure needs.
- Ensure that residents have a diverse range of housing options by increasing housing opportunities for people of all income levels and household types.
- Increase housing and service opportunities for the City’s homeless residents, including those living in encampments.

***Development Services Budget Summary***

	Revenue	Cost	% Cost Recovery*	Positions	Works-in- Progress Reserves**
<b>2014-2015 Modified</b>					
Building	\$ 28,600,000	\$ 30,062,956	95.1%	157.89	\$ 28,295,774
Fire	6,500,000	7,000,000	92.9%	32.61	6,568,687
Planning	4,600,000	5,194,893	88.5%	31.56	3,019,121
Public Works	9,604,000	10,124,209	94.9%	60.38	5,954,485
<b>Total</b>	<b>\$ 49,304,000</b>	<b>\$ 52,382,058</b>	<b>94.1%</b>	<b>282.44</b>	<b>\$ 43,838,067</b>
<b>2015-2016 Adopted***</b>					
Building	\$ 26,000,000	\$ 32,142,077	80.9%	167.92	\$ 22,288,697
Fire	6,400,000	7,005,562	91.4%	33.59	5,901,229
Planning	3,600,000	5,356,731	67.2%	32.45	1,262,390
Public Works	9,815,000	10,744,518	91.3%	60.19	5,045,715
<b>Total</b>	<b>\$ 45,815,000</b>	<b>\$ 55,248,888</b>	<b>82.9%</b>	<b>294.15</b>	<b>\$ 34,498,031</b>

\* Excludes the development fee program reserves. In 2014-2015 and in 2015-2016, all programs reach 100% cost recovery once the use of Works-in-Progress reserves is incorporated.

\*\* The Works-in-Progress Reserves for 2015-2016 are the estimated reserve levels once 2014-2015 revenues and expenditures are reconciled and 2015-2016 balancing actions are included.

\*\*\* Excludes carry-over rebudgets.

Development Services is a \$55.2 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.

Over the last year, the Development Services Partners have continued to experience a high-level of activity. In order to continue to operate efficiently and attract further development to the City, new development fee positions are included in this budget (9.75 in Building Development Fee Program, 1.02 in Planning Development Fee Program, 0.97 in Fire Development Fee Program, and 1.85 positions in Public Works Development and Utility Fee Programs). These positions will help improve target cycle times and increase customer service.

Improved staffing, training, and updated technology will be the priorities for the Development Services Partners in 2015-2016 in order to close the gap between customer expectations and service delivery. As a result of a steady increase in activity, included in this budget are additional staffing to support Development Services: an addition of a Public Information Representative to update and maintain the web pages and educational handouts for Development Services; addition of Administrative Staff to address the imaging, contract support, and revenue monitoring needs; additional Building Inspection Supervisors and Associate Engineers, and limit-dated Planners are included to provide oversight, support public information for customers, and support high priority long-range planning projects; new inspector positions are included to address increased activity and workload anticipated for the Public Works Development Fee Program in 2015-2016, and new positions in the Fire Department are added to improve performance for plan review, monitor works-in-progress, and track revenues and expenditures. To address technology needs, a Division Manager in the Information Technology Department is included in this budget to coordinate City-wide technology governance and customer facing technologies being implemented by departments.

**City Service Area**  
**Community and Economic Development**  
**OVERVIEW**

**Budget Dollars at Work: Performance Goals**

This CSA generates revenues for the City through its business attraction/retention efforts, sale of permanent and temporary property rights, the leasing of City-owned facilities, retail development, and event activities, as well as its facilitation of private development. This CSA is responsible for a continuum of services from long-range planning to development review to programmatic implementation aimed at job creation/retention/expansion; housing development; convention and visitor services; arts, cultural, and special event support and development; and overall quality of life in San José's diverse neighborhoods.

**OUTCOME 1: STRONG ECONOMIC BASE**

Strategic Goals	CSA Performance Measures	2013-2014 Actuals	2014-2015 Target	2014-2015 Estimate	2015-2016 Target	5-Year Goal
Facilitate Major Corporate Development	1. Estimated jobs generated/retained by companies that received OED assistance by:					
	Type of Company:					
	- Industrial	6,200	3,200	4,811	4,000	16,000
	- Commercial/Retail	119	800	287	500	2,000
	Type of Job:					
	- New	1,018	2,200	883	1,000	7,000
	- Retained	5,301	1,800	4,215	3,500	9,500
	2. # of Clean Tech Jobs generated/retained from City efforts	85	200	40	100	800
Stimulate Revenue for City Services	1. Economic Impact of Convention Center (attendance by visitor type)					
	- Local/Social	1,193,661	1,100,000	1,132,000	1,177,000	N/A*
	- Out of Town	74,103	63,400	96,000	70,000	N/A*
	- Exhibitors	6,282	5,600	9,600	7,400	N/A*
	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	\$470,630	\$1.5 M	\$1,567,000	\$1.5 M	\$4.5 M
	- Taxes from retained companies	\$1,703,275	\$1.0 M	\$2,840,000	\$1.0 M	\$4.5 M
Total	\$2,173,905	\$2.5 M	\$4,406,000	\$2.5 M	\$9.0 M	

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

\* The 5-Year Goal does not have a performance measure because the City is currently working with Team San José, the operator of the City's Convention and Cultural Facilities, and the City's hospitality industry advisor to modify the methodology to reflect changing industry best practices.

*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 1: STRONG ECONOMIC BASE**

Strategic Goals	CSA Performance Measures	2013-2014 Actual	2014-2015 Target	2014-2015 Estimate	2015-2016 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)	0 jobs* (0 acres)	(609) jobs* (4.2 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)	(1,524) jobs* (10.5 acres)	(1,321) jobs* (9.1 acres)	0 jobs* (0 acres)
	3. Estimated ratio of San José jobs to employed residents	0.87	0.84	0.88	0.88	0.90
Facilitate Small Business Expansion	1. # of Business Owner Space participants receiving assistance, access to capital, technical or human resources support or information	71,260	30,000	30,000	30,000	100,000
	2. Unique website visitors to businessownerspace.com	28,803	10,000	10,000	10,000	50,000
Be Active Partner in Developing a Skilled Workforce	1. Number of work2future clients receiving discrete services (counseling, job placement, and occupational training)	3,627	3,200	3,200	3,200	TBD**
	- Adults	2,521	2,000	2,000	2,000	TBD**
	- Dislocated Workers	851	1,000	1,000	1,000	TBD**
	- Youth	255	230	200	200	TBD**
	2. Estimated % of clients employed six months after initial placement					
	- Adults	82%	78.7%	79%	79%	TBD**
	(% of target met)	(104%)	(100%)	(100%)	(100%)	(100%)
	- Dislocated Workers	85%	82.4%	83%	83%	TBD**
	(% of target met)	(103%)	(100%)	(100%)	(100%)	(100%)
	3. Estimated % of clients placed in jobs					
- Adults	53.3%	50.7%	51.5%	51.5%	TBD**	
(% of target met)	(105%)	(100%)	(100%)	(100%)	(100%)	
- Dislocated Workers	60.6%	57.6%	58.5%	58.5%	TBD**	
(% of target met)	(105%)	(100%)	(100%)	(100%)	(100%)	
- Youth	65%	67.0%	60.0%	60.0%	TBD**	
(% of target met)	(97%)	(100%)	(100%)	(100%)	(100%)	

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

\* No General Plan hearings were scheduled in 2013-2014. General Plan hearings took place in August 2014 with the Planning Commission and November and December 2014 with the City Council. In the 2014 General Plan annual review cycle, there were 11 Director/City initiated land use amendments, two Director/City initiated General Plan text amendments, and one privately initiated land use amendment. For the 2015 General Plan annual review cycle there are 10 privately initiated land use amendments. At this time there are no Director/City initiated amendments.

\*\* Targets have not been negotiated with the Employment Development Department for 2015-2016 and are expected in fall 2015.

*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 1: STRONG ECONOMIC BASE**

**Business Development and Revenue Growth**

- ✓ Providing quality services to support companies relocating, expanding, and succeeding in San José remains a top priority for this CSA. The work of the Development Services partners and OED will continue to be critical in helping to facilitate proposals through the approval process as quickly as possible.
- ✓ The CSA's Development Services partners will continue improvements through the Administrative Hub, allowing each department to more easily track expenses and align resources accordingly.
- ✓ The CSA's Development Services partners will continue to make ordinance changes to the sign code and zoning that allow for streamlined processing of planning development applications. The changes will continue to further job and revenue generation for the City.
- ✓ Development Services will continue to provide expedited and other service options to assist companies going through the permitting process. The Small Business Services Ally Program continues to provide a single point of contact for small businesses going through the Development Services permitting process.
- ✓ Staff is involved in regional and State-wide conversations about influencing financing tools needed for infrastructure, housing, and economic development after the dissolution of the former San José Redevelopment Agency. Staff will continue to respond to and influence State legislation and strategy to improve the State's partnership with regions and cities in ways that benefit Silicon Valley.
- ✓ Work2future will continue to improve service offerings through businessownerspace.com, a small business network of nearly 40 service providers.
- ✓ Consumer spending has rebounded and sales tax revenues have shown improvement. Focused efforts on retail attraction and retention have improved the mixture of retail offerings within the City leading to an increased tax base. City staff will continue to work with developers on bringing retail development to the City.
- ✓ The CSA will continue to encourage sporting/cultural events and athletic teams to locate in San José in an effort to raise the image of San José as a national destination and generate revenues by increasing tourism.

*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

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

Strategic Goals	CSA Performance Measures	2013-2014 Actual	2014-2015 Target	2014-2015 Estimate	2015-2016 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*	70%	N/A*	70%	70%
Increase the City's Housing Unit Capacity	1. # of dwelling units added to the General Plan holding capacity annually	0**	0**	53**	3,226**	0**
	2. San José housing production compared to regional fair share number target (in parenthesis)	4,724 units (3,750)	3,000 units (3,750)	3,600 units (3,750)	3,400 units (3,750)	16,700 units (18,750)
	3. % of units receiving development permit approval compared to target (actuals in parenthesis)	157% (3,000 units)	100% (3,000 units)	120% (3,000 units)	113% (3,000 units)	128% (13,000 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	75%	N/A	68%	70%	80%
	- Public Works Permit Plan Review	74%	N/A	77%	80%	85%
	- Building Permit Plan Check	81%	N/A	76%	80%	85%
	- Fire Permit Plan Check	81%	N/A	86%	88%	90%
	2. Ratio of current year fee revenue to fee program cost	100%	100%	100%	100%	100%
	3. Development projects completed within processing time targets:					
	- Entitlement Process	92%	85%	85%	85%	85%
	- Construction Process:					
	- Plan Check	86%	85%	89%	85%	85%
	- Inspections in 24 hours	47%	75%	48%***	75%	80%
	- Inspections in 48 hours	79%	92%	67%***	92%	95%
	4. % of development services walk-in customers served in less than 30 minutes (wait time)	69%	75%	59%	75%	75%
5. % of customers surveyed rating service as good or better						
- Discretionary****	76%	70%	74%	70%	80%	
- Ministerial*****	76%	75%	76%	75%	80%	
6. % of customers surveyed who indicate the City has improved customer service in the past 12 months						
- Discretionary****	70%	60%	70%	60%	80%	
- Ministerial*****	71%	65%	70%	65%	80%	

*Changes to Performance Measures from 2014-2015 Adopted Budget: Yes<sup>1</sup>*

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

\*\* No General Plan hearings were scheduled in 2013-2014. General Plan hearings took place in August 2014 with the Planning Commission and November and December 2014 with the City Council. In the 2014 General Plan annual review cycle, there were 11 Director/City initiated land use amendments, two Director/City initiated General Plan text amendments, and one privately initiated land use amendment. For the 2015 General Plan annual review cycle there are 10 privately initiated land use amendments. At this time there are no Director/City initiated amendments.

\*\*\* Additional positions were added in 2014-2015 and some positions were filled; however, vacancies still remain as a result of the difficulties in filling the positions quickly with qualified candidates. The Administration continues to recruit for a wide range of development services positions.

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

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

<sup>1</sup>Changes to Performance Measures from 2014-2015 Adopted Budget:

U “% of projects that receive thorough, complete, consistent review in the first cycle of the staff review” was revised to “% of projects receiving consistent feedback from staff throughout the course of the project review” and includes Planning Permit Plan Review, Public Works Permit Plan Review, Building Permit Plan Check, Fire Permit Plan Check to provide performance measure results from the Development Services Customer Satisfaction Survey.



*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

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

**Seamless and Effective Development Review**

- ✓ The five-year goal for the development process is to make San José the best place in America to conduct business by:
  - Establishing a predictable and timely development review process by emphasizing a facilitation approach, providing “one voice” service delivery, and updating policies and codes;
  - Maintaining financial stability and full cost-recovery for the development fee programs, adjusting hourly rates annually for changes in staff costs, and performing periodic cost of service analyses; and
  - Continually improving processes and customer service through ongoing dialogue with development customers about their concerns and priorities, measuring performance, and conducting an annual scientific customer survey.
- ✓ Stable staffing levels will be a focus as this will likely lead to improved customer service according to the most recent customer survey.
- ✓ The Development Services partners (Building, Fire, Planning, and Public Works) continue to work together to provide consistent services to development applicants. The partners will continue to consolidate resources with the goal of building a high-performing, integrated Administrative Hub and Project Management Team.
- ✓ Conduct a four year major review of the Envision San José 2040 General Plan (Plan) to 1) measure the City’s success in achieving the Plan’s Economic, Fiscal, Environmental, Housing, Infrastructure and Healthy Community goals; and 2) identify modifications to further facilitate the implementation of the Plan’s vision and major strategies.
- ✓ Work with the Valley Transportation Authority (VTA) on the successful planning of and funding strategy for the completion of the Bay Area Rapid Transit (BART) phase II project to the Five Wounds/Brookwood Terrace area and Downtown San José/Diridon.
- ✓ Initiate the development of an Implementation/Financing Strategy and Governance Structure for the development of VTA, Caltrain and City owned land in the Diridon Station Area, with completion of this work by spring 2017.

***Budget Dollars at Work: Performance Goals***

**OUTCOME 3: DIVERSE RANGE OF HOUSING OPTIONS**

5 Year Strategic Goals	CSA Performance Measures	2013-2014 Actual	2014-2015 Target	2014-2015 Estimate	2015-2016 Target	5-Year Goal
Increase the Supply of Affordable Housing	1. % of annual target achieved for completion of affordable housing (housing units)	70.0% (397)	100% (94)	179% (168)	100% (70)	100% (2,157)
Direct Significant Affordable Housing Resources to Lower-Income Households	2. % 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)	22% 7% 15% 40% 38%	60% 30% 30% 25% 15%	91% 23% 68% 2% 7%	60% 30% 30% 25% 15%	60% 30% 30% 25% 15%

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

- ✓ The Department is funding pipeline projects, using program income from loans in the City’s loan portfolio, developer negotiated payments, and federal HOME Investment Partnership Program funds, among others. In 2015-2016, the City will invest approximately \$37.3 million in housing programs throughout the City. This number includes an estimated \$12.2 million in federal housing and community development entitlement program funding.
- ✓ In order to continue to fund new affordable housing developments in the post-redevelopment world, new local and State funding sources and tools need to be identified. The City will continue work to implement the new local Housing Impact Fee and the City-wide Inclusionary Housing Ordinance. New funds will be focused on supportive housing and rental housing with deep income targeting.
- ✓ The City will continue to implement a place-based, neighborhood focused strategy using CDBG Community Development Improvement funds in three neighborhoods (Santee/McKinley, Mayfair, and Five Wounds/Brookwood Terrace).
- ✓ The Homeless Rapid Rehousing program will place in housing and continue to support at least 100 homeless individuals living in encampments with ongoing subsidies provided by the City, County, or other partners.
- ✓ The City will work in partnership with the Santa Clara Valley Water District, the County of Santa Clara, and other agencies to abate 52 encampment sites, and provide outreach, case management, housing, and service opportunities to encampment residents.
- ✓ The Housing Department will continue to partner with Destination: Home to continue to implement the *Community Plan to End Homelessness*.

*City Service Area*  
**Community and Economic Development**  
**OVERVIEW**

***Budget Dollars at Work: Performance Goals***

**OUTCOME 3: DIVERSE RANGE OF HOUSING OPTIONS**

- ✓ A total of \$37.3 million in Housing Program funds will be available in 2015-2016 as displayed in the following table. The CSA will encourage housing types that are not traditional to San José, including high-rise housing, small units/studios, and mixed use projects.

<b>2015-2016 Housing Program Funds</b>	
\$6,422,310	Housing Loans and Grants
\$8,259,253	Community Development Block Grant (CDBG) Program
\$15,304,150	Loan Repayment
\$500,000	CalHome
\$500,000	BEGIN
\$261,200	Fees & Charges
\$1,000,000	Bond Admin Fee
\$940,727	Rental Rights and Referrals Program
\$853,803	Housing Opportunities for People with AIDS (HOPWA)
\$725,731	Emergency Shelter Grant (ESG)
\$427,206	HOPWA Special Projects
\$1,750,000	Tenant Based Rental Assistance
\$250,000	Developer Payments
\$112,000	Interest
\$2,000	Misc
<b>\$37,308,380</b>	<b>Total Housing Program Funding Sources</b>

***Budget Dollars at Work: Performance Goals***

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

5 Year Strategic Goals	CSA Performance Measures	2013-2014 Actual	2014-2015 Target	2014-2015 Estimate	2015-2016 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	42%	55%	40%	50%	55%
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	41%	50%	38%	50%	56%
	2. Estimated City revenue from signature events (events and festivals solicited and supported by the City)	\$1.6M	\$750,000	\$1.0M	\$1.0M	\$4.5M

*Changes to Performance Measures from 2014-2015 Adopted Budget: No*

**Public Art and Design Amenities**

- ✓ The program will continue implementation of the Focus Plan for Downtown. The program will advance Phase 1 of the Illuminating Downtown Project, comprised of a series of interactive artist lighting projects.
- ✓ Other significant activities will include projects in collaboration with the Environmental Services Department, aimed at community awareness of the sewer collection systems, and art in key transportation projects such as Berryessa BART and Bus Rapid Transit. The program will focus efforts on developing strong partnerships, continuing its work with San José State University, San Jose Downtown Association, and the private sector.

**Arts Grants and Creative Entrepreneurs**

- ✓ The City awards arts grants through the *Cultural Funding Portfolio: Investments in Art, Creativity and Culture* administered by the Office of Cultural Affairs (OCA). This includes the three core grant programs: Festivals, Parades and Celebrations; *take pART*, cultural participation project grants; and Operating Grants. The OCA will foster cultural vibrancy and understanding through investments in community-based arts partners. The OCA will foster a vibrant, sustainable ecosystem of healthy nonprofit arts and cultural organization through the provision of training for nonprofit arts and cultural organizations.
- ✓ The OCA will enhance support for creative entrepreneurs and the commercial creative sector through professional development grants and the Creative Industry Incentive Fund.
- ✓ Initiate the San José Creates & Connects program, which brings together arts organizations to as part of a community wide effort towards creative place-making and reinvigorating neighborhoods through the arts and culture.

***Budget Dollars at Work: Performance Goals***

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

**Cultural Facilities**

- ✓ As a goal of stewarding the sustainability of City-owned cultural facilities, the OCA, in partnership with the Department of Public Works, will work with non-profit cultural facility operators to prioritize maintenance and capital repair projects. In 2015-2016, several capital projects are funded including upgrades to building systems and other capital investments at the Convention Center, San José Civic Auditorium, Mexican Heritage Plaza, San José Museum of Art, the Tech Museum of Innovation, and History Park; a sculptured fence around the southern end of the Children’s Discovery Museum to allow for expanded outdoor exhibit space; and a new canopy over the existing stage at the Plaza de Cesar Chavez.

**Special Events**

- ✓ Fostering destination quality events in San José is a goal of the City. OCA cultivates partnerships with event organizers, such as the San José Sports Authority, San Jose Downtown Association and Team San José, to support the successful launch of new events.
- ✓ The City continues the private-public partnership with the Christmas in the Park Board to continue the production of Christmas in the Park (CITP). The transition of this event began in 2011 and since that period, CITP Board hired an Executive Director, cultivated and grew sponsorships, enhanced concessions and other revenue sources to acquire the needed finances to produce this holiday festivity. The current agreement between the City of San José and CITP will expire April 2016 and prior to the expiration of this agreement, City and CITP staff will determine ongoing services required to sustain the production of Christmas in the Park as a holiday festivity.
- ✓ Staff continues to create ways to develop public policy and strategies to support outdoor public venues and cultural enrichment. Strategies may include lowering costs related to the production of outdoor special events for event organizers by offering different models and venues to event organizers, and updating and reviewing pertinent policies with various City Departments. Full implementation of the new traffic control model for street closures is a significant strategy to support the vitality of outdoor special events.
- ✓ Staff continues to be a central point for identifying locations for place making opportunities; leading the inter-departmental team to remove barriers for activation and coordination of events and programming in the City’s public areas.
- ✓ To build on the popularity of the City’s Fourth of July fireworks events, funding is approved to continue for 2015-2016 the Independence Day celebration at Lake Almaden and Downtown.

*City Service Area*  
**Community and Economic Development**  
**ADOPTED BUDGET CHANGES**

<b>Adopted Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>ECONOMIC DEVELOPMENT</b>			
• Office of Economic Development Salary Program		314,975	131,202
• Economic Development/Incentive Fund Partial Reallocation to Business Development and Economic Strategy Activities		200,000	200,000
• Office of Cultural Affairs Arts Staffing	2.00	183,428	0
• Small Business Ally Translation Staffing and Services	1.00	142,000	142,000
• Rebudget: Real Estate Services Document Imaging and Records Retention System		200,000	200,000
<i>Subtotal</i>	3.00	1,040,403	673,202
<b>FIRE</b>			
• Fire Department Salary Program		106,406	104,604
• Fire Development Fee Program	0.50	104,734	104,734
<i>Subtotal</i>	0.50	211,140	209,338
<b>HOUSING</b>			
• Special Projects Funding		295,000	0
• Housing Department Salary Program		270,885	7,642
• Responsible Landlord Engagement Initiative		150,000	0
• Homeless Project Development	1.00	118,478	0
• Community Development Block Grant Program	1.00	95,722	0
• Homelessness Outreach Staffing	1.00	91,015	0
• Downtown Core Homeless Drop In Center		12,500	0
• Homeless Response Team	1.00	0	0
• Housing Department Staff Funding Realignment	(3.00)	(284,819)	0
• Rebudget: Executive Recruitment		100,000	0
• Rebudget: High Density File Storage System		40,000	0
<i>Subtotal</i>	1.00	888,781	7,642
<b>PLANNING, BUILDING AND CODE ENFORCEMENT</b>			
• Building Development Fee Program	8.60	1,454,433	1,454,433
• Planning, Building and Code Enforcement Department Salary Program		1,002,690	985,415
• North San José Area Development Policy And EIR Update		640,000	640,000
• Envision San José 2040 General Plan Four-Year Major Review	1.00	488,725	488,725
• Long Range Planning Project Staffing	1.00	96,292	96,292
• Water Pollution Control Plant Environmental Review Staffing	1.00	87,952	0
• Planning Public Information Support Staffing	1.00	87,512	87,512
• Planning Development Fee Program	1.01	83,763	83,763

**Community and Economic Development**

**ADOPTED BUDGET CHANGES**

<b>Adopted Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>PLANNING, BUILDING AND CODE ENFORCEMENT</b>			
• Fire and Public Works Development Fee Programs and Other Programs	0.87	64,262	64,262
• Rebudget: Geographic Information System Implementation		556,000	556,000
• Rebudget: Update Downtown Environmental Impact Report		338,000	338,000
• Rebudget: Workspace Improvement Project		237,500	237,500
• Rebudget: Envision San José 2040 General Plan Implementation		186,000	186,000
<i>Subtotal</i>	<b>14.48</b>	<b>5,323,129</b>	<b>5,217,902</b>
<b>PUBLIC WORKS</b>			
• Public Works Development Salary Program		305,095	303,178
• Public Works Development Fee Program	1.85	202,841	202,841
<i>Subtotal</i>	<b>1.85</b>	<b>507,936</b>	<b>506,019</b>
<b>Subtotal Departments</b>	<b>20.83</b>	<b>7,971,389</b>	<b>6,614,103</b>
<b>CITY-WIDE EXPENSES</b>			
• Arena Authority		78,000	78,000
• CommUniverCity Program		100,000	100,000
• Cultural Affairs Special Project		20,000	20,000
• East San José Business Improvement District		36,000	36,000
• Homeless Rapid Rehousing		2,000,000	2,000,000
• Homeless Response Team		1,675,000	1,675,000
• Manufacturing Jobs Initiative		200,000	200,000
• Neighborhood Business Districts		5,000	5,000
• San José Downtown Association		100,000	100,000
• San José Jobs Communications Campaign		125,000	125,000
• San José Works		1,020,000	1,020,000
• Small Business Activation and Assistance		220,000	220,000
• Sports Authority		100,000	100,000
• Miscellaneous Rebudgets		4,123,627	4,123,627
<b>GENERAL FUND CAPITAL, TRANSFERS AND RESERVES</b>			
• Earmarked Reserves: General Plan Update Reserve		(75,711)	(75,711)
• Earmarked Reserves: 2016-2017 Long Range Planning Project Staffing Reserve		110,000	110,000
• Miscellaneous Rebudgets		39,636,045	39,636,045
<b>Subtotal Other Changes</b>	<b>0.00</b>	<b>49,472,961</b>	<b>49,472,961</b>
<b>Total Adopted Budget Changes</b>	<b>20.83</b>	<b>57,444,350</b>	<b>56,087,064</b>