



City of San José

Annual Report on City Services 2019-20

A Report from the City Auditor
Report #20-10
December 2020

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City of San José
Office of the City Auditor

Annual Report on City Services 2019-20

The Office of the City Auditor is pleased to present the 13th City of San José Annual Report on City Services. This report provides performance data on the cost, quantity, quality, timeliness, and public opinion of City services. It includes historical trends and comparisons to targets and other cities. The report is intended to be informational and to provide the public with an independent, impartial assessment of the services the City provides with their tax dollars.

Background

With a population of 1,049,000, San José is the tenth largest city in the United States and the third largest city in California. The City of San José serves an ethnically diverse population—about 38 percent Asian, 31 percent Hispanic or Latinx, and 25 percent white. Roughly 40 percent of San José residents are foreign born. More than half of residents speak a language other than English at home.

In 2019, San José's median household income increased to \$116,000; however, the cost of living in San José is among the highest in the nation. Fifteen percent of San José households earned less than \$35,000. An estimated 6,100 residents were homeless, according to the 2019 homeless census.

The City had a challenging year in 2019-20 with multiple emergencies affecting the community and requiring a City response. Record-breaking temperatures and dry weather required public safety power shutoffs early in the fiscal year to prevent wildfires. Beginning in March 2020, the COVID-19 pandemic had an unprecedented impact on the city. Finally, in May and June 2020, the City responded to civil unrest and protests for police reform.

December 18, 2020

Honorable Mayor and Members
Of the City Council
200 East Santa Clara Street
San Jose, CA 95113

COVID-19

The COVID-19 pandemic caused the longest disruption to City services and the longest active emergency response in the City's recent history. In March 2020, the City issued a proclamation of local emergency, as the area's caseload increased, and health officials confirmed community spread. Ten days later, Santa Clara County, along with six other Bay Area counties, issued the nation's first shelter in place order to slow the spread of the virus and to reduce stress on area hospitals.

The pandemic caused economic activity to slow; the city's unemployment rate jumped from a monthly average of 2.6 percent pre-COVID to 13.8 percent in April 2020. The pandemic caused a hunger crisis, with Bay Area food banks reporting a surge in requests as people lost their jobs. The pandemic also had a disproportionate impact across the community. According to data from Santa Clara County, Latinxs accounted for nearly 60 percent of COVID cases in the County, though the Latinx community account for just 26 percent of County residents.

As a result of the emergency, the City suspended many City services, activated the Emergency Operations Center (EOC), and established new services to support the emergency response. Through the EOC, the City expanded homeless sheltering operations, local assistance for small businesses, and procurement of personal protective equipment like masks and gloves. The City also worked to set up a Countywide distribution network for food distribution to at-risk residents. As described later, many regular City services were cut back, and facilities, including City Hall, libraries, community centers, the animal shelter, and the permit processing center, were closed to the public. To support continuity of government,

City staff have provided services remotely. In some cases, emergency response work replaced or added to employees' regular duties.

Resident Survey

2020 marked San José's 10th year of participation in The National Community Survey™, a collaborative effort between National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA).

While nearly two thirds of respondents expected to remain in San José over the next five years, less than half rated the quality of life as good or excellent. As described in more detail in this report, ratings for many City services were similar to prior years. Some changes in ratings in 2020 may correspond with changes in services as a result of the pandemic and shelter in place orders. Ratings for overall economic health of San José, shopping opportunities, and employment opportunities were given lower quality ratings in 2020 than 2019. Ratings for traffic flow on major streets and ease of travel by car in San José improved in 2020.

Financial Condition

In 2019-20, the City's revenues and expenditures increased. Increased governmental revenues were largely attributable to increased grant revenues, like those to support COVID-19 related expenditures under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. As a result, revenues increased, but the City's unassigned General Fund balance ratio decreased. Additionally, governmental expenses increased by 18 percent over last year, due in part to COVID-19 related activities, but also to increased pension and other post-employment benefit costs, street pavement maintenance, and increased garbage and recycling costs. Business-type revenues and expenses increased as well, largely due to 2019-20 being the first full year of operation of San José Clean Energy.

Finally, the amount of money borrowed per capita increased in 2019-20, as the City issued general obligation bonds for public improvements under Measure T, which voters passed in November 2018.

Operating Budget and Staffing

In 2019-20, the City's departmental operating expenditures totaled \$1.6 billion*, or about \$1,550 per resident. While the City initially projected a \$5.1 million budget surplus for 2019-20, the economic impact of the COVID-19 pandemic required the City to address a General Fund revenue shortfall of \$45 million in April 2020. The shortfall was resolved through expenditure reductions and other offsetting revenue actions. Additionally, the City received state and federal grants to help fund emergency services.

Increased staffing in recent years has nearly restored staffing levels to what they were 10 years ago; however, some City departments remain below those levels. In some cases, the City has struggled to recover from budget and service reductions a decade ago. In other cases, the City is providing new services or has changed how services are delivered. San José employs about 6.3 people per 1,000 residents—fewer than any other large California city we surveyed.

* Overall budgeted expenditures totaled \$4.1 billion. This also includes General Fund capital and Citywide expenditures, reserves, transfers, and various non-General Fund and enterprise fund expenditures (e.g., capital, debt service, pass-through grant funds) and operating or other reserves.

Performance Results by City Service Area

The City of San José provides a wide array of services that city residents, businesses, and other stakeholders count on. With the onset of the pandemic, however, the City had to transition or suspend some services. Other services decreased as a direct result of the shelter in place order.

Public Safety

- The Emergency Operations Center (EOC) was activated three times in 2019-20, including the City's response to public safety power shutoffs and to COVID-19, which is currently ongoing. As of June 2020, over 220 City staff were activated to work within the EOC with 2,000 additional staff providing support.
- Police received about 1.2 million calls for service and responded to about 212,000 Priority 1 to 4 incidents in 2019-20, similar to last year. The citywide average response time for Priority 1 calls was 7 minutes,

above the 6-minute target. On average, Police responded to Priority 2 calls in 21 minutes, well over their 11-minute response target.

- San José experienced 2,858 major crimes per 100,000 residents in 2019, about the same as last year. San José's per capita crime rate remains below other major California cities such as Los Angeles, San Francisco, and Oakland, though it was higher than both the state and national rates.
- Fire responded to about 91,600 incidents in 2019-20, including 3,700 fires. The Department responded to 75 percent of Priority 1 incidents within its time standard of eight minutes (target: 80 percent), which is about the same as last year. The Department responded to 92 percent of Priority 2 incidents within 13 minutes (target: 80 percent).

Community and Economic Development

- Jobs per employed resident in San José increased slightly in 2019 to 0.85; however, it is still below the Envision 2040 target of 1.1 job per employed resident. As noted earlier, San José's unemployment rate jumped in 2020, due to the COVID pandemic.
- The number of permit center customers, field inspections, and building permits issued decreased due to the pandemic. Seventy-four percent of plan checks for development projects were completed within processing time targets. Sixty-seven percent of building inspections occurred within the target time of 24 hours. The volume of construction decreased for the third straight year; however, the value of construction increased over those same years.
- In 2019-20, developers completed 217 new affordable housing units with City help, up from the 111 reported in 2018-19. Availability of quality, affordable housing remains among the lowest rated characteristics of the city, however, with 76 percent of residents rating the availability as "poor" (an improvement from last year).

Transportation and Aviation Services

- The number of Airport passengers decreased in 2019-20, due largely to reduced travel and travel restrictions associated with the pandemic. In 2019-20, the Airport served over 11.3 million airline passengers, with

10.5 million of those flying before March 2020. The Airport remains one of the highest rated City services, with 77 percent of residents rating the overall ease of using the Airport as "good" or "excellent."

- With newly available funding from VTA Measure B, the Department of Transportation (DOT) was able to perform preventative maintenance on local and neighborhood streets in 2019 – the first time in eight years. Measure T funds will further support street pavement repair.
- The fatal and injury crash rate rose slightly to 2.4 per 1,000 residents in 2019, but remains below the national rate, which was 5.9 in 2018.

Environmental and Utility Services

- The City has a goal of reducing greenhouse gas emissions to less than 3.66 million metric tons of carbon dioxide equivalent by 2030. 2019-20 marked the first full fiscal year that San José Clean Energy (SJCE) provided businesses and residents with options for renewable and carbon-free energy. SJCE served over 329,000 accounts and stayed within its target opt-out rate of 5 percent.
- The percent of waste diverted from landfills increased slightly from last year, though the City is still working to address disruptions in the recyclables market. The City diverted 66 percent of solid waste in 2019 (preventing waste from going into landfills through recycling, reuse, or composting).

Neighborhood Services

- The Parks, Recreation and Neighborhood Services Department (PRNS) added three new parks in 2019-20: Iris Chang Park, Rincon South Park, and the Arcadia Ballpark. Overall, PRNS rated park condition a 3.4 out of a 5-point scale.
- Due to the pandemic, PRNS closed many of its recreation facilities and programs, including Happy Hollow Park & Zoo, community centers, and certain park amenities (golf courses, playgrounds, picnic sites). As a result, direct program revenues covered just 30 percent of costs, below the target of 40 percent. Residents' satisfaction with the City's parks and recreational opportunities decreased as well.

- Library hours, circulation, and program participation also decreased due to the pandemic. In 2019-20, the Library had 4 million visitors, down 2 million from last year. Circulation dropped from 7.8 million in 2018-19 to 7 million in 2019-20. During the pandemic, the Library transitioned services to allow express pick-up of library materials through online or phone reservation. Seventy-eight percent of residents rated Library services good or better, the same as last year.
- The City's Animal Care Center also closed to the public during the pandemic. In 2019-20, the Center sheltered over 14,000 animals, down from about 17,000 in 2018-19. The Center had a live release rate of 91 percent, about the same as last year.

Strategic Support

- The Information Technology Department (IT) reports 86 percent of its 2019-20 projects met scheduling, cost, scope, and value goals, exceeding its target of 80 percent. IT also helped transition the City to a remote work environment during COVID-19, facilitating an increase of over 800 users on the City's secure access servers and more than 70,000 monthly teleconferencing hours.
- Ninety-seven percent of general vehicles in the City's fleet were available when needed, as were 100 percent of emergency vehicles, the same as last year.
- The City has maintained general obligation bond ratings of Aa1/AA+/AA+ by the three leading national ratings agencies: Moody's, Standard & Poor's, and Fitch.
- The Finance Department managed over \$2 billion in City cash and investments and procured \$191.5 million in products and services, including personal protective equipment and janitorial services.

Additional information about other City services is included in the report.

Conclusion

This report builds on the City's existing systems and measurement efforts. The City Auditor's Office selected and reviewed performance data to

provide assurance that the information in this report presents a fair picture of the City's performance. All City departments are included in our review; however, this report is not intended to be a complete set of performance measures for all users. It provides insights into service results but is not intended to thoroughly analyze those results. By reviewing this report, readers will better understand the City's operations.

The report contains an introduction with a community profile of the City. This is followed by resident survey results, various measures about the City's financial condition, and a summary of the City's overall budget and staffing. The remainder of the report presents the City Service Area Dashboards, followed by performance information for each department in alphabetical order—their missions, descriptions of services, workload and performance measures, and survey results. Additional copies of this report are available from the Auditor's Office and are posted on our website at www.sanjoseca.gov/servicesreport. We thank the many departments that contributed to this report. This report would not be possible without their support.

Respectfully submitted,



Joe Rois,
City Auditor

Audit staff: Stephanie Noble, Juan Barragan, Shirley Duong, Brittney Harvey, Leonard Hyman, Marisa Lin, Gitanjali Mandrekar, Ebele Obi, Ali Pauly, Vicki Sun, Caroline Wurden

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INTRODUCTION

Background
Community Profile
Scope and Methodology

INTRODUCTION

BACKGROUND

This is the 13th Annual Report on City Services. The purpose of this report is to:

- improve government transparency and accountability,
- provide consolidated performance and workload information on City services,
- allow City officials and staff members to make informed management decisions, and
- report to the public on the state of City departments, programs, and services.

The report contains summary information including workload and performance results for the fiscal year ended June 30, 2020. We limited the number and scope of workload and performance indicators in this report to items we identified as the most useful, relevant, and accurate indicators of City government performance that would also be of general interest to the public. This report also includes the results of a resident survey, completed in October 2020, rating the quality of City services.

All City departments are included in our review; however this report is not a complete set of performance measures. The report provides three types of comparisons when available: historical trends, selected comparisons to other cities, and selected comparisons to stated targets.

This report covers the functions of the City government of San José. The city's residents are also served by the County of Santa Clara, which provides criminal justice, health and hospital, housing, and social services. The Santa Clara Valley Water District provides water and flood protection to San José residents. San José contains 240 schools. Fifteen public school districts serve the city's children.

Note: "City" is capitalized when referring to the City of San José as an organization and lowercase ("city") when referring to the city as a place.

The first section of this report contains information on resident perceptions of the city, City services, and City staff; the City's financial condition; and the City's operating budget and staffing. It also includes City Service Area (CSA) dashboards – the top six measures representing achievements in the City's key lines of business. The remainder of the report displays performance information by department, in alphabetical order. The departments are as follows:

- Airport
- City Attorney
- City Auditor
- City Clerk
- City Manager
- Community Energy
- Economic Development
- Environmental Services
- Finance
- Fire
- Housing
- Human Resources
- Independent Police Auditor
- Information Technology
- Library
- Parks, Recreation and Neighborhood Services
- Planning, Building and Code Enforcement
- Police
- Public Works
- Retirement
- Transportation

ACKNOWLEDGEMENTS

The Office of the City Auditor thanks staff from each City department for their time, information, and cooperation in the creation of this report.

CITY GOVERNMENT

San José operates under a council/manager form of government, where the City Council is the primary legislative body and the City Manager oversees day-to-day municipal operations. The City has an 11-member City Council with many Council-appointed boards and commissions.* The Mayor is elected citywide; Council members are elected by district (see map).

There were 21 City departments and offices during fiscal year 2019-20. Five of the departments and offices are run by officials directly appointed by the City Council. Those officials are the City Manager, City Attorney, City Auditor, Independent Police Auditor, and City Clerk.

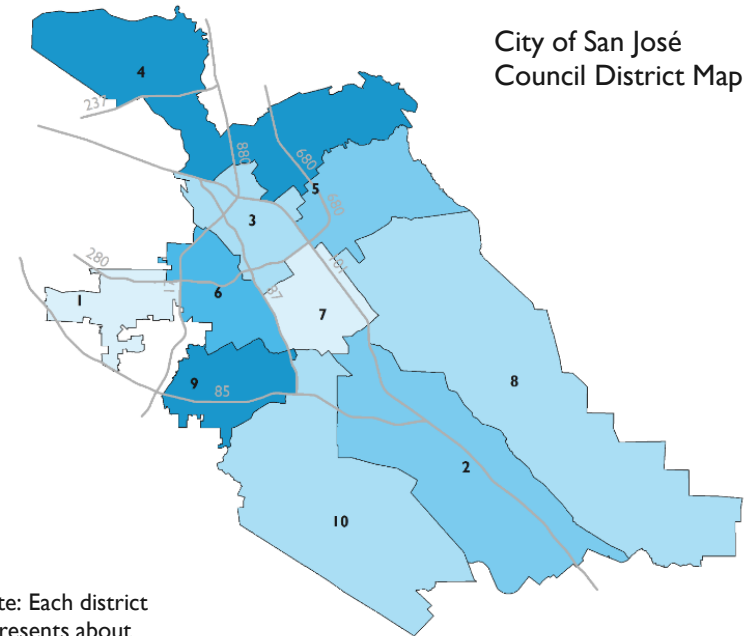
Some departments and programs serve expanded service areas. These departments include Environmental Services, Public Works, and the Airport. For example, the San José/Santa Clara Regional Wastewater Facility is co-owned by the cities of San José and Santa Clara and provides service to those cities as well as Milpitas, Cupertino, Los Gatos, Monte Sereno, Campbell, and Saratoga. The Airport serves the entire South Bay region and neighboring communities.

The Mayor's June 2020 budget message included priorities for the upcoming year, with proposed investments in the areas of:

- Equity and Racial Justice,
- Supporting Our Families In Need,
- Supporting Our Economic Recovery,
- Youth Programming,
- Traffic and Pedestrian Safety,
- Outdoor Park Activation,
- Beautification, and
- Supporting the Arts.

The City Council meets weekly to direct City operations. The Council meeting schedule and agendas can be viewed [online](#).

*Details of the boards and commissions can be found on [the City's website](#).



City of San José Council District Map

Note: Each district represents about 100,000 in population.

The City Council also holds Council Committee meetings each month. The decisions made in these meetings are brought to the main Council meeting for approval.

City Council Committees:

- Community & Economic Development Committee
- Neighborhood Services & Education Committee
- Public Safety, Finance & Strategic Support Committee
- Rules & Open Government Committee
- Smart Cities & Service Improvements Committee
- Transportation & Environment Committee

INTRODUCTION

COVID-19 IMPACT ON CITY SERVICES

On January 21, 2020, the Centers for Disease Control and Prevention confirmed the first diagnosed case of a U.S. resident with the Novel Coronavirus Disease (COVID-19), a new, highly infectious virus. On March 16, 2020, Santa Clara County issued a shelter in place order, only allowing individuals to leave their residence for essential activities. Since then, COVID-19 has had an unprecedented impact on City services, budget, and staffing.

As a result of the emergency, the City temporarily suspended many City services, activated the Emergency Operations Center (EOC), and established new services to support the emergency response. The City expanded homeless sheltering operations, local assistance for small businesses, digital inclusion efforts, and procurement of personal protective equipment (PPE). The City also set up a Countywide network for food distribution. For more information, see the City Manager's chapter and individual department chapters.

In addition, the City closed several facilities to the public, including City Hall, libraries, community centers, the animal shelter, and the permit processing center. Parks, golf courses, and playgrounds were also closed. As Santa Clara County revised its health orders, the City re-opened parks and amenities with limited access or a phased approach.

In a March 2020 memo, the City Manager outlined four key priority efforts for the City's COVID-19 response, which were to ensure:

- 1) Compliance with all federal, state, and local public health orders,
- 2) Provision of City's essential services,
- 3) Providing support to at-risk populations, and
- 4) Supporting and protecting the City's workforce.

To support continuity of government, City staff provide services remotely. In some cases, emergency response work replaced or was in addition to employees' regular duties. For example, while schools were closed, youth intervention staff from Parks, Recreation and Neighborhood Services (PRNS) worked in food distribution, as well as supporting enhanced City outreach for residents to participate in the 2020 U.S. Census. Across the City, over 220 staff were activated to work in the EOC. Additional information on COVID-19 impacts to City services are detailed throughout the report.

Essential and Non-Essential Services Summary

	<i>Essential Services Provided</i>	<i>Non-Essential Services Suspended</i>
Airport	Airport facilities and operations	Reception desk, info booths
City Attorney	Legal representation and counsel	Jury trials
City Auditor		Performance audits
City Clerk	Facilitation of City's legislative process, public records requests	
City Manager	COVID-19 related support, budget, communications	Non-COVID-19 related support
Community Energy	Clean energy to the community	Community events
Economic Development	COVID-19 related business development activities	Arts and cultural development work
Environmental Services	Water, recycling, garbage services	Regional Wastewater Facility new construction
Finance	Payments, financial reporting	Cashiering services, collections
Fire	Emergency response, fire prevention, code compliance	Community events
Housing	Affordable housing and homelessness-related activities	Apartment rent ordinance and mobile home program petitions
Human Resources	Employment services for critical functions, health and safety	Employment services for non-critical functions
Independent Police Auditor	Complaint intake	Community outreach
Information Technology	Technology infrastructure and operations	
Library	Access to information, library materials, and digital resources	Community events
PRNS	Anti-graffiti, anti-litter, gang prevention, facilities maintenance	Community center operations, youth services, sports
Planning, Building and Code	Plan review, some inspections and code enforcement	Community meetings
Police	Patrol, investigations, crime prevention, community education	Community meetings, fingerprinting services
Public Works	Facilities management	Animal adoptions
Retirement	Retirement plan administration	Disability retirement processing
Transportation	Sewer, pavement, street maintenance, transportation safety	Parking services, tree and sidewalk inspections

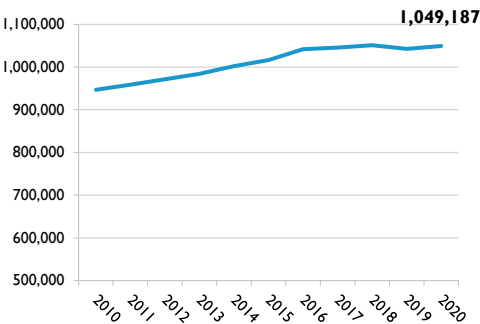
This table is not a comprehensive list of essential services. Some non-essential services continued remotely or through a new workflow. For more information, see the [City's Continuity of Operations Plan](#).

COMMUNITY PROFILE

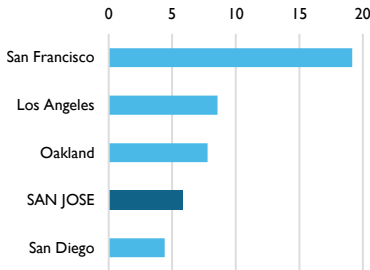
San José, with a population of 1,049,187, is the tenth largest city in the United States and the third largest city in California. However, San José ranks low in population density. The city covers approximately 181 square miles at the southern end of the San Francisco Bay. By comparison, San Francisco covers 47 square miles with a population of 897,806.

San José’s population has been growing over the past decade, from about 947,000 in 2010 to just over 1,049,000 in 2020, an 11 percent increase, with a slight increase in the past year. (Unless otherwise indicated, this report uses population data from the California Department of Finance and demographic data from the U.S. Census Bureau. In some cases we have presented per capita data to adjust for population growth.)

San José's Population Growth



Population per Square Mile (thousands)

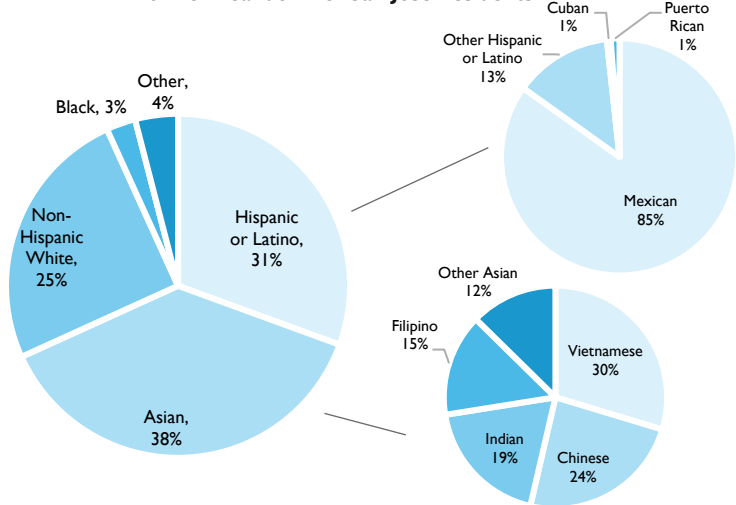


Source: California Department of Finance population estimates and U.S. Census Bureau land area estimates (2010)

THE CITY'S RESIDENTS ARE DIVERSE

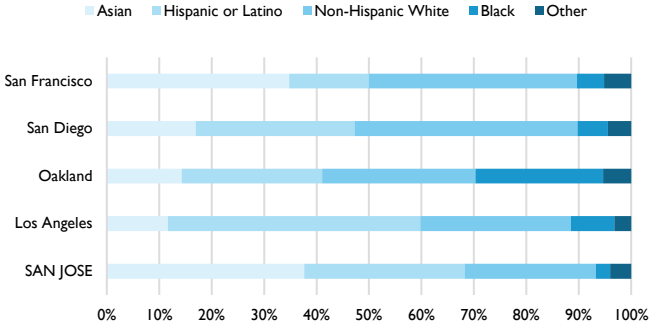
The City serves an ethnically diverse population. The demographics of San José are important because they influence the type of services the City provides and residents demand. It can also influence how services are provided (e.g., providing programming in other languages).

Ethnic Breakdown of San José Residents



Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates (Table DP05)

Population by Ethnicity



Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates (Table DP05)

INTRODUCTION

MANY RESIDENTS ARE FOREIGN BORN

Despite the overall growth in population, the proportion of foreign born residents is about the same as it was ten years ago—though there has been a slight demographic shift within the foreign born population. The percentage of residents born in Asia has increased by 7 percent, while the percentage of residents born in Latin America has decreased by 7 percent.

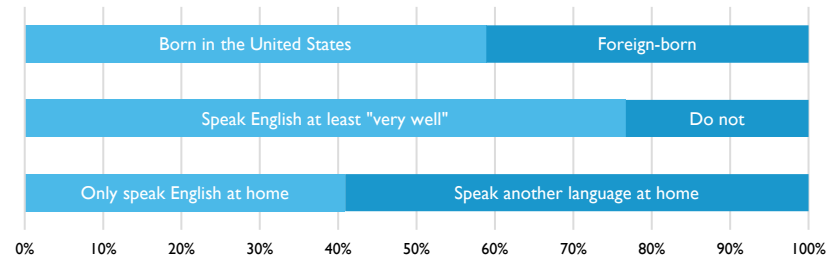
The proportion of the city's residents that speak a language other than English at home has increased by 4 percent over the past ten years, though the number that report they speak English less than “very well” has decreased by 3 percent. The proportion of the city’s residents who are not U.S. citizens (17 percent) is also about the same as it was a decade ago.

THE MEDIAN AGE IS SLIGHTLY LOWER THAN THE UNITED STATES' GENERALLY

San José's population has a median age of 37 years. This is 1.1 years younger than the median age of the U.S. population. Ten years ago, the city's median age was 35 years.

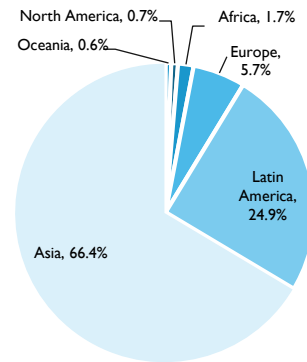
According to the County Registrar, approximately 85 percent of the 1 million registered voters in Santa Clara County voted in the last election (November 2020). Both voter participation and number of registered voters increased since the 2018 midterm election, when voter turnout was 71 percent and there were 886,000 registered voters.

Characteristics of San José Residents

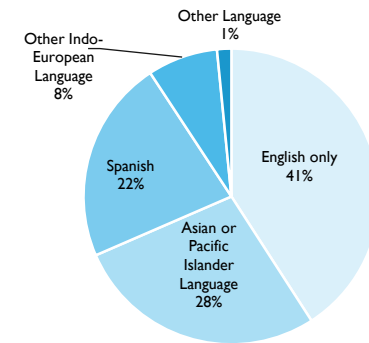


Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates (Table DP02)

Foreign Born Population by Region

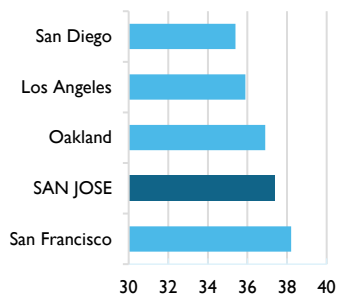


Languages Spoken at Home

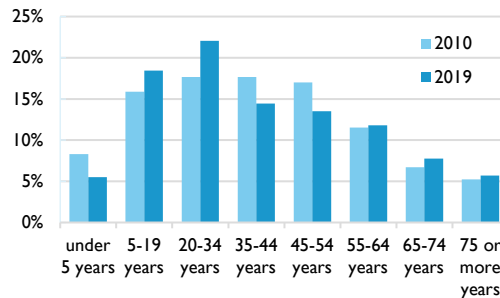


Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates (Table DP02)

Median Age of Residents



San José Resident Age



Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates (Table DP05)

ECONOMIC GAINS VARIED WITHIN THE COMMUNITY

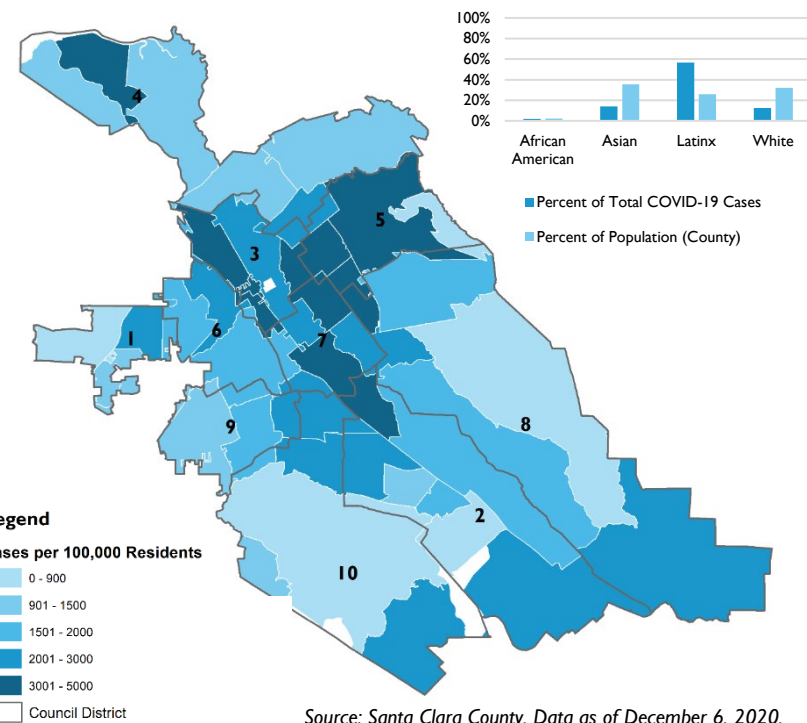
In 2019, median household income in San José rose to nearly \$116,000 and varied by race, with Black and Latinx households earning less than Asian and Non-Hispanic White households.

The COVID-19 pandemic has had a severe economic and human impact on the city since March 2020 and highlighted existing racial inequities. In early December, cases in San José totaled 25,660 out of the 39,193 cases in Santa Clara County, with east San José experiencing high concentrations of cases. The proportion of cases by racial demographic does not align with the racial composition of Santa Clara County. For example, Latinxs constitute nearly 60 percent of cases, despite being only 26 percent of the county's population. Latinxs also have a lower median household income and higher unemployment and poverty rates compared to Asian and Non-Hispanic White households.

During the early stages of the pandemic, the city's unemployment rate soared past its ten-year high to 13.8 percent in April, which declined to 10.9 percent in July. The overall unemployment rate for 2019-20 was 5.3 percent, lower than the overall nationwide unemployment rate of 6 percent.

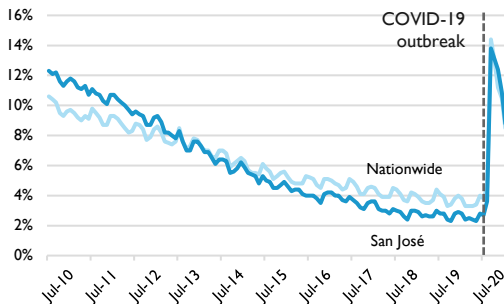
The economic downturn increased food and housing insecurity in the city, and in response the City created a Countywide food distribution network and issued an eviction moratorium (see Housing Chapter), among other emergency efforts.

COVID Cases by Zip Code



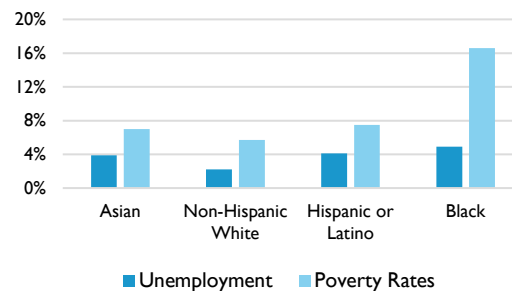
Source: Santa Clara County. Data as of December 6, 2020.

Unemployment Rate



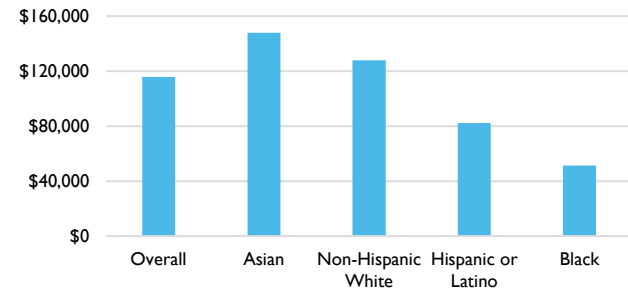
Source: U.S. Bureau of Labor Statistics

Unemployment and Poverty Rates by Race



Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates (Tables S1701 and S2301)

Median Household Income



Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates (Table S1903)

INTRODUCTION

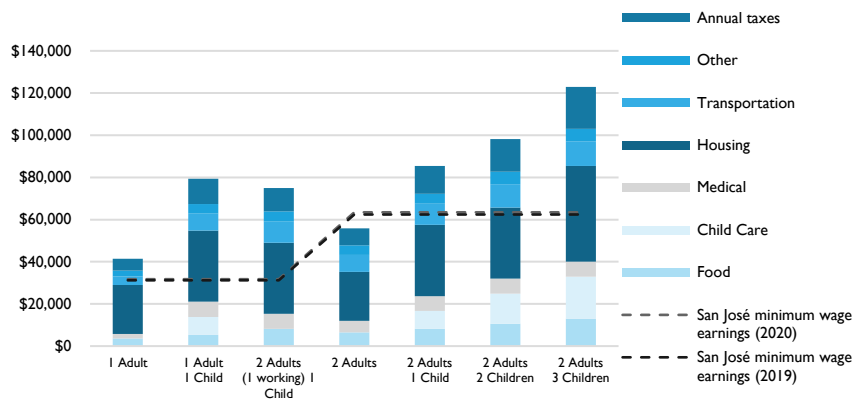
DESPITE HIGH MEDIAN INCOMES, MANY RESIDENTS MAY EXPERIENCE ECONOMIC DISTRESS

The cost of living in San José is among the highest in the country. About 15 percent of households earned less than \$35,000 in income and benefits, and 13 percent of the population received supplemental income or public assistance. The city's overall poverty rate in 2019 was 7.1 percent, with the Black population experiencing more than double the overall poverty rate.

The last homeless census conducted in January 2019 estimated 6,097 residents were homeless, and of these, around 5,117 (84 percent) were unsheltered—that is, sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation (for more information, see the Housing chapter).

Only 18 percent of respondents in the resident survey thought that the economy would have a positive impact on their income over the next six months. (See the Resident Survey chapter and Economic Development chapter for more information.)

Estimated Minimum Annual Living Expenses in San José - Sunnyvale - Santa Clara Metropolitan Area (2019)



According to [the Living Wage Calculator](#), a living wage in the San José metropolitan area for a single, working adult was \$41,500 in 2019. This represents estimated minimum expenses for a single adult for a year, including food, housing, and transportation. It does not include savings for retirement or purchasing a home, for example. For a family of four in San José, with two children and two working adults, the living wage calculation was nearly \$98,200 in household income, or \$49,100 for each adult. In 2019, a full-time, minimum-wage employee in San José would have earned just over \$31,200 a year. (In January 2020, the minimum wage increased to \$15.25 per hour, or just over \$31,700 a year.)

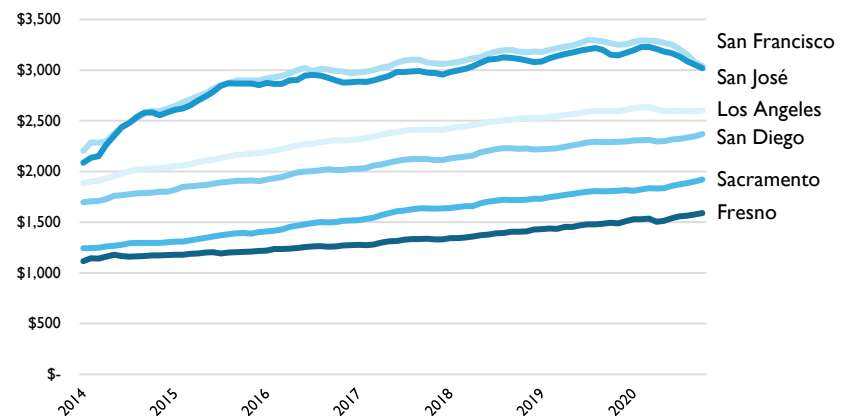
HOUSING PRICES HAVE ALSO INCREASED

According to the Census Bureau, approximately 55 percent of the city's housing stock is owner-occupied and 45 percent is renter-occupied. These vary from the national averages: nationwide 64 percent of housing stock is owner-occupied and 36 percent is renter-occupied. These figures have stayed relatively steady in recent years.

The U.S. Department of Housing and Urban Development defines "housing affordability" as housing that costs less than 30 percent of the occupant's gross income. In San José, 32 percent of homeowners and 50 percent of renters report spending more than 30 percent of household income on housing costs.

The median home price in San José in 2019-20 was \$1,192,00 and average monthly rent for all unit types was about \$2,452. This is up from \$865,000 and \$2,246 respectively, from six years ago. This also marks the third year that the median home price in San José exceeded the million-dollar mark. This compares with a median existing home value of approximately \$271,900 nationally, according to the National Association of Realtors.

Zillow Observed Rent Index for California Cities



Source: Zillow Research

The Zillow Observed Rent Index measures changes in asking rents over time, controlling for changes in the quality of the available rental stock. The index varies from average rent in that it represents price differences for the same rental units over time, rather than the average market rent for units available at a given time.

SCOPE & METHODOLOGY

The City Auditor’s Office prepared this report in accordance with the City Auditor’s FY 2020-21 Work Plan. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The workload and performance results that are outlined here reflect current City operations. The report is intended to be informational and does not fully analyze performance results. The City Auditor’s Office compiled and reviewed departmental performance data. We reviewed information for reasonableness and consistency. We questioned or researched data that needed additional explanation. We did not however audit the accuracy of source documents or the reliability of the data in computer-based systems. We also did not assess the internal controls over performance data unless it was significant to determine the reasonableness and consistency of the reported information. Our review of data was not intended to give absolute assurance that all information was free from error. Rather, our intent was to provide reasonable assurance that the reported information presented a fair picture of the City’s performance.

SELECTION OF INDICATORS

This report relies on existing performance measures, most of which are reviewed yearly by Council, staff, and interested residents during the annual budget process. It also relies on existing benchmarking data.

We used audited information from the City’s Comprehensive Annual Financial Reports (CAFRs). We cited mission statements, performance targets, performance outcomes, workload outputs, and budget information from the City’s annual operating budget. We held numerous discussions with City staff to determine which performance information was most useful and reliable to include in this report. Where possible, we included ten years or more of historical data. We strove to maintain consistency with prior years’ reports by including most of the same performance indicators; however, due to issues such as reporting and program updates, some indicators have changed.

We welcome input from City Council, City staff, and the public on how to improve this report in future years. Please contact us with suggestions at city.auditor@sanjoseca.gov.

COMPARISONS TO OTHER CITIES

Where possible and relevant, we have included benchmark comparisons to other cities (usually other large California cities, the state, or the nation). It should be noted that we took care to ensure that performance data comparisons with other cities compare like with like; however, other cities rarely provide exactly the same programs or measure data with exactly the same methodology.

ROUNDING & INFLATION

For readability, many numbers in this report are rounded. In some cases, tables or graphs may not add to 100 percent due to rounding. Financial data have not been adjusted for inflation. Please keep in mind inflation (in the table of San Francisco Area Consumer Price Index for All Urban Consumers below) when reviewing historical financial data included in this report.

Year	Index
2010-11	233.6
2019-20	300.0
% change in last 10 years	28.4%

Source: Bureau of Labor Statistics. based on June 2011 and June 2020

Resident perceptions about Quality of Life and City Services in San José

RESIDENT SURVEY

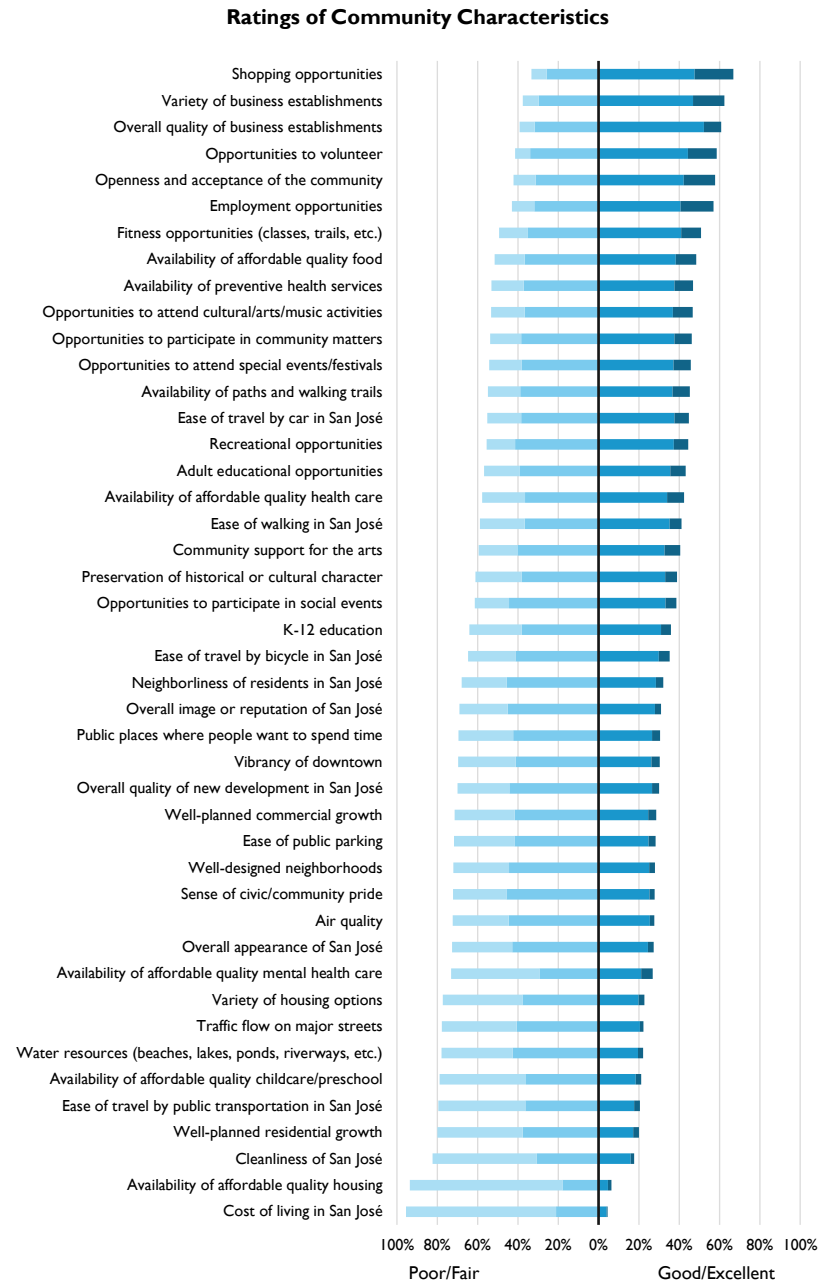
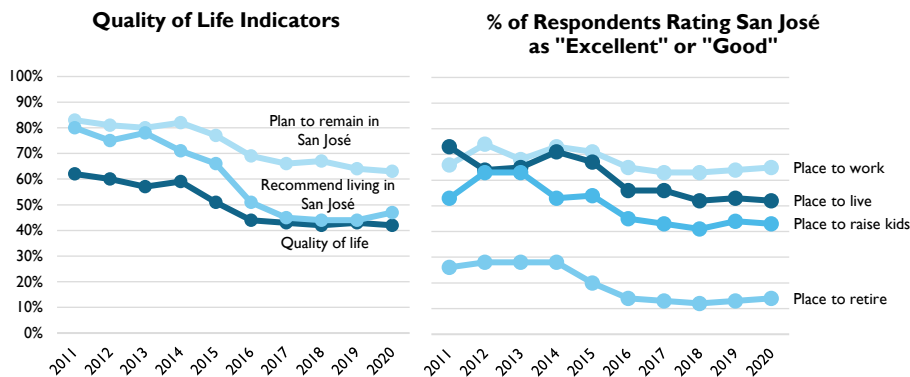
2020 marked San José's 10th year of participation in The National Community Survey™ (referred to throughout this report as the resident survey). The National Community Survey™ is a collaborative effort between National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA). The survey was developed by NRC to provide a statistically valid sampling of resident opinions about their community and services provided by local government. Survey results in this chapter and in the following chapters provide the opinions of 3,750 residents of the city who responded to either a mail or online survey.

We should note that the survey period occurred six months into the COVID-19 pandemic. Although we cannot correlate all changes to the impact of the pandemic, ratings of some services and community characteristics may have been affected by the changes in service delivery and the County's shelter in place order. Furthermore, the challenges and stress of living in a pandemic may have affected perceptions and ratings more generally. Complete survey results are posted online at sanjoseca.gov/servicesreport. The end of this chapter provides more specific information about the survey methodology.

QUALITY OF LIFE IN SAN JOSÉ

How residents rate their overall quality of life is an indicator of the overall health of a community. This can include opinions about a community's natural and built environments; the availability of services and amenities; overall feelings about safety or the economic health of the community; and other aspects of life.

Most ratings from 2020 are similar compared to those from 2019. Cost of living and availability of affordable quality housing remain the lowest rated community characteristics. Shopping opportunities rated the highest among community characteristics, though its rating dropped from last year.

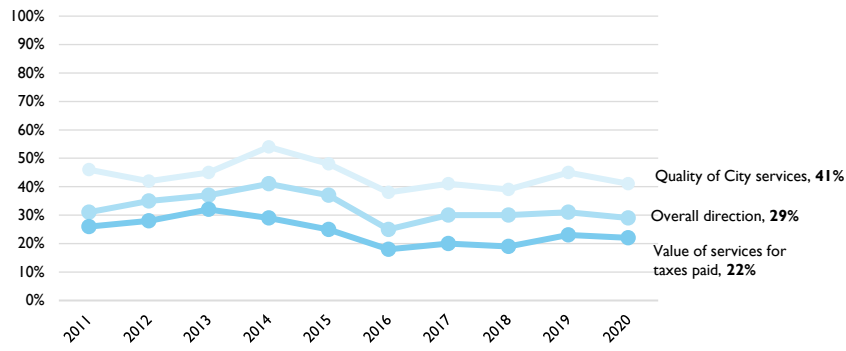


CITYWIDE QUALITY OF SERVICES

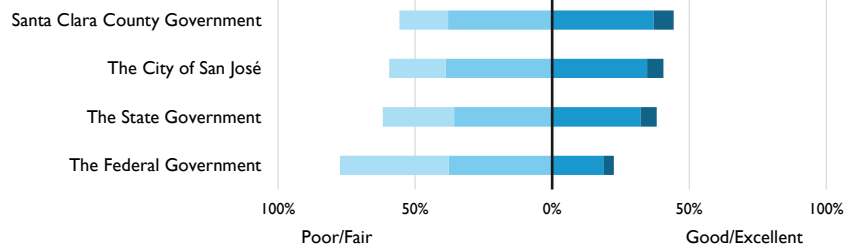
In the resident survey, the percentage of surveyed residents that rated the overall quality of City services "excellent" or "good" is about the same as it was last year.

Satisfaction with specific government services ranged from a high of 80 percent of residents rating fire services as "excellent" or "good" to a low of 13 percent for code enforcement. Other highly rated government services include public libraries; the ease of using the the Mineta San José International Airport (SJC); and garbage collection. More information on survey results related to specific services can be found in individual department pages later in this report.

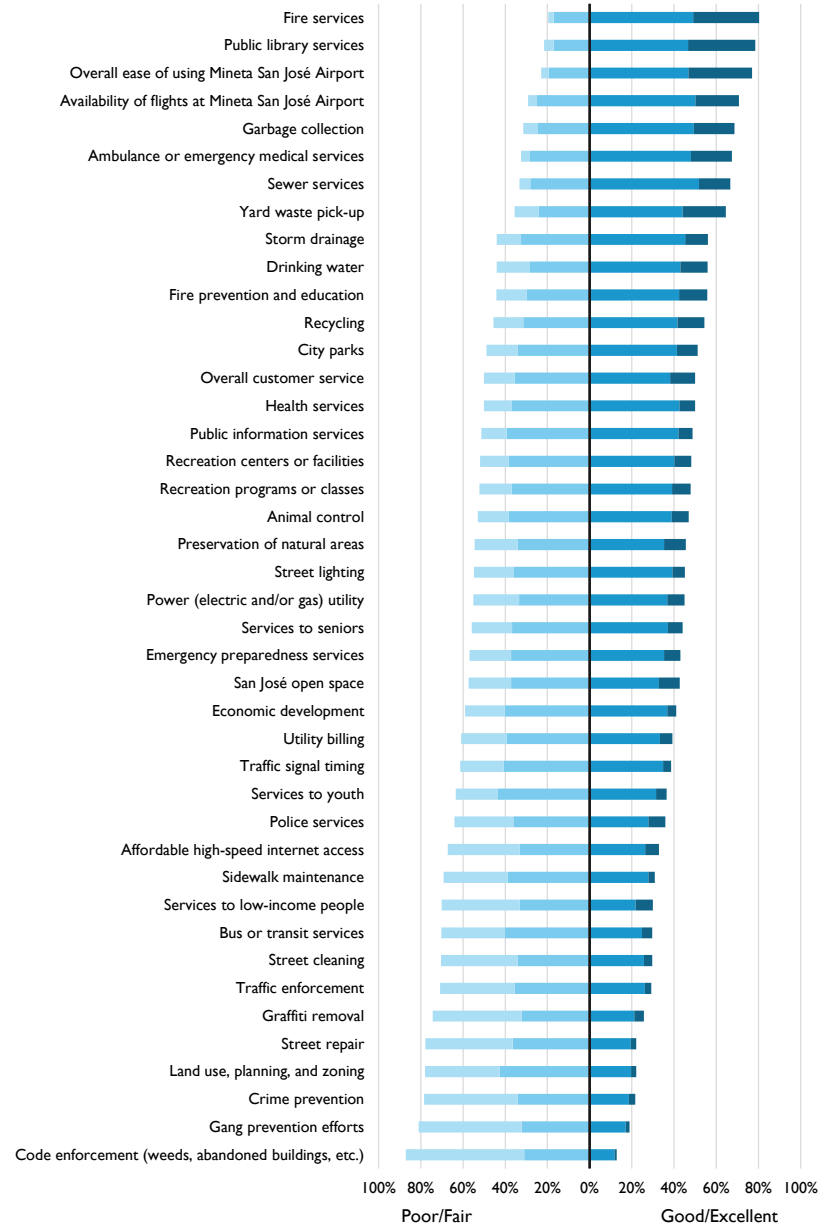
% of Respondents Rating San José Services as "Excellent" or "Good"



Perception of Governance



Quality of Government Services



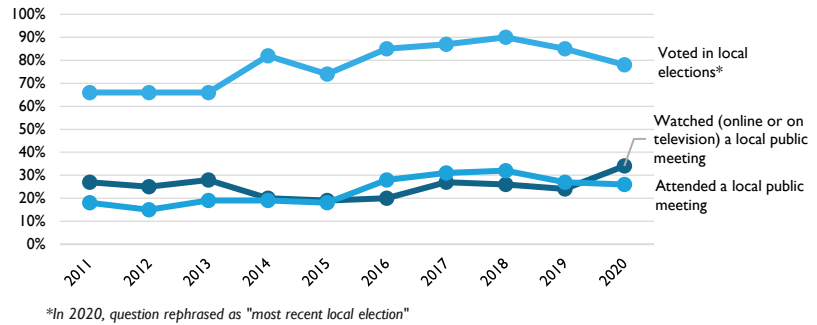
RESIDENT SURVEY

COMMUNITY PARTICIPATION & CITYWIDE PUBLIC TRUST

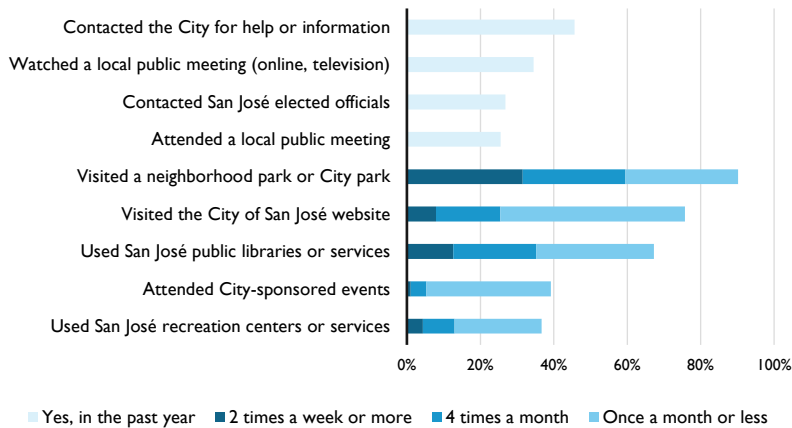
The resident survey also asked residents a variety of questions about their participation in the community, contact with City government, and confidence in San José's governance. About two in three respondents said that they think it is essential or very important for San José to focus on sense of community in the next two years, a decrease from last year.

For the first time in 2020, the survey asked residents about their use of the internet. More than nine in ten accessed the internet from home at least once a day. Three in four respondents visited the City of San José website (at www.sanjoseca.gov). More residents reported watching a public meeting online or on television than in person in 2020.

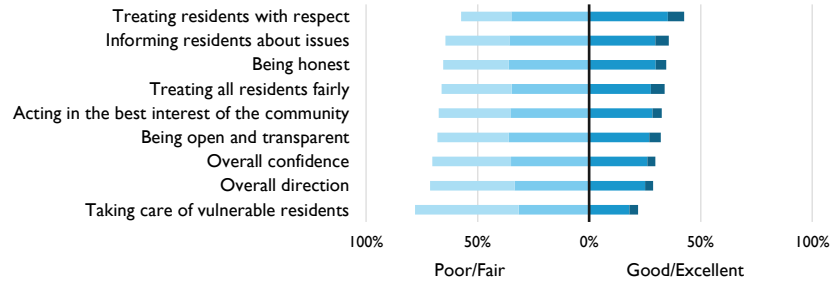
Public Participation in San José



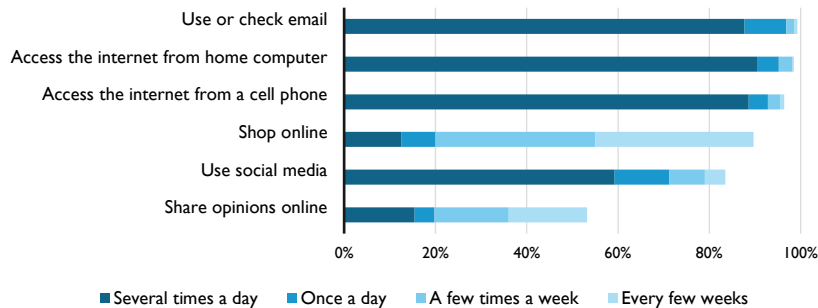
Contact with City Government



Public Trust and Confidence in City Government



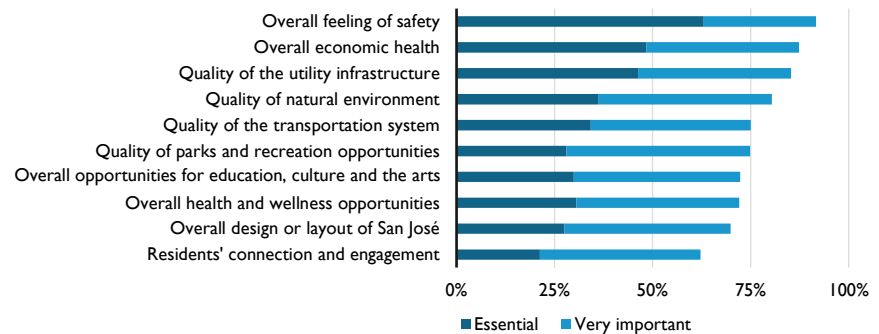
Residents' Use of the Internet



PRIORITY ISSUES FOR RESIDENTS

Residents were asked to assess priorities for the San José community to focus on in the coming two years. Nine in ten respondents felt that it was essential or very important to focus on the overall feeling of safety in San José and nearly as many residents felt it was essential or very important to focus on economic health.

Resident Priorities in San José

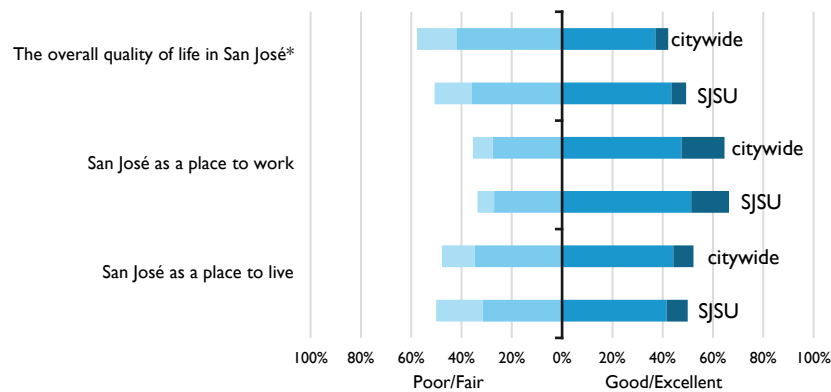


SAN JOSE STATE UNIVERSITY

2020 marked the second year that San José State University (SJSU) participated in the resident survey. The university sent a shortened version of the resident survey to students, faculty, and staff to complete online. (See survey methodology section for more details.) The SJSU survey was administered by NRC, same as the citywide survey. Over 900 students, faculty, and staff responded to the survey. Around three-quarters of respondents live in San José.

Over half of SJSU students and faculty said that they would likely recommend living in San José to someone who asks, a significant increase from last year (42 percent). SJSU respondents rated many social, cultural, and artistic opportunities in San José more highly than did residents citywide, though the number of respondents that reported attending a City-sponsored event in the last year dropped from the year prior, 50 percent to 41 percent.

Quality of Life Comparison

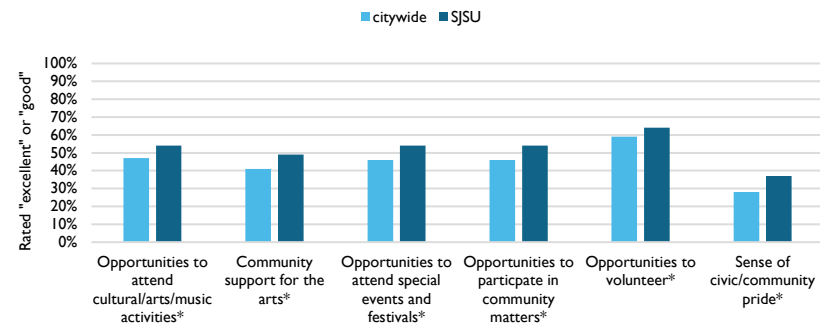


* Statistically significant differences are indicated with an asterisk.

On many measures, SJSU responses and citywide responses were similar. As shown above, SJSU respondents and citywide respondents similarly rated the city as a place to work and live. SJSU respondents gave the city higher ratings for overall quality of life (a change from last year). Seventy-five percent of SJSU respondents said that they were likely to recommend studying in San José to someone who asks.

Additional characteristics were rated similarly across the survey groups. For example, ratings for cleanliness, the quality of new development, well-planned commercial and residential growth, and cost of living were similar. In some other cases, responses varied significantly. Citywide respondents rated shopping opportunities and overall feeling of safety higher than SJSU respondents. SJSU respondents rated vibrancy of downtown, and other measures of community involvement, more highly than citywide respondents.

Social and Cultural Activities

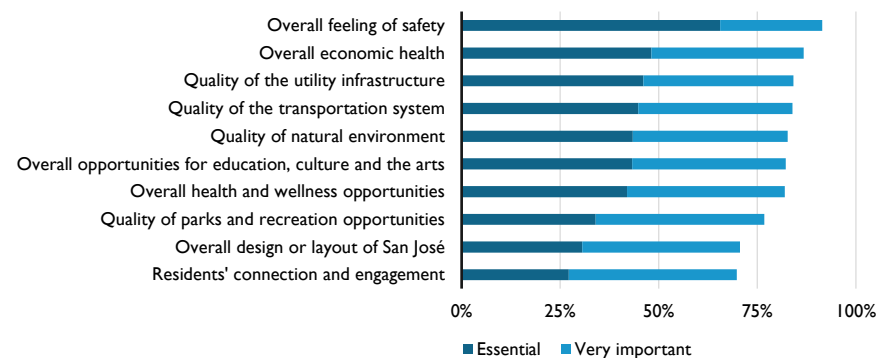


* Statistically significant differences are indicated with an asterisk.

SHARED PRIORITIES FOR THE CITY

Respondents in both surveys rated the overall feeling of safety, economic health, and utility infrastructure as three top priorities that were "essential" or "very important" to focus on in the coming two years.

SJSU Priorities in San José



RESIDENT SURVEY

SURVEY METHODOLOGY

The survey data presented in this report was collected and analyzed by the [National Research Center, Inc.](#) on behalf of the City Auditor's Office.

The survey consultant mailed surveys to a statistically valid sample of 3,000 San José households starting in August 2020. They also sent postcards to an additional 1,000 random households inviting residents to complete the survey online. Seventy-seven, or about 2 percent, of mailings were returned to sender. Completed surveys were received from 584 residents, for a response rate of 15 percent.

The consultant selected survey respondents at random and tracked survey responses by each quadrant of the City (Northeast, Southeast, Northwest, Southwest). Participation was encouraged with multiple mailings; self-addressed, postage-paid envelopes; and four language choices—English, Spanish, Vietnamese, and Chinese. Of the 584 completed surveys, 570 were completed in English, two in Spanish, two in Vietnamese, and ten in Chinese. The survey consultant statistically re-weighted results, as necessary, to reflect the actual demographic composition of the entire community.

An additional 3,166 residents completed an online “opt-in” survey, which was publicized through a press release, public service announcement, social media, and email notifications, all of which were translated into Spanish, Vietnamese, and Chinese. A link to the survey was also posted on the City's website and multilingual flyers were distributed to community groups. The survey consultant has protocols to review the integrity of “opt-in” survey responses, such as checking for repeat IP addresses.

Upon completion of data collection of both the mail and “opt-in” surveys, the survey consultant compared data from the two samples to determine whether it was appropriate to combine, or blend, both samples together. Based on the similarity of the mail and “opt-in” sample characteristics, the survey consultant determined that the two samples could be blended.

To blend the data, the consultant weighted “opt-in” survey data using a calibration technique that takes into consideration behavioral characteristics of the sample, as well as demographic data. This calibration technique reduces the differences that may occur between the mail and “opt-in” samples by using the mail results to inform the weighting scheme of the “opt-in” sample.

To do this, the survey consultant calculated an index score based on respondents' levels of engagement in the community (e.g., contact with City employees, recreation center use, frequency of volunteering). They then categorized index scores into four equal groups and used the “norms” for the categorized index scores from the random mail sample as part of the weighting scheme for the “opt-in” sample.

The precision of estimates made from surveys are usually described by a “level of confidence” and accompanying “confidence interval” (or margin of error). A traditional level of confidence, and the one used here, is 95 percent. The margin of error around results for this survey is plus or minus two percentage points. With this margin of error, one may conclude that when 60 percent of survey respondents report that a particular service is “excellent” or “good,” somewhere between 58 to 62 percent of all residents are likely to feel that way. Differences between 2019 and 2020 results can be considered statistically significant if they are plus or minus six percentage points.

NRC periodically revises its standard survey instrument. Some survey questions were rephrased or reordered in 2020. For example, prior to 2020, “overall quality of the transportation system” was rated as “overall ease of getting to the places you usually have to visit.” Differences in ratings may be at least partially attributable to changes in question wording and should be interpreted cautiously.

For complete methodology, see Appendix C of the Technical Appendices, posted online at sanjoseca.gov/servicesreport.

In addition, for the second time this year, the City Auditor's Office worked with the Knight Foundation and San José State University to implement a parallel survey of university students and faculty. This survey used a slightly abbreviated version of the City's survey and substituted “campus” for “neighborhood” where appropriate (e.g., “rate how safe you feel on campus during the day”). The university encouraged participation with a message from the president. Responses were submitted online by 970 students, faculty, and staff. The consultant used statistical tests to determine whether responses from SJSU varied significantly from citywide responses within a 95 percent confidence level.

Financial condition is the measure of how healthy a city's finances are at a particular point in time.

Unless otherwise noted, information in this chapter is from the City's audited Comprehensive Annual Financial Report (CAFR). Other chapters use adopted budget information. The CAFR differs from the City's annual Adopted Operating Budget in the timing and treatment of some revenues and expenditures.

In February 2016, this Office published our first report on financial condition. This chapter builds on those efforts by providing both background information about the City's finances and measures of financial condition. See this chapter's endnotes for definitions and links to the City's numerous financial documents. For more information, see [Measuring San José's Financial Condition](#).

FINANCIAL CONDITION

WHAT IS FINANCIAL CONDITION?

Financial condition is the measure of how healthy a city’s finances are at a particular point in time. A city is considered financially healthy if it can deliver the services its residents expect with the resources its residents provide, both now and in the future. A city that is financially healthy is prepared to respond to residents’ needs as they change over time or when unforeseen events arise, while laying the groundwork for long-term projects that will impact services many years down the line.

Cities in poor financial condition are not able to provide the services that residents want, either now or in the future. They’re more susceptible to economic downturns—requiring cutbacks in services and maintenance—and they may have difficulty recovering from financial setbacks.

WHAT MAKES UP THE CITY GOVERNMENT?

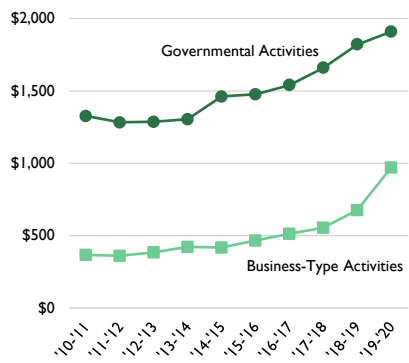
Most of what the City government does is considered to be a *governmental activity*, meaning that the programs and departments are funded by the public at large and can be used by everyone who lives in, works in, or travels to San José. This includes police, fire, libraries, roads, parks, and code enforcement. These governmental activities are primarily funded through the City’s *General Fund* (the City’s primary, unrestricted operating fund).

Many cities operate programs that don’t receive general tax revenue to support their operations. These are called *business-type activities*. For example, the Mineta San José International Airport is supported through fees from airlines and passengers and rent from concessionaires.

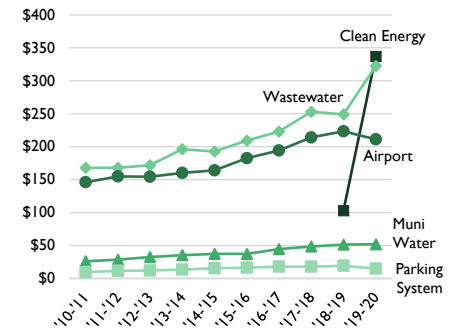
CITY REVENUES

The City received \$2.88 billion in revenues in 2019-20. Governmental activity revenue totaled \$1.91 billion, a 5 percent increase from 2018-19. This was primarily a result of an increase in grant revenues such as federal aid to support COVID-19 related expenditures and a \$43 million Pavement Maintenance grant from the VTA. There was also an increase in property taxes; however, some of the increases were offset by reductions in sales taxes and other revenues. Business-type activities, which included the first full year of activity for San José Clean Energy, generated \$971 million.

Total City Revenues (\$millions)

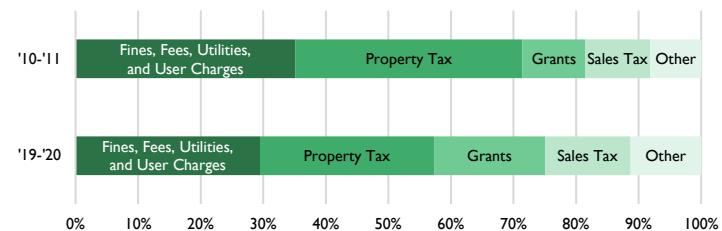


Business-Type Revenues by Source (\$millions)



The City relies on a number of funding sources to support its operations. Most California cities generate the majority of their revenue from taxes and fees. Grants made up a larger portion of the City’s revenues than in previous years. Property taxes, though more than a quarter of the City’s revenues, provided a smaller portion of the City’s revenues than a decade ago.

Governmental Activity General and Program Revenues by Type



REVENUE PER CAPITA

The City's revenue per capita has increased over the last seven years.

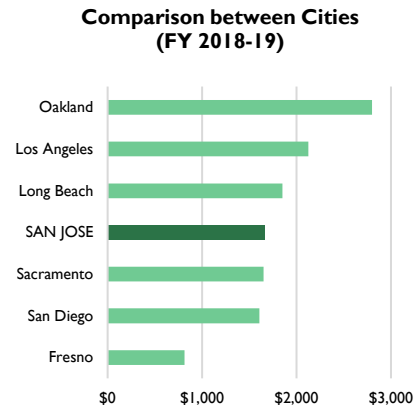
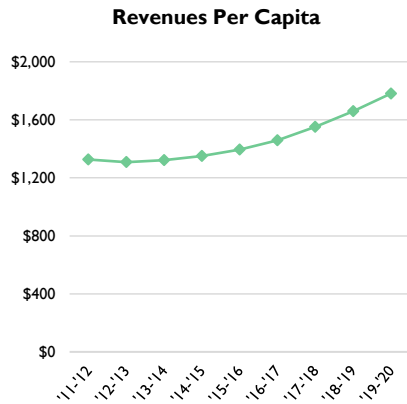
As a city's population increases, it is beneficial if the city's revenues also increase to maintain or grow service delivery for the expanding number of residents. Otherwise, the city may have to cut services or find new revenue sources.

Revenues per capita in the measures below include all governmental activity revenue. This includes taxes, fees, fines, grants, and other charges. Some revenue sources have restrictions on how they can be spent. In 2019-20, the revenues per capita increased despite the impacts of COVID-19 on the City's operating budget. This was primarily a result of an increase in grant funding, such as funding through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The City's revenues per capita have increased over the last eight years. The increase in revenues helped contribute to the City's operating surplus, shown later in this chapter.

The graphs below compare governmental funds revenue to population. A higher ratio means that there was more revenue generated per capita.

For this measure, a **higher** ratio indicates better financial condition.

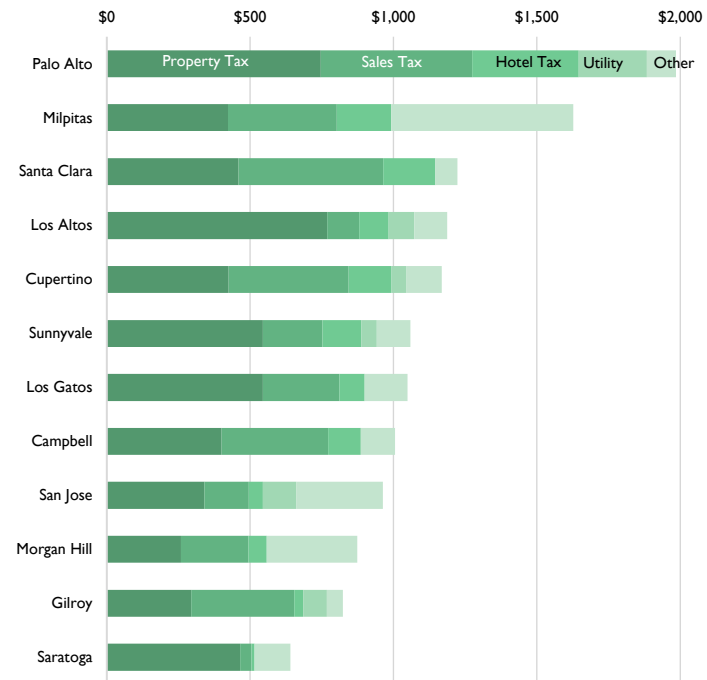


REVENUE PER CAPITA (CONTINUED)

San José received less tax revenue per capita than most of its neighboring cities (consistent with previous years). The City's tax revenues were only \$963 per capita in 2018-19. Of that, sales tax was only \$155. In contrast, Palo Alto received \$1,985 in taxes per capita, of which \$528 was from sales taxes.

The chart below shows only tax revenues. It doesn't include other sources of total governmental activity revenue that are included on the other charts on this page (such as fees and grants).

City Comparison of Tax Revenues Per Capita (2018-19)



Source: 2018-19 State Controller's City Data and California Department of Finance population estimates.

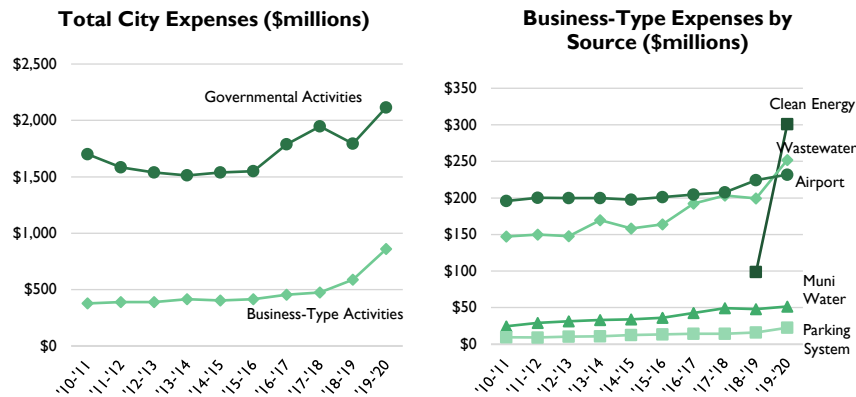
FINANCIAL CONDITION

CITY EXPENSES

The City's total expenses increased in 2019-20 to \$2.97 billion. The previous high was \$2.42 billion in 2017-18. These expenses include non-cash expenses such as depreciation (see "City Capital Assets and Spending" later in this chapter). Revenue sources are often restricted in how they can be spent. As a result, reducing expenses for one service does not necessarily mean that expenses can be increased for another service, because the revenue may not be transferable.

Governmental activity expenses, which make up the majority of City expenses, increased by 18 percent from the prior year. This was due in part to COVID-19 related activities, such as food distribution expenses. It was also a result of increases in pension and other post-employment benefit (OPEB) expenses, additional street pavement maintenance costs through a VTA grant, and increased garbage and recycling costs.

Business-type activities expenses increased by 46 percent from last year, largely because 2019-20 was the first full year of activity for San José Clean Energy. The implementation of new accounting standards to measure the costs of pollution remediation also resulted in a steep increase in reported expenses for the Wastewater Treatment System.



Note: In FY 2017-18, there were \$1 million of expenses from San José Clean Energy.

EXPENDITURES PER CAPITA

The City's expenditures per capita have increased over the last year.

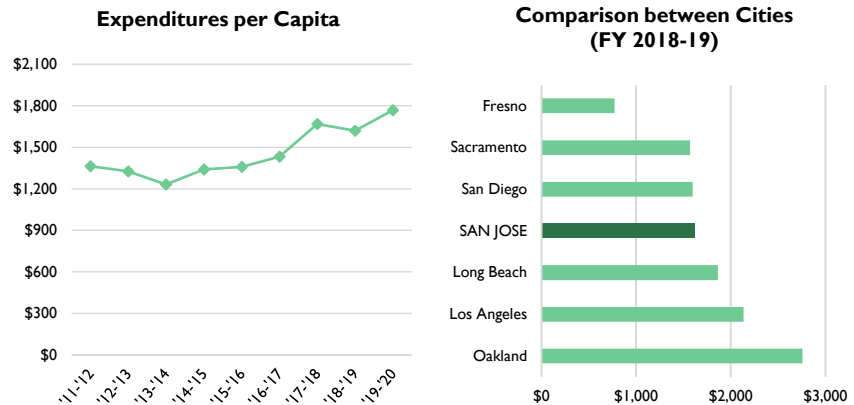
As a city adapts its service delivery over time and as its population changes, the amount of money expended per capita can shift. If the expenditures increase compared to population, it may indicate that new services were added, or that service delivery has become more expensive or less efficient.

As noted previously, expenditures related to COVID-19 contributed to the increase in expenses for governmental funds in 2019-20. Additionally, higher pension and OPEB costs and additional street pavement maintenance, garbage, and recycling costs contributed to the increase.

San José's expenditures per capita were mid-range compared to other surveyed jurisdictions. The level and types of service offered may vary between cities.

The graphs below compare governmental funds expenditures to population. A lower ratio means that there were fewer expenditures per capita.

For this measure, a **lower** ratio indicates a potentially lower level of service provided to residents.



OPERATING SURPLUS/DEFICIT

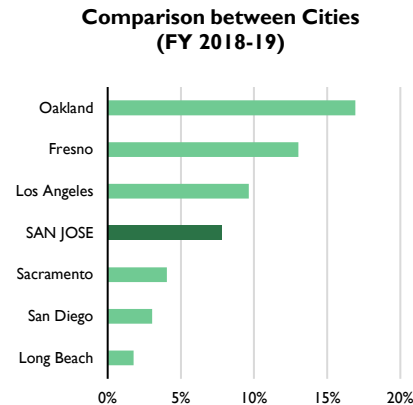
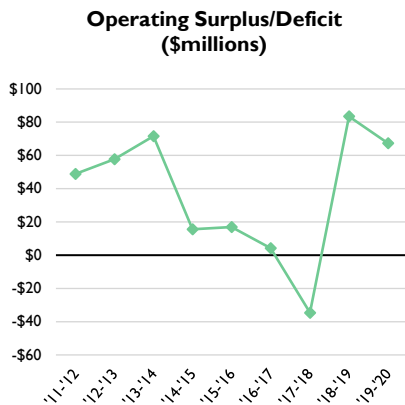
The City's General Fund had an operating surplus last year.

Ideally, a city's revenues will equal its expenditures; it will break even, rather than spending too little on services or too much. If the City spends too much on services, it has an operating deficit—it spent more than the revenues it brought in. Operating deficits that continue for years are unsustainable for a city's financial health.

In 2019-20, despite the impacts on the local economy from the COVID-19 emergency, the General Fund operating surplus was \$67 million. This was primarily a result of increased grant revenues, including CARES Act funding, and an increase in property tax revenues. Although there was an operating surplus in the General Fund, expenses exceeded revenues for governmental activities overall (leading to a decrease in net position, as seen later in this chapter). In addition, some of the revenues, such as CARES Act funding or other grant revenues, may be restricted for certain purposes.

The graph below to the left shows the difference between the City's General Fund total revenues and expenditures. The graph below to the right expresses this as a comparison ratio (surplus or deficit divided by revenues).

For this measure, a **higher** number indicates a better financial condition.



ABILITY TO PAY EXPENSES

The City had more cash available in its General Fund compared to the liabilities owed.

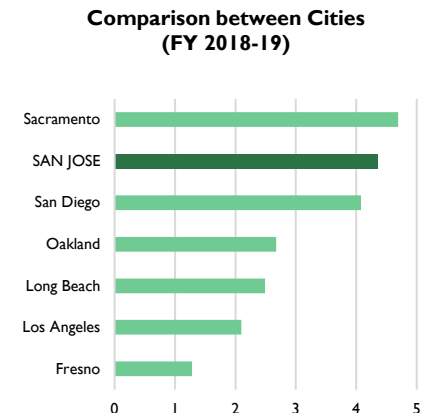
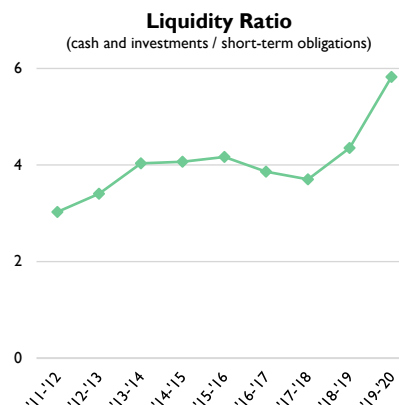
Cash and investments that can be quickly turned into cash enable the City to pay bills that will come due in the short term (within one year or sooner).

The amount the City had in its treasury in cash and investments compared to the liabilities owed increased dramatically in 2019-20. As of June 30, 2020, the City's cash and investments were nearly six times the amount that it owed within the next year. This was primarily a result of the receipt of \$178 million in CARES Act funding.

In 2018-19, San José's ratio of cash to liabilities was higher than most other cities surveyed. This means that San José was in a comparatively good position to pay short-term obligations with cash and investments compared to other cities. Note: these comparisons are for 2018-19 and do not reflect CARES Act funding.

The graphs below show the amount of money that the City has in cash and investments compared to the amount of short-term obligations the City owes, all within the General Fund. A higher ratio shows a better ability to pay short-term obligations.

For this measure, a **higher** ratio indicates better financial condition.



FINANCIAL CONDITION

BUILDING UP RESERVES

The City's General Fund unassigned fund balance reserves decreased compared to revenue.

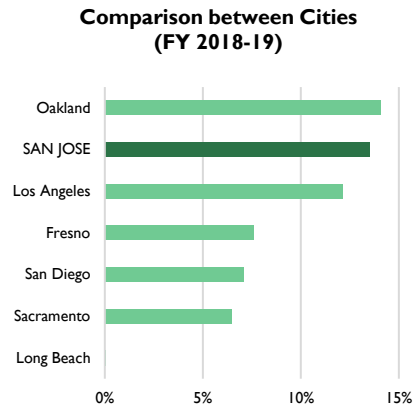
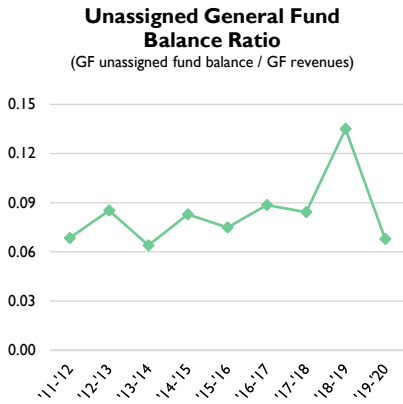
The City has several different reserves set aside. Of these reserves, the unassigned fund balance has the fewest restrictions on how it can be used. Within the unassigned fund balance are the City's safety net reserves: money that's set aside to pay for services and salaries when revenues take a turn for the worse.

The City's General Fund unassigned fund balance ratio decreased in 2019-20, as a result of a \$65 million decrease in the unassigned fund balance. However, overall total General Fund balances increased by \$46 million as a result of the previously mentioned operating surplus. This was driven primarily by an increase in the assigned fund balance (which reflects amounts intended to be used for specific purposes).

In 2018-19, the City's ratio was on the higher end compared to other jurisdictions.

The graphs below compare the money in the General Fund unassigned fund balance to total General Fund revenues. A higher ratio means that there was more money saved as compared to the revenues that were brought in.

For this measure, a **higher** ratio indicates better financial condition.



Note: Long Beach had a ratio of 0.03%.

NET ASSETS PER CAPITA

The City's net position has decreased.

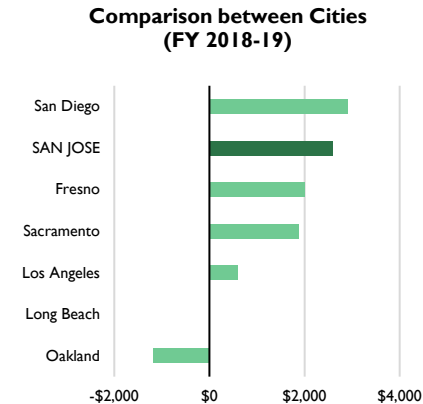
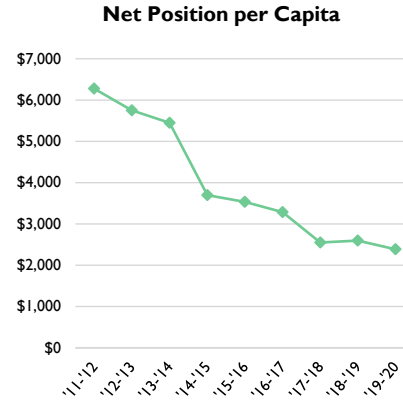
Revenues from the City's programs ideally should cover the expenses that the City incurs for those programs. In addition, what the City owns compared to what it owes (or its net position) can serve as a useful indicator of the City's financial condition.

In 2019-20, the City's net position for governmental activities (all funds) decreased because the City's expenses (including depreciation on its capital assets) for governmental activities exceeded its revenues. Expenses increased due to higher pension and OPEB costs and the growth in government expenses. The increase in expenses were partially offset by increases in revenues, including from CARES Act funding.

A change in accounting practices due to the addition of net pension liability contributed to the decline between 2013-14 and 2014-15. Similarly, in 2017-18, liabilities for OPEB costs were included for the same reason.

The graphs below show the City's net position per capita for governmental activities. A higher ratio means the City had more resources to provide services per resident.

For this measure, a **higher** ratio indicates better financial condition.



Note: Long Beach had a ratio of \$6.

CITY OBLIGATIONS AND DEBT

In total, the City had **\$7.6 billion** in obligations as of June 30, 2020. Of this, \$575 million was for short-term obligations and \$7 billion was for long-term obligations.

Short-term obligations are due within the next year. This includes things like accrued wages that City employees have earned, and accounts payable (money owed for supplies or for services rendered).

Long-term obligations are generally not due within the next year, but will need to be paid in the future. Long-term obligations include:

- The accrued vacation and sick leave that employees have earned but haven't taken.
- Bonds that the City has issued to finance the purchase, construction, and renovation of City-owned facilities. The payment of bond debt, called debt service, includes payment of principal and interest. *For more information, see the Finance Department chapter.*
- Pensions and other post-employment benefits (OPEB), which includes healthcare for retired City employees. *For more information, see the Retirement Services chapter.*

Who has to pay the City's debt?

Separate entities within the broad City organization are legally responsible for different parts of the City's debt. On the one hand, the City is not legally obligated to use the City's general revenues to pay the business-type obligations. On the other hand, the City's business-type revenues are restricted and may not be used to pay other debt obligations.

ABILITY TO PAY OBLIGATIONS

Less than three years of revenue would be required to pay the City's obligations.

A city the size of San José has both short- and long-term obligations that must be paid in the future, such as accounts payable and bonds payable. The fewer number of years of annual revenue needed to pay the City's obligations, the better the City's financial condition.

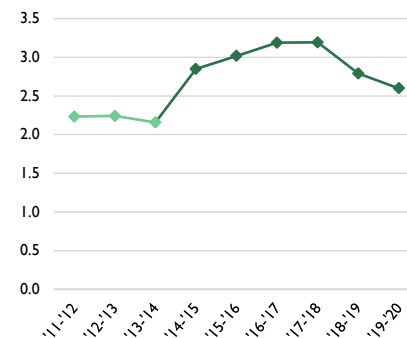
In 2019-20, 2.6 years of revenues would be required to pay the City's obligations (including governmental and business-type activities). In 2014-15, the City began including its net pension liability, which totaled nearly \$1.7 billion that year, to the calculation of total liabilities. OPEB liabilities were added in 2017-18, and totaled \$1.1 billion that year.

San José had more liabilities compared to revenues than most other cities surveyed in 2018-19.

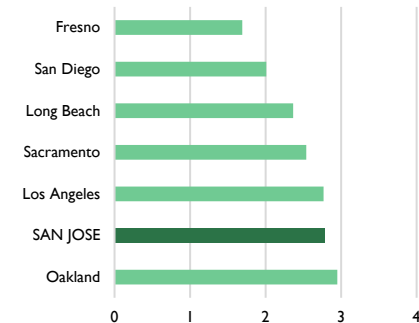
The graphs below compare the City's short- and long-term obligations to the City's annual revenues (including all governmental and business-type activities). A lower ratio shows that the City was able to pay a larger portion of its debts with annual revenues.

*For this measure, a **lower** ratio indicates better financial condition.*

Near-Term Solvency Ratio
(obligations / annual revenues)



Comparison between Cities
(FY 2018-19)



Note: 2011-12 through 2013-14 do not include net pension liability; 2017-18 on includes OPEB liabilities.

FINANCIAL CONDITION

AMOUNT BORROWED PER CAPITA

The amount the City had borrowed per capita increased.

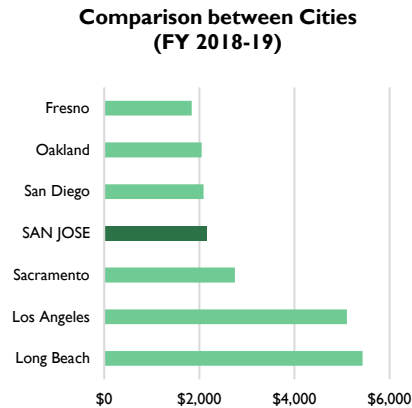
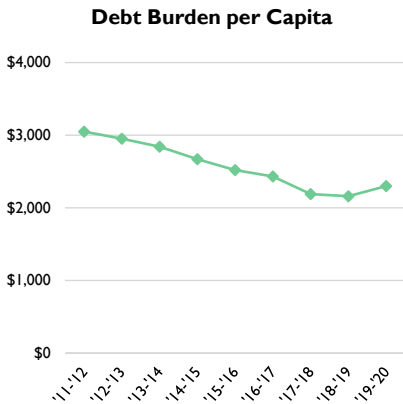
Having a low amount borrowed per capita would put a city in a better position, and potentially make it easier to borrow more money should the need arise.

After years of decline, the amount borrowed per capita increased in 2019-20, primarily resulting from the issuance of \$239.9 million in Measure T-related general obligation bonds. San José residents passed Measure T in November 2018, authorizing the City to issue up to \$650 million of general obligation bonds for various public improvements. The City's single largest source of long-term debt in the form of bonds was related to capital improvements at Mineta San José International Airport (\$1.1 billion total, to be repaid with Airport revenues). For more information, see the Airport and Finance chapters.

San José's debt burden per capita (including business-type activities) was mid-range of other cities surveyed, though a city's debt is highly dependent on what range of services a city offers.

The graphs below show the amount (including business-type activities) the City borrowed per capita. A lower ratio indicates that the City has less borrowed per capita.

For this measure, a **lower** ratio indicates better financial condition.



CAPITAL ASSETS AND SPENDING

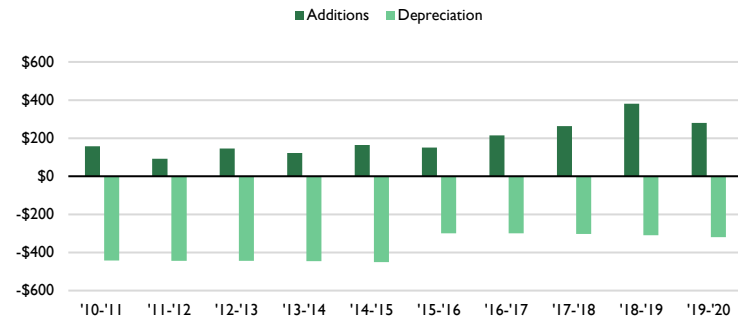
The City owns a variety of capital assets—land, buildings, vehicles, equipment, infrastructure (e.g., roads, bridges, sewers), and other assets with a useful life beyond one year. Capital assets also include construction projects currently being built but not yet completed (referred to as construction in progress). Paying for and maintaining these assets play a critical role in the City's financial condition.

At the end of 2019-20 the City owned \$7.5 billion of capital assets. This figure represents the historical purchase or constructed cost less normal wear and tear from regular use (referred to as *depreciation*).

Capital assets used for governmental activities totaled \$5.1 billion and assets used in business-type activities such as the Airport, wastewater treatment, and other business-type activities totaled \$2.4 billion.

In 2019-20, the City added \$280 million in capital assets and had a \$49 million transfer from the Successor Agency to the Redevelopment Agency (SARA); however, these were offset by \$319 million in depreciation. Among the additions were capital projects at the Regional Wastewater Facility and the Airport.

Capital Asset Additions and Depreciation (\$millions)



Note: Capital additions do not include transfers.

CAPITAL ASSETS AND SPENDING (CONTINUED)

On an annual basis, the City administration prepares a status report on its deferred maintenance and infrastructure backlog. In January 2020, staff reported that the City faced an estimated \$1.6 billion deferred maintenance and infrastructure backlog, with an estimated additional \$91 million needed annually in order to maintain the City's infrastructure in a sustained functional condition. The transportation system (e.g., streets, street lighting) is most affected by the backlog.

Infrastructure Backlog (all funds as of January 2020 (\$millions))

	Current Backlog of Deferred Needs	Annual Ongoing Unfunded Needs
Airport	none	none
Building Facilities*	\$188.0	\$20.1
City Facilities Operated by Others	\$5.2	\$1.0
Sports Facilities	\$4.4	none
Convention Center/Cultural Facilities	\$67.5	TBD
Fleet	\$9.6	\$1.0
Parks, Pools, and Open Space	\$234.6	\$34.4
Sanitary Sewer	TBD	\$2.4
Service Yards	\$21.6	\$3.8
Storm Sewer	\$180.0	TBD
Information Technology**	\$28.4	\$4.3
Radio Communications	\$2.50	none
Transportation Infrastructure	\$871.8	\$23.7
Regional Wastewater Facility	none	none
Water Utility	none	none
Total	\$1,614	\$91

Source: [Status Report on Deferred Maintenance and Infrastructure Backlog, 2020](#)

* Annual ongoing is for Parks buildings only, remaining facilities to be determined (TBD).

** This estimate only includes deferred needs for technology infrastructure maintained by the Information Technology Department (IT). Other departmental IT needs are not included.

CHANGE IN VALUE OF CAPITAL ASSETS

The value of the City's capital assets increased slightly in the last year.

Most of the City's capital assets decrease in value over time because of depreciation. If the City doesn't replace or renovate its capital assets, the value over time decreases.

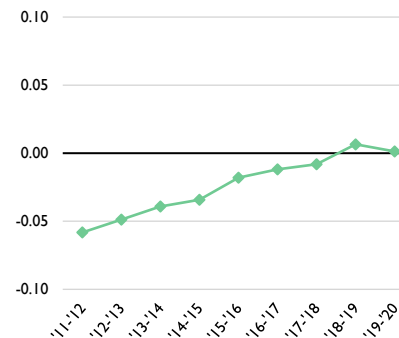
The value of the City's capital assets (net of depreciation) on June 30, 2020 was about \$10 million more than when the year started (about 0.1 percent above the value on July 1, 2019). This small increase indicates that the value of capital assets added was slightly greater than the depreciation of capital assets. A negative ratio would indicate that some capital assets may need to be renovated or replaced.

Compared to other cities surveyed, San José's capital assets increased in value by a smaller amount in 2018-19.

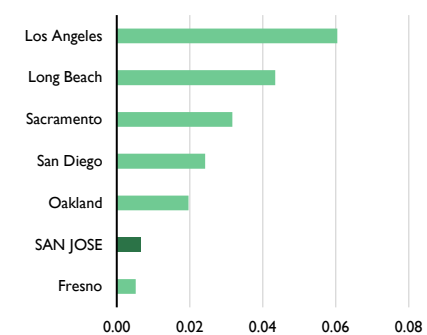
The graphs below show the difference in the value of capital assets at the end of the year, divided by the value at the beginning of the year.

For this measure, a **higher** ratio indicates better financial condition.

Capital Asset Value Ratio
(% change in value over the year)



Comparison between Cities (FY 2018-19)



FINANCIAL CONDITION

ENDNOTES

What Makes Up the City Government: Trust and Agency funds, including the Pension Trust Funds and the Successor Agency to the Redevelopment Agency, are not included in revenues.

City Revenues: The City also doesn't receive 100 percent of the sales tax levied in Santa Clara County. CAFR Source: Government-wide Statement of Activities and Statistical Section (unless otherwise noted).

Revenue per Capita: This measure includes all governmental funds. Note: for all measures, San Francisco is not included as a benchmark city because it is a City/County structure. Formula: Total government funds revenues / Population. CAFR Source: Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and Statistical Section

City Expenses: Trust and Agency funds, including the Pension Trust Funds and the Successor Agency to the Redevelopment Agency, are not included in expenses. CAFR Source: Government-wide Statement of Activities

Expenditures per Capita: This measure includes all governmental funds. Formula: Total government funds expenditures / Population. CAFR Source: Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and Statistical Section

Operating Surplus/Deficit: This measure includes only the General Fund. Formula: General Fund revenues – General Fund expenditures (for San José 5-year chart); (General Fund revenues – General Fund expenditures) / General Fund revenues (for comparison with other cities). CAFR Source: Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

Ability to Pay Expenses: This measure considers cash and investments held in the City Treasury in the General Fund, as compared to liabilities. It is important to note that measures of cash and investments are a snapshot as of a given date. As a result, information could change the following day as cash flows in and out in revenues and bills paid. Formula: Total General Fund Cash and Investments / (General Fund Liabilities – General Fund Unearned Revenue). CAFR Source: Governmental Funds Balance Sheet

Building up Reserves: This measure focuses on General Fund unassigned fund balance. Unassigned fund balance includes contingency reserves and budget stabilization reserves (designed to buffer against financial shocks) and certain earmarked reserves (set aside for a purpose but potentially available in a catastrophic need). This measure shows short-run financial position. Formula: Unassigned General Fund Balance / Total General Fund Revenues. CAFR Source: Governmental Funds Balance Sheet; Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance

Net Assets per Capita: This measure considers only governmental activities. Business type activities are not included. Formula: Governmental Activities Net Position / Population. CAFR Source: Government-wide Statement of Activities and Statistical Section

ENDNOTES (CONTINUED)

City Obligations and Debt: The bonds and loans payable noted on this page includes some debt for which the City has limited obligation or is not legally liable. This includes City of San José Financing Authority lease revenue bonds; the City is responsible for making annual lease payments so long as there is beneficial use and occupancy of the leased facility. In addition to debt noted on this page, the City manages, but is not liable for, long-term debt associated with the former Redevelopment Agency and conduit financing related to multi-family housing revenue bonds. For more information on the total debt managed, see the Finance Department chapter. CAFR Source: Statement of Net Position

Ability to Pay Obligations: Other Post-employment Benefits (OPEB) begin to be included for 2017-18 data. Formula: (Primary Government Liabilities - Unearned Revenues) / Primary Government Revenues. CAFR Source: Government-wide Statement of Net Position and Statement of Activities

Debt Burden per Capita: This measure reflects all primary government bonded debt, which includes governmental and business-type activities. Population estimates are from the State of California, Department of Finance. Trust and Agency funds, including the Pension Trust Funds and the Successor Agency to the Redevelopment Agency, are not included. Formula: Total Outstanding Debt for the Primary Government / Population. CAFR Source: Statistical Section

Capital Assets: Assets are valued at cost minus accumulated depreciation. Some assets may be fully depreciated. Trust and Agency funds, including the Pension Trust Funds and the Successor Agency to the Redevelopment Agency, are not included. CAFR Source: Capital Assets Note Disclosure

Change in Value of Capital Assets: This measure represents the net value of all primary government capital assets, which includes those owned by governmental activities and business-type activities. Land, intangible assets, and construction in progress are not depreciated. Formula: (Ending Net Value of Primary Government Capital Assets - Beginning Net Value) / Beginning Net Value. CAFR Source: Capital Assets Note Disclosure and Reconciliation of the Changes in Fund Balances for Governmental Funds to the Statement of Activities

ADDITIONAL REPORTS FOR MORE INFORMATION

The City of San José prepares numerous financial and budgetary documents during the fiscal year. The **Comprehensive Annual Financial Report (CAFR)** provides the City's audited financial statements, notes to those statements, the City Management's Discussion and Analysis of the financial information and trends, as well as other essential information. All measures included in this chapter were calculated using data from the City's CAFR. The **Comprehensive Annual Debt Report** contains information such as recent debt issued by the City and the outstanding debt portfolio. The Annual Debt Report is a key document to better understand the City's debt, which is relevant for several measures presented in this report. Visit: [Finance Department's Report Homepage](#).

OPERATING BUDGET AND STAFFING

Operating Budget and Staffing for City Services

OPERATING BUDGET AND STAFFING

CITY OPERATING BUDGET

The City's operating budget is a financial plan for how the City will provide services, pay obligations, and save for future expenses. It is approved by the Mayor and City Council. It contains information and data regarding expected sources and uses of funds, and performance. The City Charter requires the budget to be balanced for every fiscal year. The fiscal year in San José begins July 1 and ends June 30.

The City's operating budget is prepared using a different accounting basis than the Comprehensive Annual Financial Report (CAFR). CAFR data was used in the previous chapter to discuss financial condition. This chapter, as well as the remainder of this report, uses budgetary data unless otherwise specified. Every year, the City Manager's Budget Office prepares a reconciliation between the CAFR and the adopted budget. To see the latest of these reconciliations, see the [2019-20 Annual Report](#).

The City Charter also requires that the budget include a complete financial plan for all City funds. This includes the General Fund as well as numerous special funds, such as those related to Airport operations, sewer services, and others.

In 2019-20, budgeted City expenditures from all funds totaled about \$4.1 billion, an increase from last year. However, due to COVID-related economic and operational impacts, General Fund expenditures were lower this year. Departmental personal and non-personal operating expenditures totaled approximately \$1.6 billion (or about \$1,550 per resident). The City's Operating and Capital Budgets are online at the [Budget Office Website](#).

Departmental Operating Expenditures, 2019-20 (All Funds, \$millions)

		10-Year Change
Airport	\$ 72.9	-12%
City Attorney	\$ 22.0	48%
City Auditor	\$ 2.3	-2%
City Clerk	\$ 2.4	-41%
City Manager	\$ 19.6	71%
Community Energy	\$ 11.1	not applicable
Economic Development	\$ 11.2	15%
Environmental Services	\$ 293.8	42%
Finance	\$ 20.0	29%
Fire	\$ 238.6	53%
Housing	\$ 13.0	17%
Human Resources	\$ 12.9	23%
Independent Police Auditor	\$ 1.3	57%
Information Technology	\$ 25.7	11%
Library	\$ 45.9	29%
Mayor and Council	\$ 13.4	30%
Parks, Recreation and Neighborhood Services	\$ 91.5	40%
Planning, Building and Code Enforcement	\$ 53.5	79%
Police	\$ 445.4	49%
Public Works	\$ 120.4	35%
Retirement	\$ 6.8	62%
Transportation	\$ 103.4	34%
Total	\$ 1,627.4	38%

Source: San José Adopted Operating Budgets, 2019-20 Annual Report, and Budget Office

Note: Department operating budgets include personal services, and non-personal/equipment expenditures. Departmental operating budgets do not include all expenditures such as reserves, capital expenditures, debt service, and pass-through funding. Other budgeted expenditures include:

- Expenditures from special funds that are not captured in departmental operating budgets. For example, the Airport's departmental budget totaled \$73 million in 2019-20 (as we report in the chart above and in the Airport section), but the Airport oversaw \$272 million in other program expenditures over the course of the year. See individual department chapters for more information about additional expenditures.
- \$198 million in Citywide expenses and capital contributions and transfers (Citywide expenses are related to more than one department or are not directly associated with ongoing departmental operations).

The numbers do not account for inflation.

OPERATING BUDGET AND STAFFING

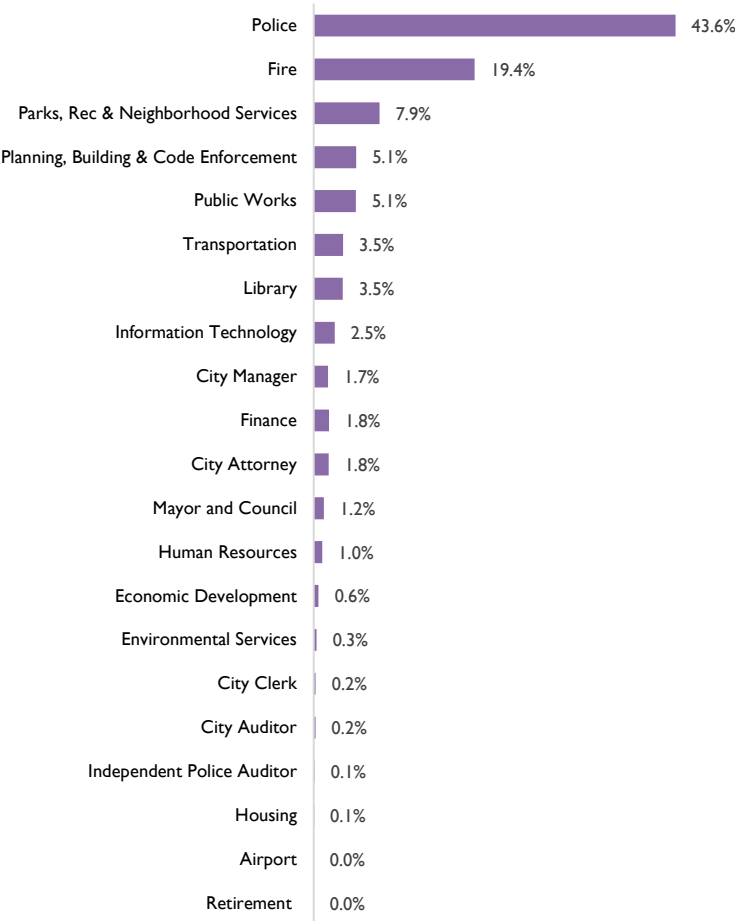
GENERAL FUND

The General Fund is the primary operating fund used to account for the City's revenues and expenditures, which are not related to special or capital funds. Some of the General Fund's larger revenue sources include: property taxes, sales taxes, utility taxes, licenses and permits, and business taxes. The General Fund is available to use for any purpose and much of its use is dedicated to paying for personnel costs.

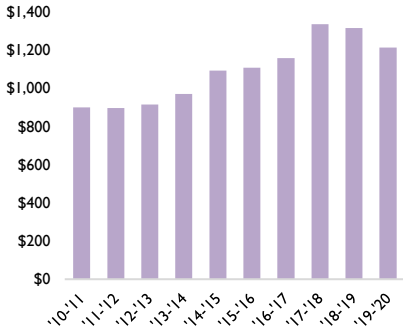
In 2019-20, General Fund expenditures totaled over \$1.2 billion. Departmental operations accounted for over \$1 billion, with the remaining budgeted for Citywide expenses, capital contributions, and transfers. About 63 percent of expenditures were for the Police and Fire Departments. Some departments are funded through special funds, such as the Airport and the Environmental Services Department, and receive little or no General Fund support.

While the City initially projected a \$5.1 million budget surplus for 2019-20, the economic impact of the COVID pandemic required the City to address a projected General Fund revenue shortfall of \$45 million in April 2020. The shortfall was resolved through expenditure reductions and other offsetting revenue actions. The City also received state and federal grants to help fund emergency services. The City has faced projected General Fund shortfalls in six of the last ten years. In addition, the [FY 2020-21 City Manager's Budget Message](#) forecasted budget shortfalls for two of the next five years.

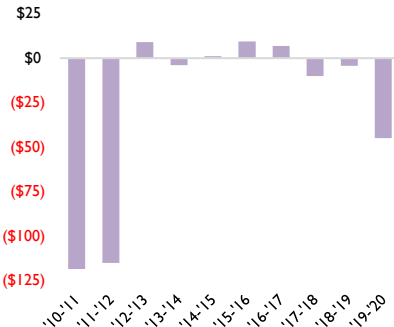
Departmental Operating Expenditures, 2019-20
(General Fund Only)



General Fund Expenditures
(\$millions)



Projected General Fund
Shortfalls/Surplus (\$millions)*



Source: San José Adopted Operating Budgets and Annual Reports
*2019-20 initially had a projected surplus, but the onset of COVID resulted in a \$45 million shortfall for the fiscal year.

Source: San José 2019-20 Annual Report
Note: May not total to 100 percent because of rounding. Department expenditures in the General Fund totaled over \$1 billion. Citywide expenses, capital contributions, and transfers totaled roughly \$198 million of additional General Fund expenditures.

OPERATING BUDGET AND STAFFING

CITY STAFFING

Much of the General Fund’s expenses are allocated for personnel costs. In 2019-20, there were 6,647 full-time equivalent positions in the City. Increased staffing over the last few years has restored staffing levels to what they were ten years ago, though still below the peak staffing level of around 7,500 in 2001-02. However due to COVID, this upward trend is likely to flatten or reverse in the near term. For example, there are 6,592 full-time equivalent positions in the operating budget for 2020-21. In addition, a partial hiring freeze was implemented in late March through the end of the fiscal year.

While some City departments are still below staffing levels from ten years ago, when the City saw a significant decline in its workforce, some departments have since experienced substantial growth in staffing levels. There were 743 vacancies as of June 30, 2020; however, it should be noted that there were roughly 50 police recruits in the police academy to fill vacant police officer positions.

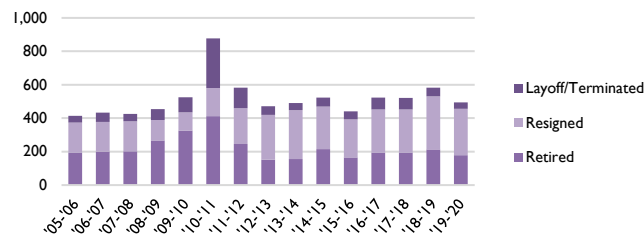
The number of full-time employees leaving City service has come down from the high seen in 2011 when nearly 900 employees left the City. In 2019-20, 493 full-time employees left City employment; 547 new full-time hires joined the City.

In 2019-20, the City's Emergency Operations Center (EOC) was activated in response to COVID and other emergencies. All City employees are Disaster Service Workers (DSW) who can be reassigned for the purposes of the emergency response, and over 220 staff have been activated to serve in the EOC. See the City Manager chapter for more information. Over 2,000 employees spent over 280,000 hours on COVID-related activities from March to the end of the fiscal year in June 2020.

Authorized Department Staffing	2019-20	10-Year Change
Airport	226	9%
City Attorney	87	9%
City Auditor	15	0%
City Clerk	15	0%
City Manager	86	18%
Community Energy	22	not applicable
Economic Development	59	-14%
Environmental Services	572	14%
Finance	126	8%
Fire	838	9%
Housing	82	7%
Human Resources	47	-24%
Independent Police Auditor	6	20%
Information Technology	89	-16%
Library	373	24%
Mayor and Council	27	not available
Parks, Recreation and Neighborhood Services	769	23%
Planning, Building and Code Enforcement	337	59%
Police	1,710	1%
Public Works	621	27%
Retirement	40	17%
Transportation	501	23%
Total	6,647	13%

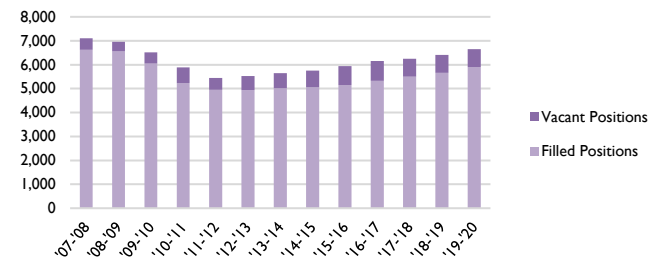
Source: 2019-20 Adopted Operating Budget

Number of Full-Time Employees Leaving by Type of Departure



Source: Auditor analysis of PeopleSoft records

Citywide Full-Time Equivalent Positions



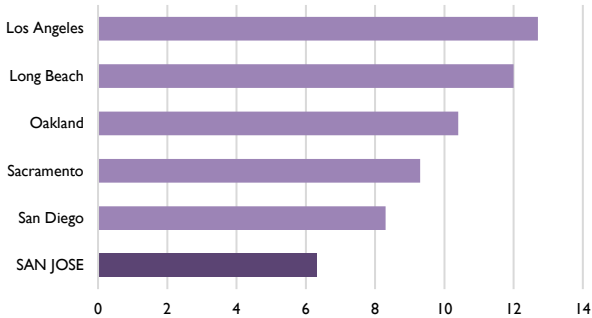
Source: San José Adopted Operating Budgets and auditor analysis of PeopleSoft records

CITY STAFFING (CONTINUED)

In 2019-20, the City had 6.3 authorized positions per 1,000 residents, far fewer than other large California cities. The number of authorized positions per 1,000 residents was also less than San José’s 20-year average of 6.7.

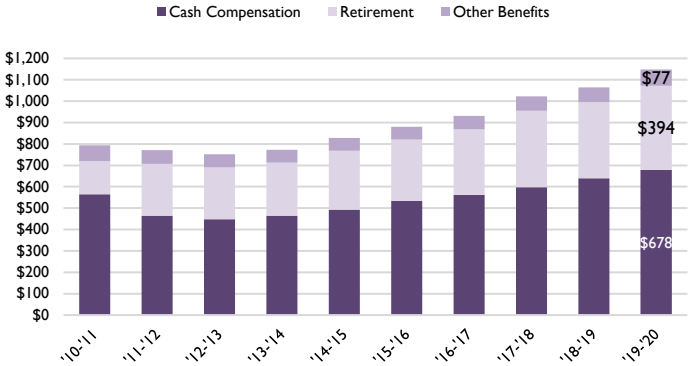
Total employee compensation for operating funds rose to \$1.15 billion in 2019-20. Cash compensation and other benefit costs have risen above 2009-10 levels, partly driven by a restoration of former staffing levels. Moreover, retirement benefit costs have more than doubled. For more information, see the Retirement Services chapter.

2019-20 Authorized Full-Time Positions per 1,000 Residents



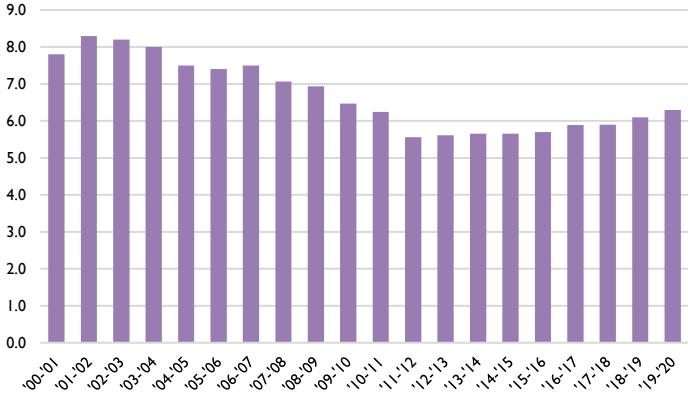
Source: 2019-20 Operating Budgets from each jurisdiction and California Department of Finance Demographic Research Unit
 Note: The type and range of services may vary across jurisdictions.

Retirement, Fringe, and Cash Compensation (Operating Funds Only, \$millions)



Source: Auditor analysis of Financial Management System (FMS) records

Authorized Full-Time Positions per 1,000 population



Source: 2011 Fiscal and Service Level Emergency Report, November 2011, San José 2012-13 through 2019-20 Adopted Operating Budgets

OPERATING BUDGET AND STAFFING

ADDITIONAL REPORTS FOR MORE INFORMATION

The City of San José prepares numerous budgetary documents during the fiscal year.

The City's **Annual Adopted Operating Budget** details how the City will pay for services and operations. The Adopted Operating Budget contains key information about the City's budgets and performance, broken down by broad areas of City service delivery and City departments. It also contains information about the sources and uses of operating funds. Visit:

[City Manager's Budget Office 2020-21 adopted operating budget homepage.](#)

The City Manager's Budget Office also prepares an **Annual Adopted Capital Budget** and a **Five Year Capital Improvement Program** to outline how the City will maintain and grow its capital assets. This document provides detailed information about the planned capital investments in the City's assets such as buildings, parks, and transportation infrastructure. Visit: [City Manager's Budget Office 2020-21 adopted capital budget homepage.](#)

The **Annual Report** provides unaudited information on the financial status of the City at the end of each fiscal year. The focus of the Annual Report is a comparison of actual revenue collections and expenditures to projections and appropriations included in the budget. This report also provides information about each City fund, including the status of the year-end reserve levels. Visit: [City Manager's Budget Office 2019-20 Annual Report.](#)

The **Five Year Forecast** includes projected revenues and expenditures for the General Fund and revenue projections for the Capital Improvement Program. Visit: [City Manager's Budget Office Five Year Forecast homepage.](#)

The **Fees and Charges Report** documents the majority of the fees and charges within the General Fund and selected fees within other funds. Some fees for enterprise activities, such as the Airport, are not included as they are approved separately. Visit: [City Manager's Budget Office Adopted Fees and Charges.](#)

CITY SERVICE AREA (CSA) DASHBOARDS

City Service Areas (CSAs) integrate services provided in individual departments into the City's five key lines of business: Community and Economic Development; Environmental and Utility Services; Neighborhood Services; Public Safety; and Transportation and Aviation Services. An additional CSA, referred to as "Strategic Support," represents the internal functions that enable the other five CSAs to provide services to the community. In FY 2017-18, the City Administration was instructed to select the top six measures representing achievements in each CSA. These measures are presented in the following section.

For more information about specific departments, see their corresponding chapters later in the report.

COMMUNITY AND ECONOMIC DEVELOPMENT CSA DASHBOARD

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.

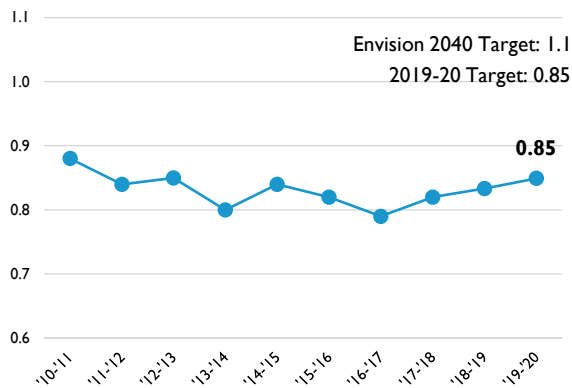
CSA OUTCOMES

- Strong economic base
- Safe, healthy, attractive, and vital community
- Diverse range of housing options
- Range of quality events, cultural offerings, and public artworks

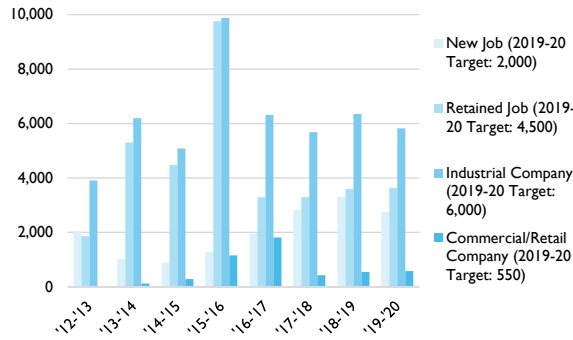
PRIMARY PARTNERS

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

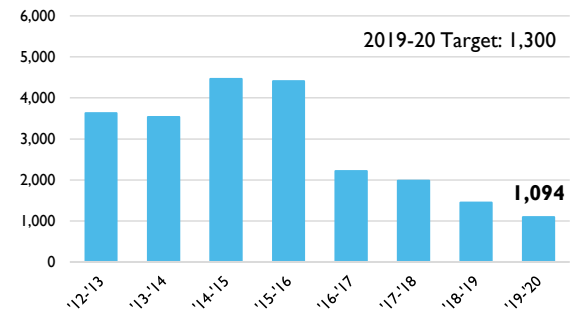
Jobs per Employed Residents in San José



Estimated Jobs Generated/Retained by Companies that Received City Assistance

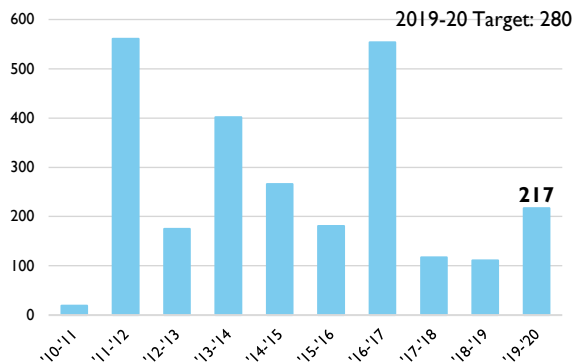


Number of work2future Clients Receiving Discrete Services (Counseling, Job Placement, and Occupational Training)

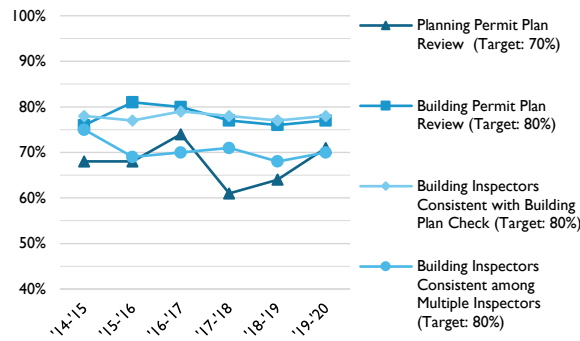


Note: According to work2future, the decline since 2015-16 was due to a change in the service delivery model which resulted in seeing fewer clients.

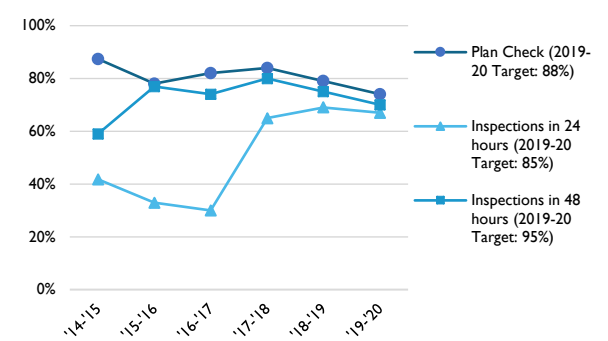
Affordable Housing Units Completed in the Fiscal Year



Percent of Projects that Receive Consistent Feedback from Staff Throughout the Course of Project Review



Development Projects Completed within Processing Time Targets (Construction Process)



Note: Beginning 2017-18, the data no longer includes building inspections specifically requested by customers for > 24 hours as missing the inspection target.

ENVIRONMENTAL AND UTILITY SERVICES CSA DASHBOARD

MISSION

To provide environmental leadership through policy development, program design, and reliable utility services.

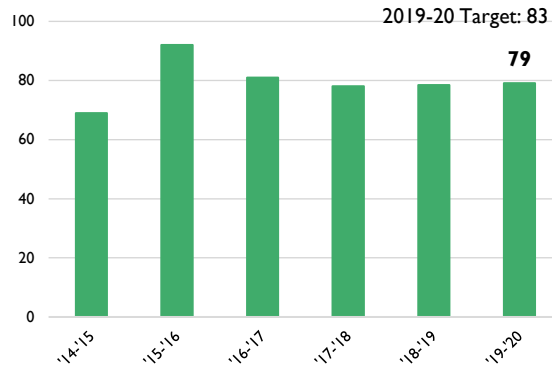
CSA OUTCOMES

- Reliable utility infrastructure
- Healthy streams, rivers, marsh, and bay
- 'Clean and sustainable' air, land, and energy
- Safe, reliable, and sufficient water supply

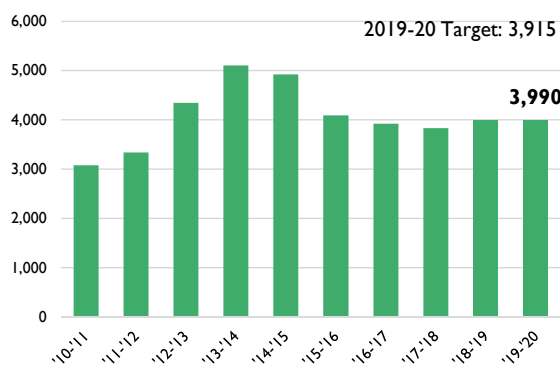
PRIMARY PARTNERS

- Transportation
- Community Energy
- Environmental Services

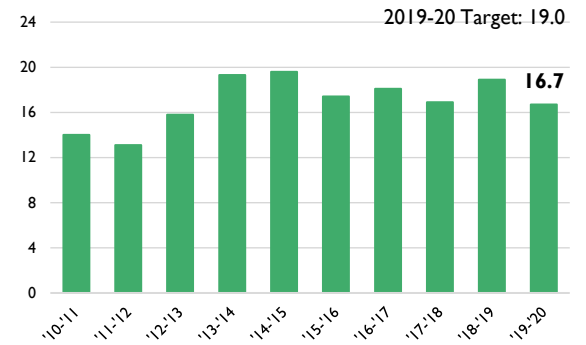
Millions of Gallons per Day of Water Conserved and Recycled



Millions of Gallons of Recycled Water Delivered Annually

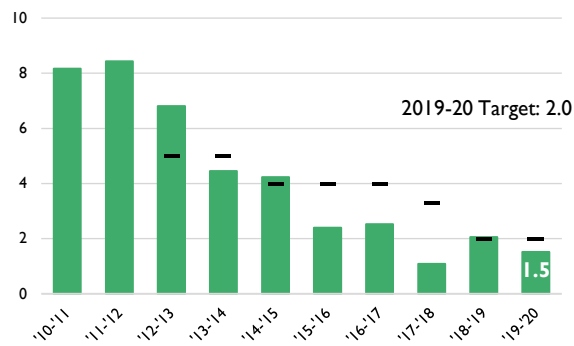


Millions of Gallons per Day Diverted from Flow to the Bay for Beneficial Purposes During the Dry Weather Period



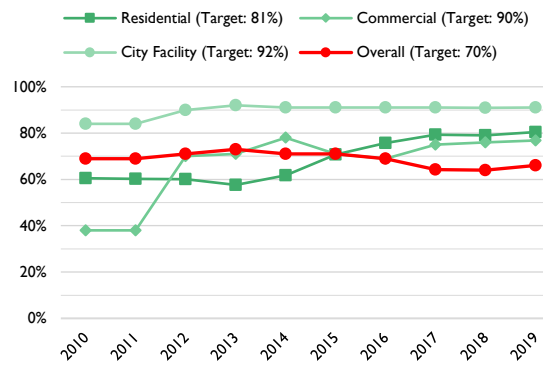
Note: In 2019, the dry weather period was from July through September. See the [2019 Annual Self-Monitoring Report](#).

Number of Sanitary Sewer Overflows per 100 Miles of Sanitary Sewer Lines



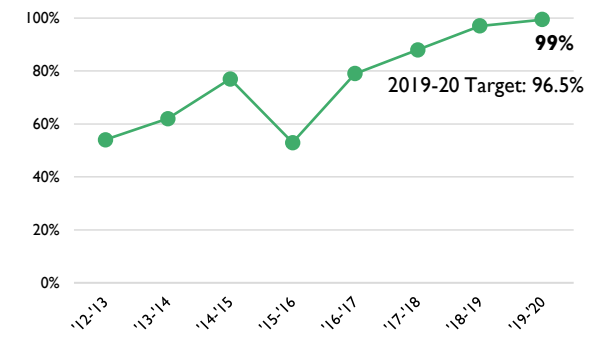
Note: This measure was added in 2012-13. The target declined from five overflows per 100 miles to two in 2018-19.

Percent of Waste Diverted from Landfills



Note: The overall measurement is based on state guidelines, which uses a per-capita standard. It includes additional waste streams including construction, demolition, and self-haul categories.

Percent of Trash Reduced from Storm Sewer System



Note: The trash load reduction calculation measures compliance with the City's Municipal Regional Stormwater Permit requirement to reduce trash from receiving waters below 2009 levels. The reduction target was 70% by July 2017, 80% by July 2019, and 100% by July 2022.

NEIGHBORHOOD SERVICES CSA DASHBOARD

MISSION

To serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods.

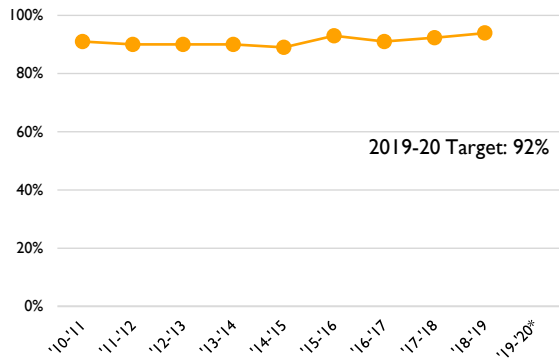
CSA OUTCOMES

- Safe and clean parks, facilities, and attractions
- Vibrant cultural, learning, recreation, and leisure opportunities
- Healthy neighborhoods and capable communities

PRIMARY PARTNERS

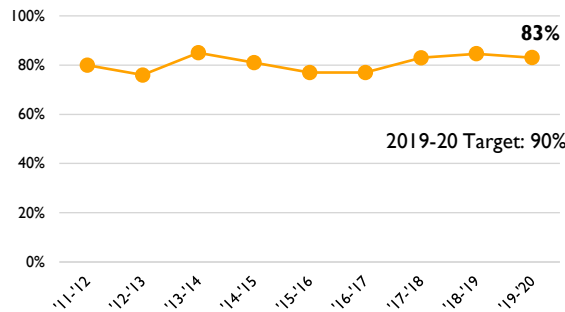
- Library
- Public Works
- Planning, Building and Code Enforcement
- Parks, Recreation and Neighborhood Services

Percent of Customers Rating Library Services as Good or Better (Point of Service)



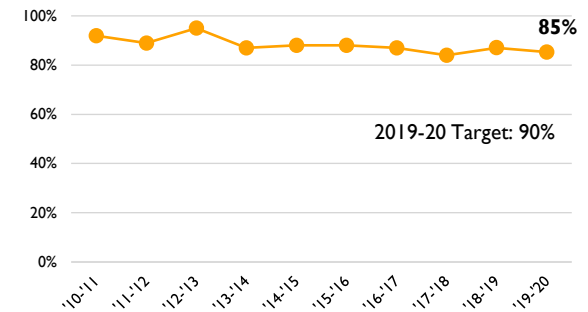
Source: Internal survey conducted by the Library.
* This survey was not administered in Fall 2020 due to COVID.

Percent of Parents and Caregivers who Report Reading More to their Children Following Participation in a Library Program or Study



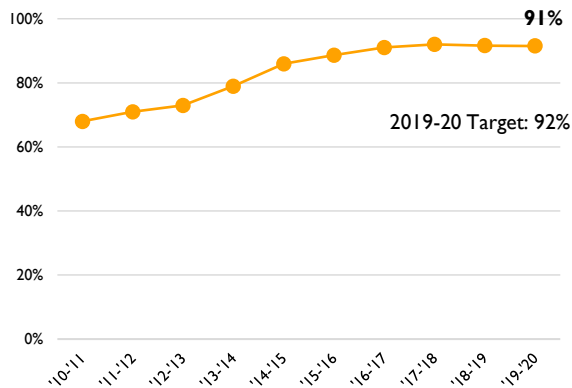
Source: Internal survey conducted by the Library.

Percent of Community Center Participants Rating City Efforts at Providing Recreational Opportunities as "Good" or "Excellent" (Point of Service)

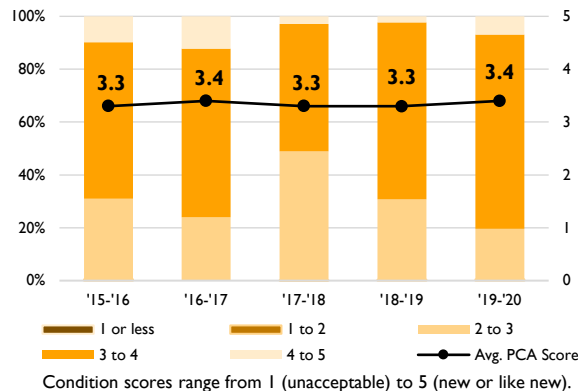


Source: Internal survey conducted by PRNS.

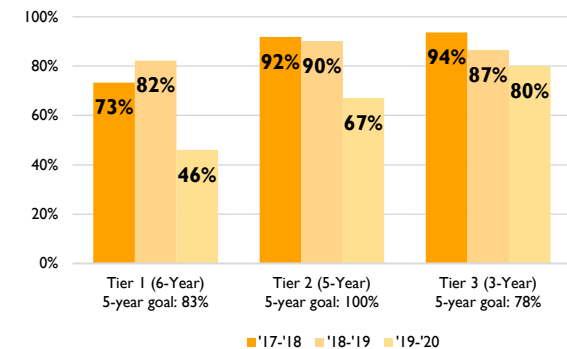
Animal Care Center Live Release Rate



Percent of Park Acres by Park Condition Assessment (PCA) Score



Percent of Multiple Occupancy Permit Program Buildings Receiving Routine Inspection within Designated Cycle Time



PUBLIC SAFETY CSA DASHBOARD

MISSION

To provide prevention and emergency response services for crime, fire, medical, hazardous, and disaster related situations.

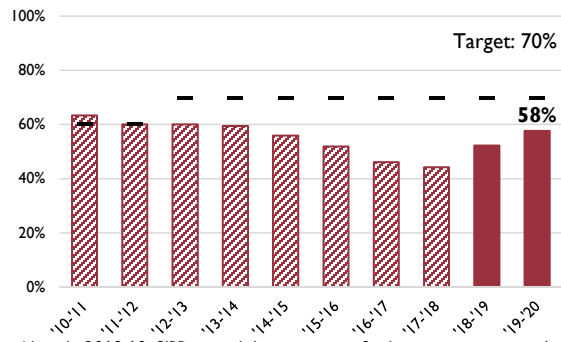
CSA OUTCOMES

- The public feels safe anywhere, anytime in San José
- Residents share the responsibility for public safety

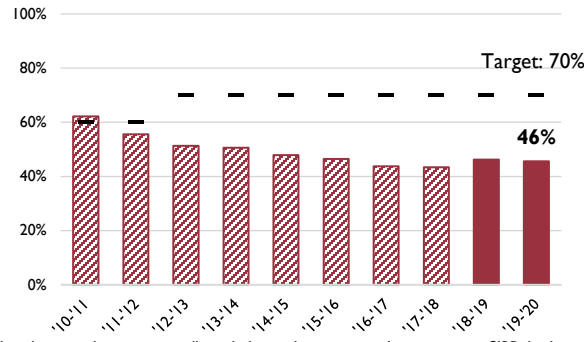
PRIMARY PARTNERS

- Fire
- Police
- City Manager's Office
- Independent Police Auditor

Initial Police Unit Responses within 6 Minutes of Priority 1 Calls for Service (Life Threatening)

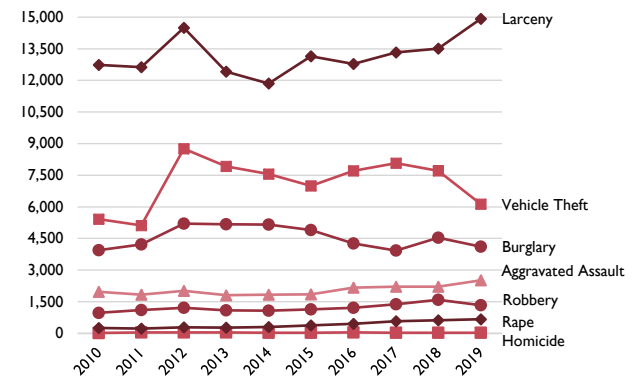


Initial Police Unit Responses within 11 Minutes of Priority 2 Calls for Service (Crime in Progress or Just Occurred)

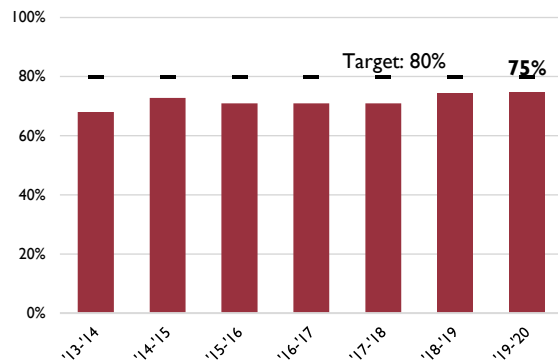


Note: In 2018-19, SJPD revised their reporting of police response times to be based on how incidents are initially coded into their system. In prior years, SJPD had measured response times based on updated coding of incidents as determined throughout the response, which could change the priorities of incidents and incorrectly affect response times.

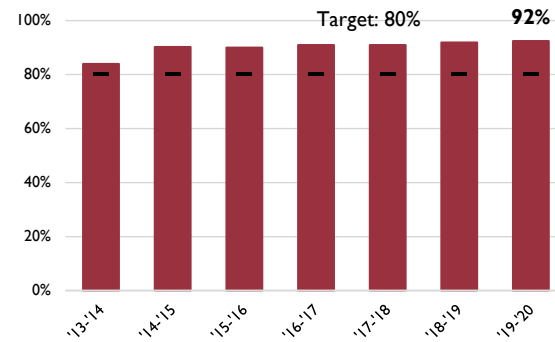
National Uniform Crime Reporting (UCR) Part I Crime Trends



Initial Fire Unit Responses within 8 Minutes of Priority 1 Calls for Service (Life Threatening)



Initial Fire Unit Response within 13 Minutes Priority 2 Calls for Service (No Lights and Sirens)



Emergency Operations Center (EOC) Assigned Staff who have Received Required Training (2019-20)

This measure is typically based on the EOC's 180 positions. However, due to the scale and scope of the emergency, as of June 30, 2020 there were over 220 individuals working in the EOC, some of whom had not received regular emergency training, and completed on the job training. The Office of Emergency Management is reviewing the methodology for this measure moving forward.

STRATEGIC SUPPORT CSA DASHBOARD

MISSION

To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects.

CSA OUTCOMES

- Sound fiscal management that facilitates meeting the needs of the community
- A high performing workforce that is committed to exceeding internal and external customer expectations
- Effective use of technology
- Safe and functional public infrastructure, facilities, and equipment

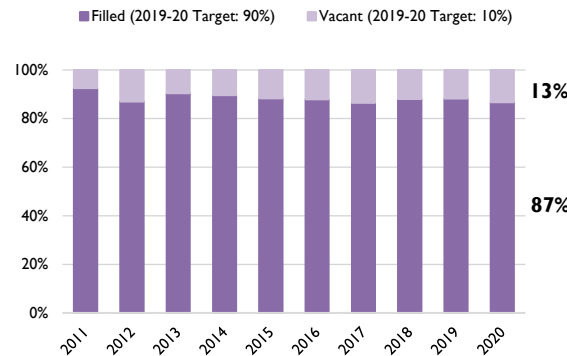
PRIMARY PARTNERS

- Finance
- Public Works
- Human Resources
- Information Technology

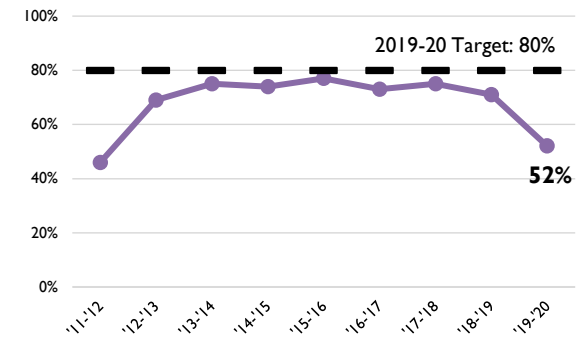
City's Bond Ratings
(General Obligation Bond Rating)

	Moody's	Standard and Poor's	Fitch
'15-'16	Aa1	AA+	AA+
'16-'17	Aa1	AA+	AA+
'17-'18	Aa1	AA+	AA+
'18-'19	Aa1	AA+	AA+
'19-'20	Aa1	AA+	AA+
Target	Aa1	AA+	AA+

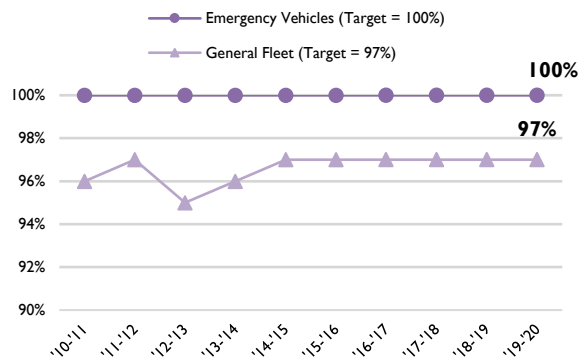
Percent of Positions Filled as a Total of Budgeted Positions (June 30)



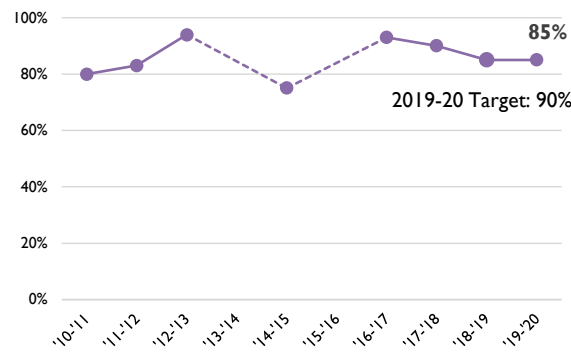
Percent of Non-Management Employee Performance Appraisals Completed on Schedule



Percent of Equipment Available for Use When Needed

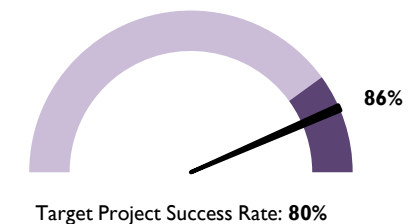


Percent of City Facilities with a Condition Assessment Rating of Good or Better



Note: Results reflect ratings of facilities assessed during the fiscal year. In 2019-20, this represented 40 individual facilities. Data not available in 2013-14 and 2015-16.

Percent of Information Technology Project Success Rate Measured on Schedule, Cost, Scope, and Value



IT Project Success rate for fiscal year measures on scope/quality, schedule, cost, and customer satisfaction with value. Beginning in 2021, C3P Office will report on all complex and/or sensitive technology projects Citywide.

TRANSPORTATION AND AVIATION SERVICES CSA DASHBOARD

MISSION

To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality.

CSA OUTCOMES

- Provide safe and secure transportation systems
- Provide viable transportation choices that promote a strong economy
- Travelers have a positive, reliable, and efficient experience
- Preserve and improve transportation assets and facilities
- Provide a transportation system that enhances community livability

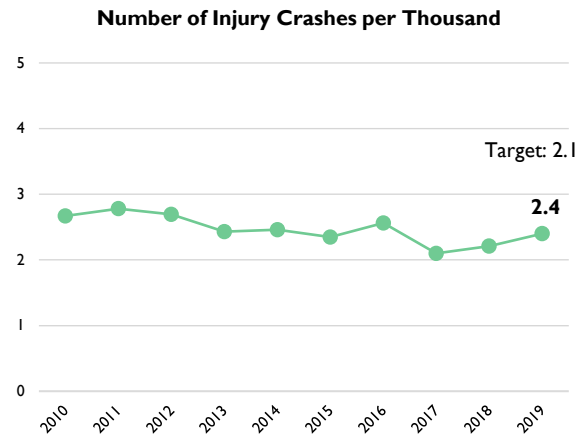
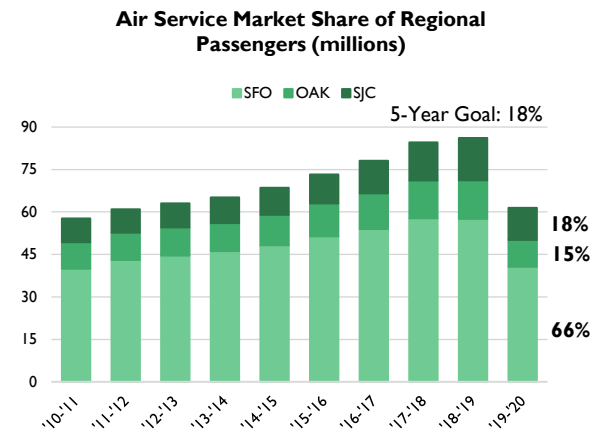
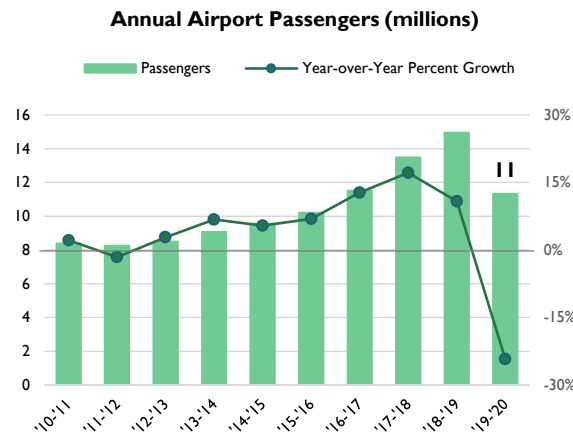
PRIMARY PARTNERS

- Airport
- Transportation

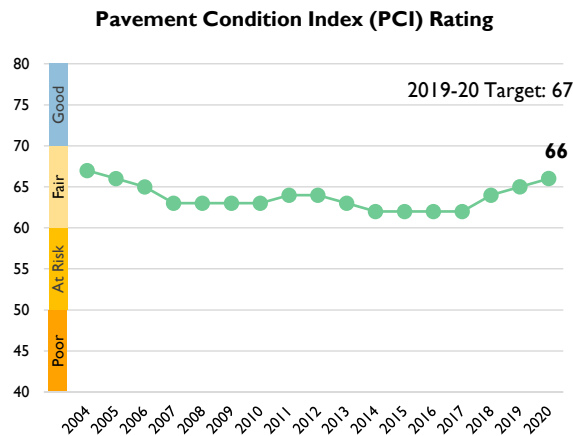
SJC Passenger Rating of Overall Satisfaction with the Airport			
FY 2017-18	FY 2018-19	FY 2019-20	Target
87%	86%	86%	87%

SJC Passengers Reporting Satisfaction with Airport Restaurant/Eating and Shopping Facilities			
FY 2017-18	FY 2018-19	FY 2019-20	Target
77%	78%	77%	77%

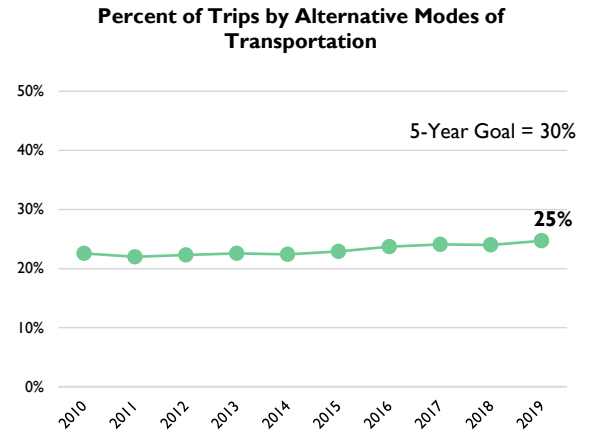
Source: Internal survey conducted by Airport.



Note: This includes fatal crashes.



Source: Metropolitan Transportation Commission
 Note: This is a 3-year moving average. DOT's annual assessment rated the City's average street pavement a 66 in 2019.



Source: American Community Survey 1-year estimates.

The mission of the Airport is to connect, serve, and inspire.

AIRPORT

The City operates [Mineta San José International Airport](#) (SJC, Airport), which prior to the COVID pandemic, provided non-stop air service to 49 destinations domestic and international including Chicago, New York, the four Hawaiian islands (Hawaii, Kauai, Maui, and Oahu), Guadalajara, Tokyo, and London. Due to the pandemic and travel restrictions, the Airport's operations as of June 2020 were reduced to 20 domestic locations and 2 international locations, with only 7 passenger airlines operating.

The Airport had 225.5 authorized positions in 2019-20. The Airport does not receive General Fund dollars; Airport operational revenues include rents, concession fees, parking, and landing fees. Despite a decline in passenger levels as described later, in 2019-20 operating revenues grew to \$175.3 million because of an increase in airline rates and charges and the high level of flight activity pre-COVID.

In April 2020, the Airport was approved to receive \$65.6 million in reimbursement through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. These funds can be used for any Airport purpose for the next four years.

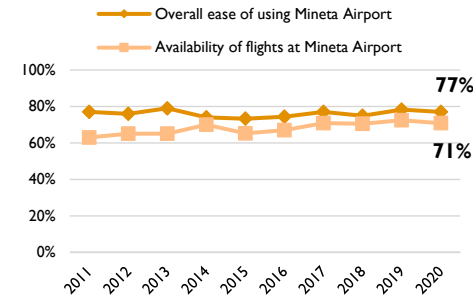
Airport operating expenditures, excluding debt service, totaled \$72.9 million, an increase of \$2.3 million from last year.* As of June 30, 2019, outstanding bonds totaled \$1.2 billion, with an additional \$51.9 million in commercial paper notes. Total debt service for the fiscal year was \$93.9 million.** The bonds issued in 2007 were restructured and refunded in 2017.

*Operating expenditures do not include police and fire services at the Airport, debt service, capital project expenditures or reserves. The cost of police and fire services has increased from \$14.3 in 2017-18 to \$17.2 million in 2019-20.

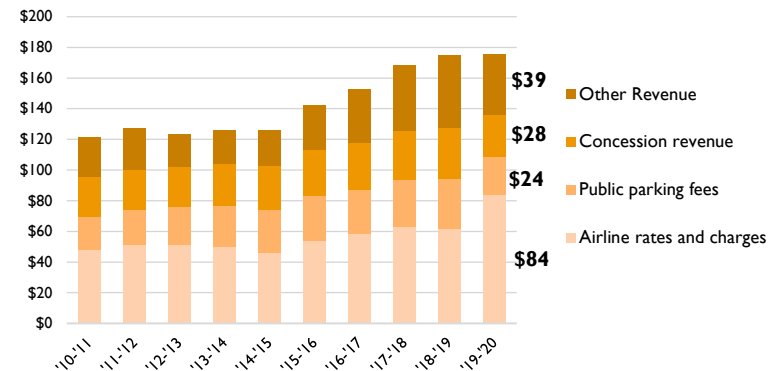
**Total debt service in 2019-20 was partly paid by passenger facility charges (\$27.5 million) and customer facility charges (\$19.1 million); a net debt service of \$47.3 million is paid by Airport operating revenues.

RESIDENT SURVEY

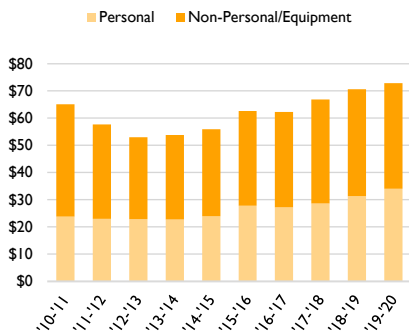
% of San José residents rating services as "excellent" or "good"



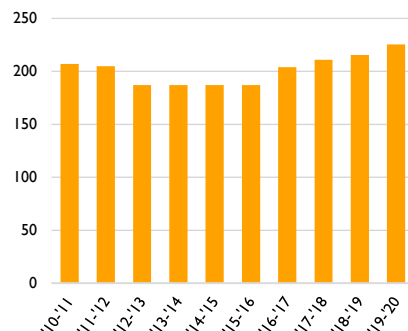
Airport Operating Revenues (\$millions)



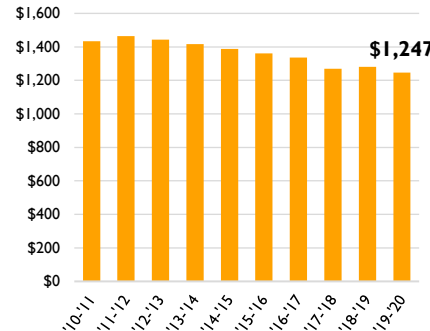
Airport Operating Expenditures



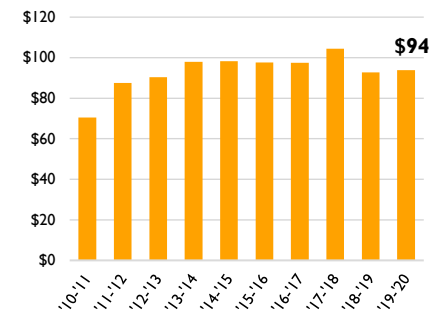
Authorized Positions



Outstanding Debt (\$millions)



Annual Debt Payments (\$millions)



In 2019-20, the Airport served over 11.3 million airline passengers, a reduction of about 4 million from last year. This reduction is a result of the COVID-19 pandemic; just 818,000 passengers flew in the last third of the fiscal year. In 2019-20, there were 119,000 passenger airline takeoffs and landings, or 325 per day.

The airline's cost per enplanement (CPE) was \$14.79 in 2019-20, the highest in the past 10 years. Even with the increase from last year, San José airport's CPE continues to be lower than in Oakland (OAK) and San Francisco (SFO).

In 2019-20, the Airport handled 97.6 million pounds of cargo, freight, and mail—of which 73 percent was handled prior to March 2020.

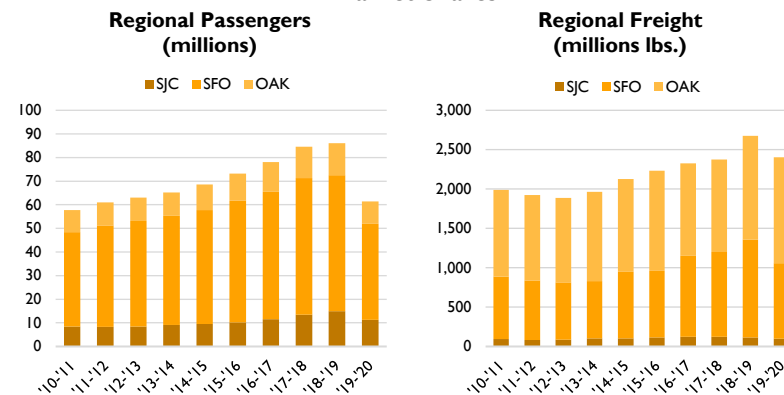
The Airport received 46,803 noise complaints in 2019-20; 837 concerned flights subject to the curfew between 11:30 pm and 6:30 am. According to the department, noise complaints have been primarily due to south flow operations and implementation of new technology for filing complaints.

Regional Comparisons, 2019-20

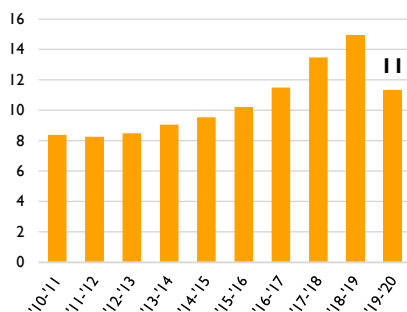
	SJC		OAK	SFO
	Pre-Covid Operations	As of June 2020		
Passenger Airlines	12	7	10	48
Destinations	49	22	40	139
Domestic	40	20	35	86
International	9	2	5	53
Passengers (millions)	n/a	11.3	9.5	40.6
Passenger Flights/Day	n/a	325	N/A	966
On-Time Arrival Percentage	n/a	84%	82%	76%

Sources: Oakland International Airport Airline Information and staff; Monthly Reports for SJC and SFO, SFO Fact Sheet FY 2019-20; and Airline On-Time Statistics U.S. Bureau of Transportation Statistics.

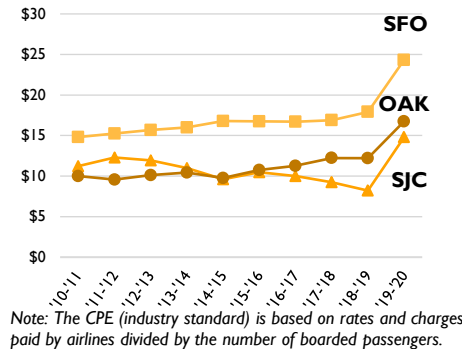
Market Shares



Annual Airport Passengers (millions)

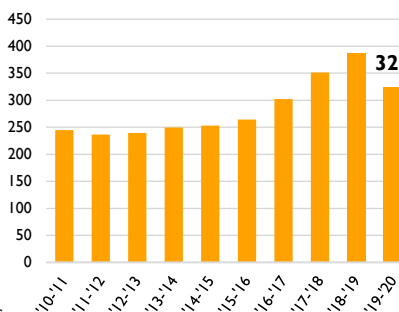


Airline Cost per Enplanement Comparison

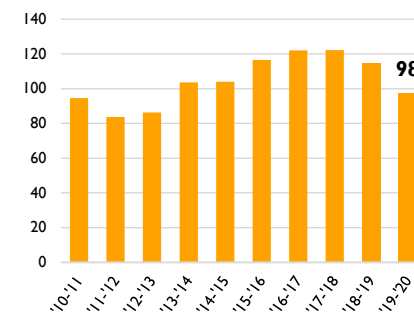


Note: The CPE (industry standard) is based on rates and charges paid by airlines divided by the number of boarded passengers.

Passenger Flights Per Day (Takeoffs and Landings)



Air Cargo, Freight, and Mail (millions lbs.)



The mission of the San José City Attorney's Office is to provide excellent legal services, consistent with the highest professional and ethical standards, with the goal of protecting and advancing the City's interests in serving the people of San José.

CITY ATTORNEY

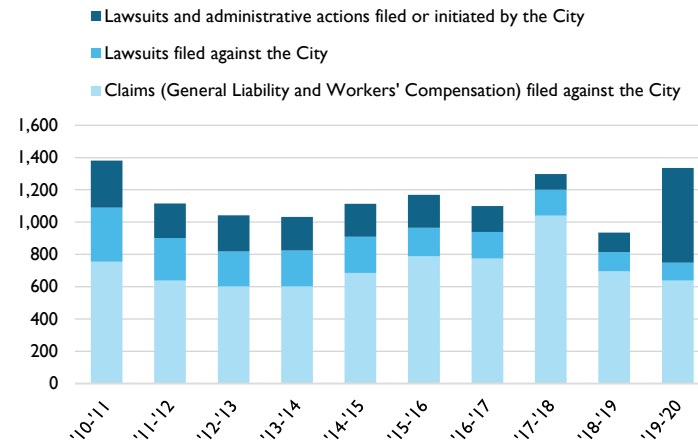
The City Attorney’s Office provides legal counsel and advice, prepares legal documents, and provides legal representation to advocate, defend, and prosecute on behalf of the City of San José and the Successor Agency to the San José Redevelopment Agency.

The 2019-20 operating expenditures for the City Attorney’s Office totaled \$22 million, which is comprised of personal and non-personal expenditures. In addition, the City Attorney’s Office was responsible for the management of around \$4.7 million in general liability claims.

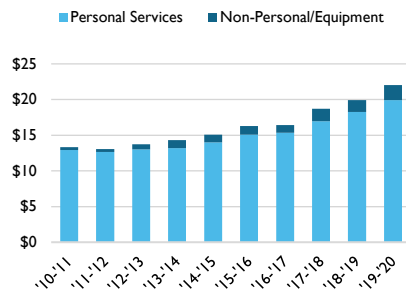
Authorized staffing positions increased by three positions compared to the prior year and are higher when compared to a decade ago.

The City Attorney’s Office handled over 1,300 new claims and litigation matters in 2019-20 and prepared or reviewed more than 5,300 legal transactions, documents, and memoranda. In 2019-20, litigation-related collections totaled about \$11 million, while general liability payments totaled about \$4.7 million, as noted above.

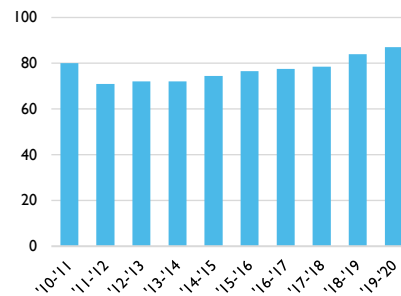
Claims and Lawsuits



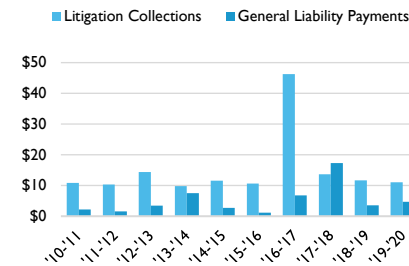
City Attorney Operating Expenditures (\$millions)



City Attorney Authorized Positions



Litigation-Related Collections and General Liability Payments (\$millions)



Note: Litigation-related collections spiked in 2016-17 largely due to a Housing Authority settlement. Collection amounts were updated for the 2017-18 and 2018-19 years to account for corrections.

The mission of the San José City Auditor's Office is to independently assess and report on City operations and services.

CITY AUDITOR

The City Auditor’s Office conducts performance audits that identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The Office also oversees a variety of external audits including the Comprehensive Annual Financial Report (CAFR) and the Single Audit.

The City Auditor’s annual work plan is [posted online](#), along with copies of all issued audit reports and semi-annual recommendation status reports. The Office’s 2019-20 operating expenditures totaled \$2.3 million. In addition, the City Auditor's Office was also responsible for \$451,600 in other costs, including the annual financial audit, the grant compliance Single Audit, and the bond projects audits.

In 2019-20 the City Auditor's Office identified \$9.3 million in monetary benefits from its audit recommendations, or \$3.63 in savings for every \$1 spent on audit costs in 2019-20 (target: \$2 to \$1). Identified monetary benefits vary from year to year based on the types of audits that are conducted.

Due to the emergency, a few audit reports scheduled to be issued during 2019-20 were put on hold and later issued in August/September 2020. The Office also amended its work plan to include new COVID-19 related audit subjects to support the City's cost recovery operations. In addition, several auditors were activated as Disaster Service Workers in the Emergency Operations Center as a part of the City's COVID-19 response.

KEY FACTS (2019-20)

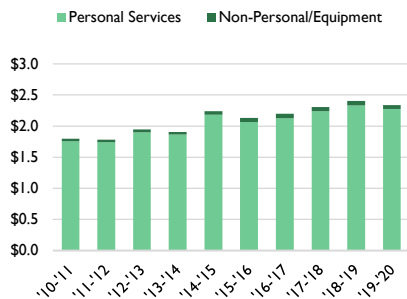
Number of audit reports issued	14
Number of audit recommendations adopted	36
Number of audit reports per auditor*	1.5
Ratio of identified monetary benefits to audit cost*	\$3.63:\$1
Percent of approved work plan completed or substantially completed during the fiscal year*	67%

* Includes audits that were substantially completed, however publication was delayed due to COVID-19.

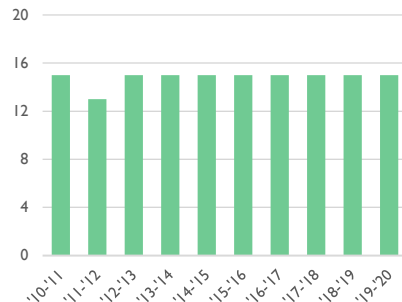
Subject area of audits issued in 2019-20 include:

- Documentation of COVID-19 Recovery Costs (Memo)
- Annual Report on City Services FY 2018-19
- Technology Deployments
- Annual Performance Audit of Team San Jose FY 2018-19
- Street and Utility In-Lieu Fees
- Procurement Cards
- Form 700s

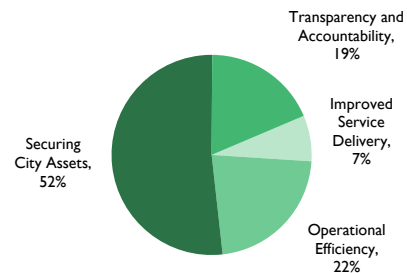
City Auditor Operating Expenditures



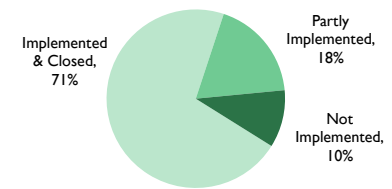
City Auditor Authorized Positions



Recommendations by Category, 2019-20



Audit Recommendation Implementation Status (Reports Issued in last 10 Years)



Note: As of December 2019, recommendation follow-up for June 2020 was not issued due to COVID-19.

The mission of the San José City Clerk is to maximize public access to municipal government.

CITY CLERK

The City Clerk’s Office assists the City Council in the legislative process and maintains the legislative history of the City Council. The Office is responsible for open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.* The Office is also responsible for preparing and distributing agenda items for City Council and various Committee meetings; providing access to the City’s legislative records and documents under the California Public Records Act; and reviewing all City contracts for administrative compliance. In 2020, the Office helped the City transition to providing City Council and Board and Commissions meetings remotely as a result of the COVID-19 pandemic.

The City Clerk’s operating expenditures totaled \$2.4 million in 2019-20, with \$2.2 million in personal services and \$0.2 million in non-personal expenditures. In addition, the City Clerk was responsible for \$2.8 million in Citywide expenses, out of which \$1.9 million was spent on elections and ballot measures. Staffing remained unchanged at 15 positions.

The Clerk’s Office also provides administrative support to the Mayor and Council Offices, tracking office budgets and facilitating the disbursement of grants (299 in 2019-20). The Office coordinated the recruitment of 24 full-time and 24 part-time staff for the Mayor and City Council Offices.

During the 2020 Boards and Commissions Spring Recruitment, the City Clerk’s Office recruited for 48 appointed positions by screening and processing about 138 online applications.

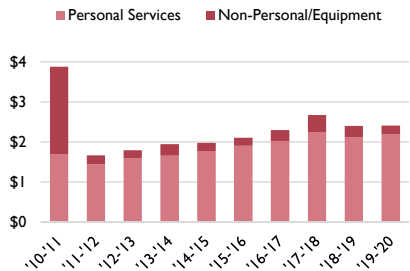
*For more information, the City Auditor’s Office conducted an [Audit of Form 700s](#) in 2019-20.

KEY FACTS (2019-20)

Number of meetings staffed	139
Number of agendas posted online	233
Number of Council agenda items	841
Number of ordinances processed	152
Number of resolutions processed	451
Number of records requested (e.g., legislative histories, contracts, election related documents)	1,155
Estimated City Staff Requests	376
Public Requests	779
Estimated number of contracts processed	2,100
Number of campaign filings processed	232
Council agendas posted 10 days before a meeting**	100%
Council synopsis posted by the next meeting**	72%
Council Committee minutes posted 5 days before the relevant Council meeting**	36%
Decision-Making Bodies minutes posted within 10 days**	94%

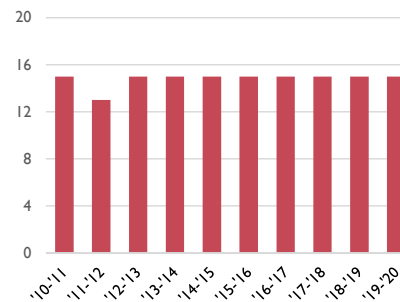
**In accordance with the [City’s Ethics and Open Government Provisions](#), which include the Matrix of Public Meeting Requirements.

City Clerk Operating Expenditures (\$millions)



Note: Spikes in expenditures in 2010-11 were due to elections. Elections expenditures are now classified as Citywide.

City Clerk Authorized Positions



The mission of the San José City Manager's Office is to provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs.

CITY MANAGER

The Office of the City Manager (CMO) develops public policy, leads the organization, and manages Citywide service delivery. 2019-20 operating expenditures totaled \$19.6 million, including personal and non-personal expenditures. In addition, the CMO was responsible for \$5.5 million in Citywide expenses, which included \$1.3 million for Public, Educational, and Government Access Facilities capital expenditures. Staffing in 2019-20 totaled 85.

KEY FACTS (2019-20)

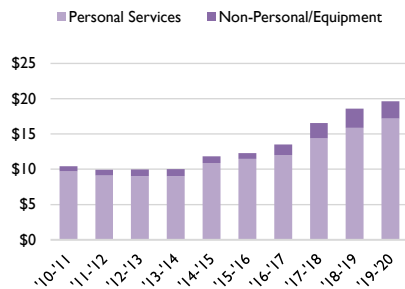
Staff reports approved for City Council consideration	630
City Council referrals assigned	81
Information memoranda issued	133
Community budget meetings held	4
Public records requests responded to or coordinated	169
Public records requests received Citywide	4,035

Functions of the City Manager's Office:

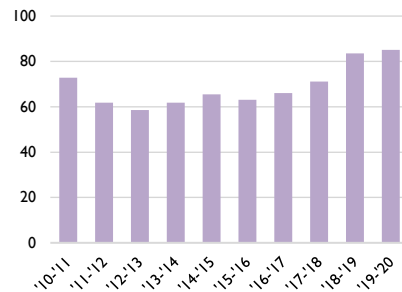
- **Administration, Policy, and Intergovernmental Relations** supports Citywide leadership and alignment of policy priorities internally and externally, enhancing City Manager's Office internal management, and streamlining Citywide administrative approvals; provides policy research and development; monitors state and federal laws and policies, while advocating for legislation addressing City concerns; and oversees agenda development for Council Committees.
- **Budget** develops and monitors the City's operating and capital budgets, ensuring the City's fiscal health.
- **Civic Innovation** executes the City's Smart City Vision, overseeing projects aiming to improve the efficiency and effectiveness of City services through the use of data and technology.
- **Communications** corresponds with the media on Citywide issues, manages CivicCenter TV, oversees the City's website, and coordinates the Open Government program, including coordination of Citywide public records requests.
- **Employee Relations** negotiates labor contracts and supports a positive, productive, and respectful work environment.
- **Racial Equity** advances a Citywide equity framework with the goal of examining and improving internal policies, practices, and systems to eradicate structural and/or institutional racism.

For the Office of Emergency Management and Office of Immigrant Affairs, see next page. For the Office of Economic Development, see p. 63.

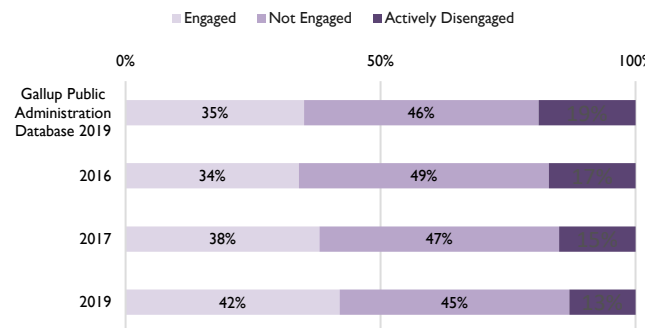
City Manager Operating Expenditures (\$millions)



City Manager Authorized Positions



2019 City Employee Engagement Survey Results



Note:
Engaged—Go above and beyond, are passionate about their work.
Not Engaged—Do fine work, but for whom it is just a job.
Actively Disengaged—Are disgruntled and may create disruption in the workplace.
 No survey was completed in 2018 or 2020.

OFFICE OF EMERGENCY MANAGEMENT

The Office of Emergency Management (OEM) leads efforts to protect life, property, and the environment by managing programs that mitigate, prepare for, respond to, and recover from disasters and emergencies. OEM's Ready San José! programs include public outreach and training in emergency preparedness. OEM administers the Community Emergency Response Team (CERT) trainings, which trains residents and businesses on how to organize, respond, and recover from major emergencies.

The Emergency Operations Center (EOC) was activated three times in 2019-20, including the response to public safety power shutoffs and to COVID-19, which is ongoing. The EOC is responsible for managing the City functions to focus on the emergency. All City employees are Disaster Service Workers (DSW) who can be reassigned for the purposes of the emergency response.

Due to the prolonged nature of COVID-19, by June, over 220 staff members had been activated to work within the EOC. Over 2,000 City employees worked on COVID-related activities from March to the end of the fiscal year in June 2020. This far exceeds the 180 staff on the EOC's staffing and training plans.

The EOC includes the following sections:

- **Management** sets policy and direction for the organization, ensures safety of personnel, and coordinates with Santa Clara County.
- **Operations** ensures the continuity of City operations, including essential services such as public safety and utilities. During the pandemic, it has provided food and sheltering services to at-risk populations, including seniors and the homeless; established a digital inclusion program and childcare services; and ensured that essential City staff were able to perform their functions in accordance with public health orders.
- **Planning** establishes a common emergency action plan, collects data and situational analysis, and ensures documentation of EOC activities and decisions.
- **Logistics** provides resources and supplies necessary for completing operational objectives, including personal protective equipment (PPE).
- **Finance** provides fiscal oversight and tracks incident costs.
- **Recovery** implements methods to collect incident-related costs for potential reimbursement and seeks to protect the fiscal and economic stability of the City.

OEM KEY FACTS (2019-20)

Residents who received emergency preparedness outreach	2,649
Community Emergency Response Team graduates this year	166
Emergency Operations Center (EOC) staff per staffing plan*	180
EOC staff trained this year	65**

**Due to prolonged nature of COVID-19 activation, even though the staffing plan provides 180 positions, over 220 staff were activated in the EOC.*

***In addition to formal trainings, according to OEM, many disaster service workers received on-the-job training due to the scale and scope of the emergency.*

RESIDENT SURVEY

72% of respondents report they stocked supplies for an emergency.

OFFICE OF IMMIGRANT AFFAIRS

The Office of Immigrant Affairs (OIA) aims to enable civic, economic, linguistic, and social inclusion of immigrants and refugees in San José in a way that facilitates opportunities for everyone to reach their fullest potential. In 2016, City Council adopted the Welcoming San José Plan, which recommends a set of strategies centered on leadership and communications; access and engagement; education; economic opportunity; and safe, healthy, and connected communities. OIA collaborates with nonprofits and the County of Santa Clara to support citizenship workshop events, the Rapid Response Network, and the Pro Bono Immigration Network. There were 1,882 calls to the Rapid Response Network in 2019-20 to support those impacted by federal immigration enforcement efforts. In 2020-21, the responsibilities of the Office of Immigrant Affairs have been incorporated into the newly created Office of Racial Equity.

OIA KEY FACTS (2019-20)

City staff receiving language access training	194
Citizenship workshop events	2
Total workshop participants	409
Participants completed and filed their paperwork	226
Fee waiver applications completed	170

The mission of the Community Energy Department is to procure clean, cost effective energy for the benefit of its customers.

COMMUNITY ENERGY

The Community Energy Department operates [San José Clean Energy](#) (SJCE), the City's Community Choice Aggregation (CCA)* Program that provides residents and businesses with cleaner electricity at lower rates than Pacific Gas and Electric Company (PG&E). SJCE launched in September 2018, and began serving most residents and businesses in February 2019. SJCE is part of [Climate Smart San José](#), the City's climate action plan. (See the Environmental Services chapter for more information).

SJCE allows the City to choose the source and set the retail rates for power used in the city. In 2020, SJCE's default service, GreenSource, provided electricity that is 83 percent carbon-free and at least 1 percent cheaper than PG&E's base offering. Two percent of eligible customers opted out of SJCE in 2019-20, which is within the target of less than 5 percent. Customers can upgrade to TotalGreen (opt-up) to receive electricity that is 100 percent renewable and carbon-free and costs the average home about \$5 more per month than GreenSource; 1,386 SJCE customers upgraded in 2019-20. The opt-up rate was 0.42 percent in 2019-20, higher than the target of 0.4 percent.

Community Energy had 22 authorized positions in 2019-20. In 2019-20, operating revenues totaled nearly \$337 million. Community Energy operating expenditures totaled \$11.1 million. The Department was also responsible for other expenditures totaling \$290 million, primarily for energy purchases. The department must repay a \$10 million loan issued through the City's commercial paper program, and expects to begin repaying the loan in 2020-21.

*CCAs are programs that allow local governments to purchase power on behalf of their residents and businesses. PG&E provides the transmission and distribution of electricity in the city, and handles the monthly billing process.

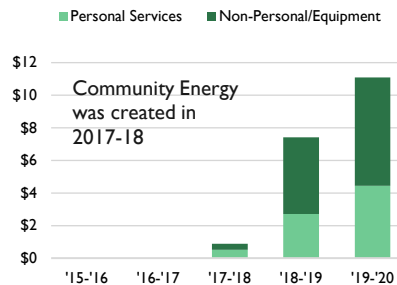
KEY FACTS (2019-20)

Number of customer accounts	329,721
Opt-out rate	2.0%
Opt-up rate	0.42%
Total customer savings* (compared to PG&E)	\$4,547,584

Energy Resources	2019 SJCE Power Mix	2019 PG&E Base Plan Power Mix	2019 CA Power Mix ¹
Renewables	47%	29%	32%
Biomass and Waste	5%	3%	2%
Geothermal	2%	2%	5%
Hydroelectric	0%	2%	2%
Solar	30%	12%	12%
Wind	10%	9%	10%
Coal	0%	0%	3%
Large Hydroelectric	36%	27%	15%
Natural Gas	0%	0%	34%
Nuclear	0%	44%	9%
Other	0%	0%	0%
Unspecified	17%	0%	7%
Total	100%	100%	100%

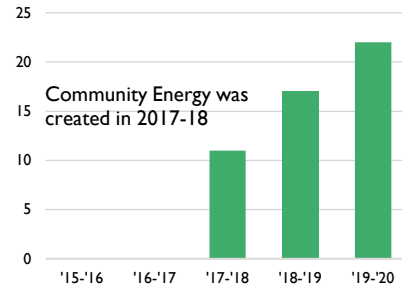
*Unaudited; savings based on generation charges and excludes transmission charges
¹ Figures are estimated annually by the California Energy Commission based on electricity generated in California and net imports.

Community Energy Operating Expenditures* (\$millions)

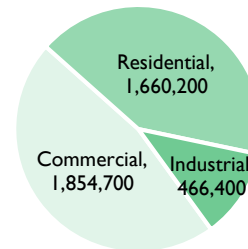


*Note: This does not include expenditures for energy purchases.

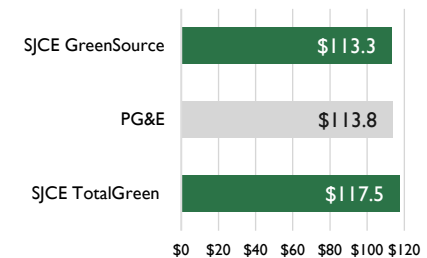
Community Energy Authorized Positions



Breakdown of Energy Load by Customer Type (MWh)



Comparison of Monthly Electricity Bill (rates as of September 1, 2019)



Source: SJCE and PG&E comparison of residential electric rates.
 Note: Based on E-1 rate schedules and usage of 470 kilowatt-hours.

ECONOMIC DEVELOPMENT

The mission of the Office of Economic Development is to catalyze job creation, private investment, revenue generation, and talent development and attraction.

ECONOMIC DEVELOPMENT

The City of San José's Office of Economic Development (OED) leads the City's economic strategy, provides assistance for businesses, manages the City's real estate assets, helps connect employers with trained workers, and supports art and cultural amenities in the community.

OED manages several incentive programs for businesses, among them the Foreign Trade Zone and the Storefronts Grants Program, which helps small businesses enhance or enliven their ground-floor storefronts.

OED also oversees agreements with the non-profit operator of the City's [Convention & Cultural Facilities](#) (Team San Jose) and agreements for other City-owned cultural facilities.

In 2019-20, OED's operating expenditures totaled \$11.2 million. This includes personal and non-personal expenditures. The department was responsible for \$84.5 million of other costs, including \$43 million in capital-related expenses and \$9.7 million in Citywide expenses. Citywide expenses included \$1.7 million in property leases where the City is the tenant, a \$1.3 million subsidy to the Tech Museum and \$900,000 to the SJ Works: Youth Jobs Initiative. The City also supported the Convention & Cultural Facilities with over \$10 million from hotel tax revenues.

KEY FACTS (2019-20)

Unemployment Rate*	Pre-COVID	2.6%
	Post-COVID	13.1%
Median Household Income		\$ 115,893

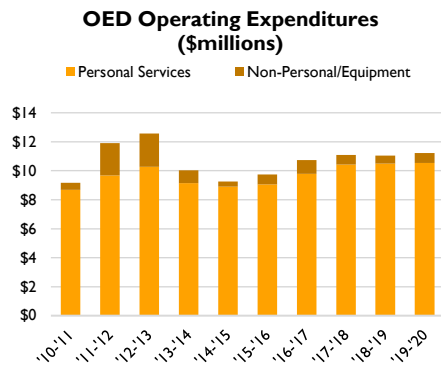
*Average of monthly unemployment rates before and after March 2020.

Sources: Bureau of Labor Statistics and 2019 American Community Survey

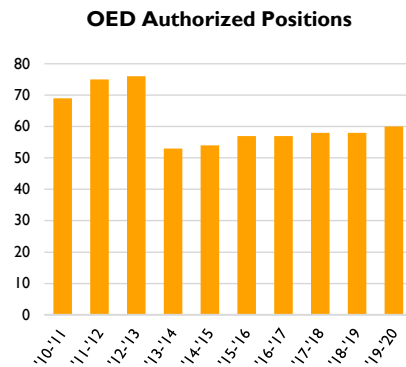
ECONOMIC STRATEGY AND COVID-19 RESPONSE

The current economic strategy workplan seeks to expand economic opportunity and mobility through business support, attraction and facilitation; talent development; business outreach; and encouraging downtown development. In 2019-20, OED re-centered much of its resources to support the City's business community in the face of unprecedented challenges and disruption caused by the COVID-19 pandemic and economic fallout. Beginning in March, all the Business Development staff were re-assigned to the Emergency Operations Center to assist in business communications, resource referrals, CARES Act funding disbursement, and layoff support. Staff led the development of the City's microenterprise grants and San Jose Al Fresco, which helped local businesses adapt during the economic downturn. Staff coordinated with inter-governmental and nonprofit partners to reach vulnerable businesses and connect them to business technical assistance resources and information to operate safely.

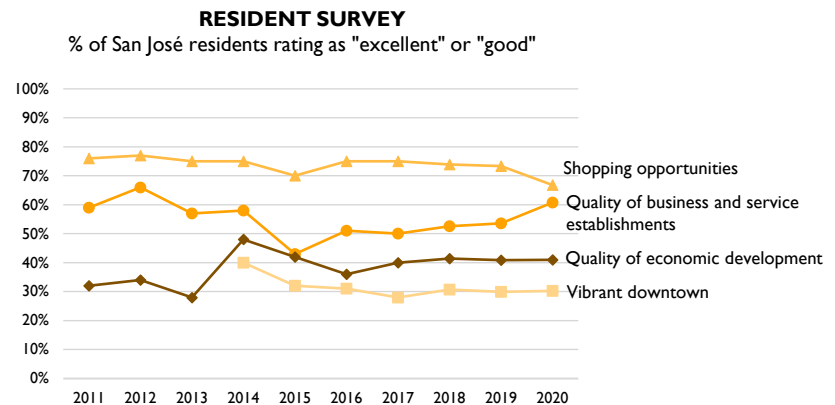
Source: Office of Economic Development



Note: In '11-'12, Real Estate Services was added to OED.



Note: In '13-'14, the transition of work2future client services to the Foundation eliminated 24 positions.



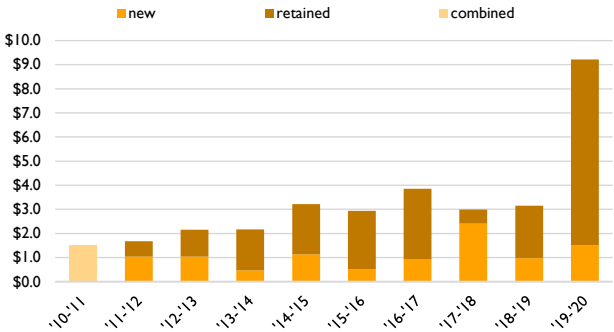
BUSINESS DEVELOPMENT AND JOBS

OED promotes business in San Jose by providing assistance, information, access to services, and facilitation of the development permit process, though many of these services changed due to the COVID-19 emergency (also see Development Services in the Planning, Building and Code Enforcement section). In 2019-20, OED provided development facilitation services to 111 businesses. It also coordinated the Business Owner Space network, through which clients receive information, technical and human resources support. Partner organizations, like SCORE, a mentoring and training provider to small businesses, provide other services. (See www.businessownerspace.com.)

OED estimated companies that received its assistance generated \$9.2 million in tax revenues (business and sales taxes), nearly triple the amount from 2018-19, primarily driven by a revenue-sharing agreement with eBay. In 2019-20, this also included the attraction of Roku, Living Spaces, and Outdoor Hardware Supply. About \$11.30 in tax revenue was generated for every \$1 of OED expenditure on business development.

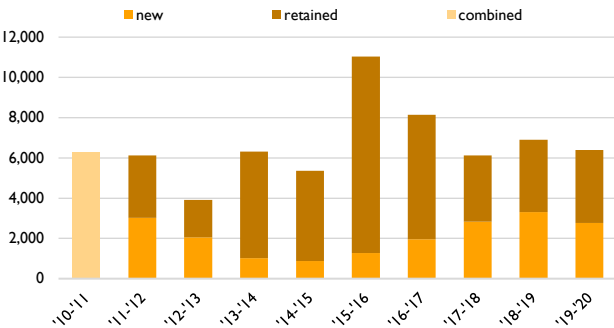
One of OED’s main goals is to catalyze job creation. Companies and businesses that received OED assistance created about 2,800 jobs and retained about 3,600 jobs in 2019-20. With about 447,000 jobs located within the city, San José has less than one job per employed resident. Palo Alto, by contrast, has more than three jobs per employed resident. San José is the only large U.S. city where more residents commute to work outside city limits, rather than into the city. (See the CSA Dashboard chapter for additional information.)

Estimated Tax Revenue Generated by OED-assisted Companies (\$millions)



Note: The methodology changed in '11-'12. The growth in '19-'20 is primarily driven by a revenue-sharing agreement with eBay.

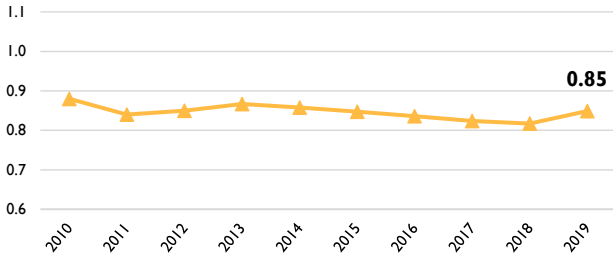
Estimated Jobs Created or Retained by OED-assisted Companies



RESIDENT SURVEY

68% of employed San José residents report they work inside the boundaries of the City

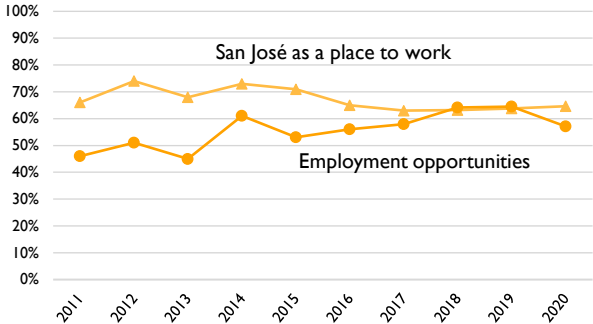
Jobs Per Employed Residents in San José
Balance at 1.0 job per resident
Envision 2040 target: 1.1 jobs per resident



Sources: American Community Survey 5-Year Estimates (2010 through 2018) and 1-Year Estimate for 2019

RESIDENT SURVEY

% of San José residents rating as "excellent" or "good"



ECONOMIC DEVELOPMENT

WORKFORCE DEVELOPMENT

The City's workforce development program is managed by the [work2future](#) Foundation, serving adults, dislocated (laid-off) workers, and youth. It provides job search assistance, occupational training, and skills enhancement workshops.

The work2future Foundation continued to provide services during the COVID-19 emergency, although their services moved online. Over 1,100 job seekers took advantage of skill upgrades and training programs in 2019-20. Nearly 400 business clients received services, including recruitment, lay-off aversion, and business assistance. (See CSA Dashboard chapter for additional information.) The work2future Foundation also runs San José Works, a youth jobs initiative focused on strengthening City partnerships, such as those with the Mayor's Gang Prevention Task Force, to identify, recruit, train, and place at-risk youth in jobs. In 2019-20, San José Works provided 900 youth with subsidized and unsubsidized employment opportunities.

ARTS AND CULTURAL DEVELOPMENT

The Office of Cultural Affairs (OCA) promotes San José's artistic and cultural vibrancy and supports opportunities for cultural participation and cultural literacy for residents, workers, and visitors. In 2019-20, OCA awarded 132 grants totaling \$5.3 million to organizations that are located in San José or host events in San José. Contributing to San José's placemaking and design goals, the public art program reported that it had 312 works throughout San José, four of which are privately owned.

Prior to COVID, OCA helped facilitate 371 event days in 2019-20 with an estimated attendance of 2.2 million. Large-scale events included annual events such as Christmas in the Park, Winter Wonderland, and the Rotary Fireworks. Other signature events included the Rock N Roll Half Marathon, Viva CalleSJ, and the SAP Center 25th Anniversary Festival. Despite COVID, annual attendance barely declined, compared to 2018-19, because there was higher attendance at some annual events.

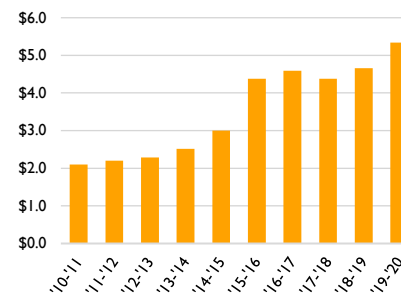
RESIDENT SURVEY
39% of San José residents attended at least one City-sponsored event

work2future Development Program Results

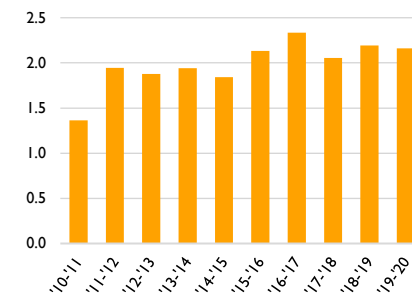
	Job Seekers	Placed in Jobs	State Goal
Adults	540	66%	55%
Dislocated Workers	320	70%	64%
Youth (14-24 years)	252	76%	63%

**Note: work2future serves San José, Campbell, Morgan Hill, Los Altos Hills, Gilroy, Saratoga, Monte Sereno, and unincorporated areas of Santa Clara County.*

Grant Awards for Arts and Cultural Development (\$millions)



Estimated Attendance at Outdoor Special Events (millions)



Funding to City-owned Cultural Facilities

OCA provided operations and maintenance funds totaling about \$3.7 million from the General Fund to the following operators of City-owned cultural facilities:

- Children's Discovery Museum
- San José Museum of Art
- SJSU (Hammer Theatre Center)
- Tech Interactive
- History San José
- School of Arts and Culture at Mexican Heritage Plaza



Hammer Theatre, Photo: City Auditor's Office

REAL ESTATE SERVICES

Real Estate Services manages the City’s real estate portfolio, provides real estate services to City departments, and represents the City in third-party transactions. This includes acquisition, disposition, surplus sales, leasing, relocation, valuation, telecommunications, and property management. In 2019-20, this generated about \$5.4 million in sales revenue; the City generated \$4.75 million alone when it sold a 13,000 square-foot parcel in downtown. The division also generated \$3.1 million in lease revenue. Real Estate Services had 80 property leases in its real estate portfolio.

CONVENTION & CULTURAL FACILITIES

The City’s convention facilities (San José McEnery Convention Center, Parkside Hall, South Hall) house exhibitions, trade shows, and conferences. The City’s cultural facilities (San Jose Civic, Montgomery Theater, California Theatre, Center for the Performing Arts) are home to concerts, plays, and other performances. Team San Jose, a non-profit organization, manages these facilities on behalf of the City. Ninety-eight percent of responding event coordinator clients who used the facilities rated overall service as “good,” “very good,” or “excellent,” higher than the target of 95 percent.

In 2019-20, prior to COVID-19, the facilities drew over 700,000 people to 240 events overall. Of those events, 75 were at the convention facilities, hosting 300,000 visitors. On March 16, 2020, Santa Clara County issued a shelter-in-place order, providing that individuals could only leave their residence to perform essential activities. As a result, all events at the City’s convention and cultural facilities were canceled for the rest of 2019-20. As a result, operating revenues declined 44 percent to \$35.6 million. The Convention Center’s occupancy rate (by square footage) was 56 percent.

For more information about the Convention and Cultural Facilities, see our [annual performance audits](#) of Team San Jose.

San Jose Civic



California Theatre



Montgomery Theater

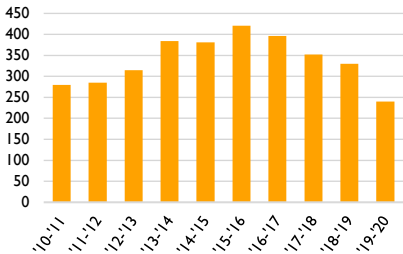


Center for Performing Arts

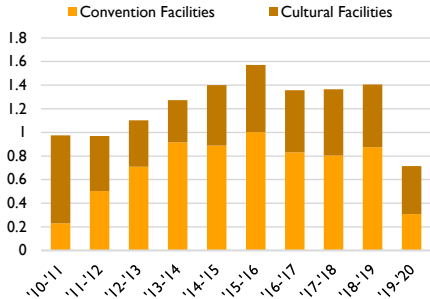


Photos: City Auditor’s Office and Team San Jose

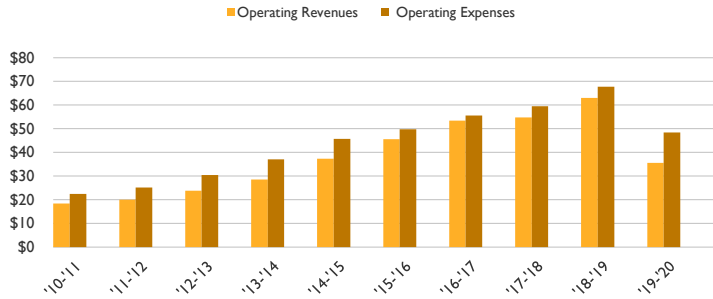
Number of Events (Convention and Cultural Facilities Combined)



Attendance (millions)



Operating Revenues and Expenses (\$millions)



ENVIRONMENTAL SERVICES

The mission of the Environmental Services Department is to deliver world-class utility services and programs to improve our health, environment, and economy.

ENVIRONMENTAL SERVICES

The Environmental Services Department (ESD) provides recycling and garbage services, wastewater treatment, potable water delivery, stormwater management, and recycled water management. ESD also manages programs to conserve water and energy resources and achieve other environmental goals.

ESD provides Citywide coordination of efforts to protect and conserve air, land, water, and energy resources through policy development, education, and grant-seeking. This work is guided by the City's Climate Smart San José Plan and regulatory requirements.

Most ESD revenue comes from various customer fees and charges; approximately 1 percent of its budget comes from the General Fund (about \$4.8 million in 2019-20).

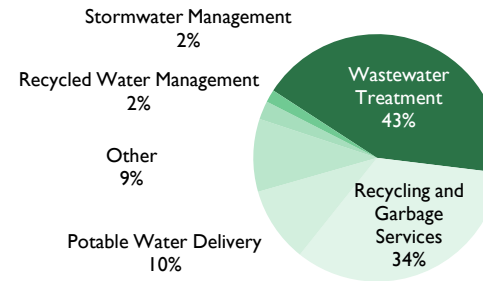
In 2019-20, ESD's operating expenditures totaled \$293.8 million, including personal and non-personal expenditures. In addition, the department was responsible for other expenditures including \$123.4 million in capital-related expenditures and \$1.7 million in Citywide expenditures. Staffing in 2019-20 included 572 full-time equivalent positions, representing a 14 percent increase from ten years ago.

RESIDENT SURVEY

% of San José residents surveyed who rated the following as "excellent" or "good"

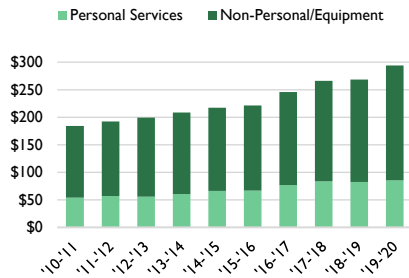
- 28%** Air quality
- 41%** Quality of overall natural environment in San José
- 46%** Preservation of natural areas such as open space, farmlands, and greenbelts

ESD Budget Breakdown (2019-20)

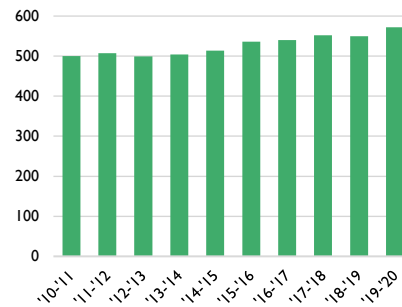


Note: Budget includes personal, non-personal, and capital-related expenditures

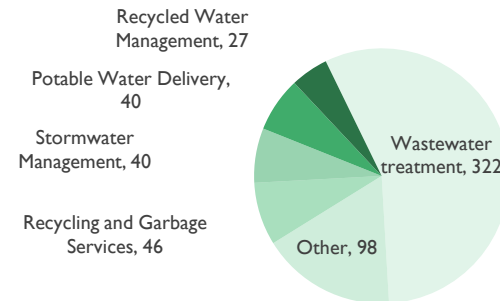
ESD Operating Expenditures (\$millions)



ESD Authorized Positions



ESD Staffing Breakdown by Positions per Service (2019-20)



ENVIRONMENTAL SERVICES

RECYCLING & GARBAGE SERVICES

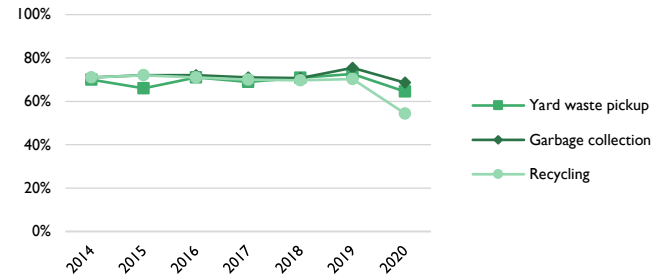
ESD provides recycling and garbage services to over 328,200 residential households in San José through contracted service providers. ESD also provides waste management programs and services for San José businesses, large events, public areas, and City facilities. It manages agreements for commercial collection and recyclables processing, organics processing, and residential and construction waste collection services in the City. ESD's operating expenditures for recycling and garbage services was \$152.3 million.

The state monitors each jurisdiction's "per capita disposal rate" and requires that 50 percent of solid waste be diverted* from landfills. The Department of Resources Recycling and Recovery, CalRecycle, has taken a statewide approach to decrease California's reliance on landfills.

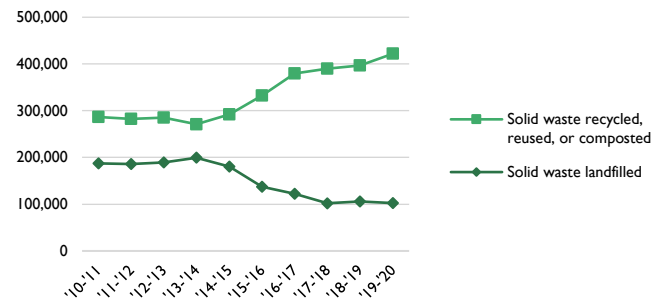
Since 2007, San José has diverted at least 60 percent of waste, including 66 percent in 2019. However, disruptions in the recyclables market have required the City to expand its efforts to meet current and future state diversion requirements. This includes outreach to inform residents on the importance of eliminating liquids and foods from recycling bins, and exploring infrastructure and partnership opportunities to manage recyclables domestically.

*"Diversion" refers to any combination of waste prevention, recycling, reuse, and composting activities that reduces waste disposed at landfills. (Source: CA Integrated Waste Management Board)

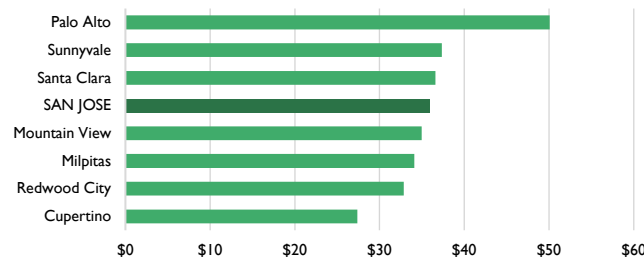
RESIDENT SURVEY
% of San José residents rating services as "excellent" or "good"



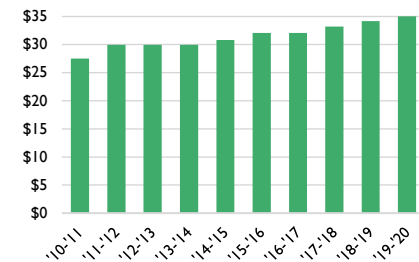
Tons of Residential Solid Waste Recycled vs. Landfilled



Comparison of Monthly Residential Garbage and Recycling Rates (2019-20)



San José Garbage and Recycling Monthly Bills (32-gallon cart)



Sources: Rates listed on local government websites for municipalities provided.
Note: Rates listed for all municipalities are for the 32-gallon cart size.

RESIDENT SURVEY
39% of San José residents rated utility billing "excellent" or "good"

ENVIRONMENTAL SERVICES

STORMWATER MANAGEMENT

ESD manages regulatory programs, initiatives, and activities to prevent pollution from entering the storm sewer system and waterways.* The Department of Transportation operates the City’s storm drains and storm sewer system, conveying rainwater into creeks and eventually the South San Francisco Bay (see Transportation chapter).

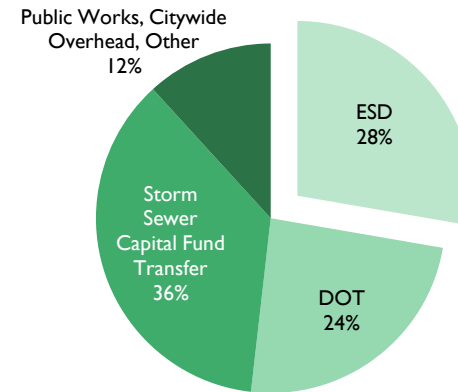
ESD’s programs protect water quality and the health of the South Bay watershed and the San Francisco Bay. One such program is the litter/creek cleanup program. Overall, 485 creek cleanup events were held and about 649 tons of trash were removed in 2019-20. There were fewer creek clean-ups than the prior year due to the public health orders in response to the COVID-19 pandemic. Over half of the cleanups in 2019-20 were performed by the City’s creek cleanup partners, which include the Downtown Streets Team and South Bay Clean Creeks Coalition, among others. The Housing Department’s Homeless Encampment Response Program accounted for the remaining number of creek cleanups. ESD estimates that the City has reduced the amount of trash discharged into receiving waters by 99 percent since 2009; the City is on track to meet the July 2022 requirement rate of 100 percent.**

The annual fee for a single-family residence in 2019-20 was \$94.44. The annual fee has remained relatively level since 2010-11.

* These programs and activities are regulated by a state permit for municipal storm water systems. For more information, see the [California Water Boards' webpage](#) on the subject.

** Calculation is based on a method specified in the Municipal Regional Stormwater NPDES permit; regional permit requirements will be updated in 2021-22.

Breakdown of Storm Sewer Operating Fund Budgeted Expenditures

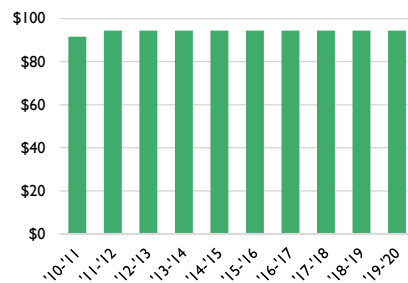


Source: 2019-20 Adopted Operating Budget

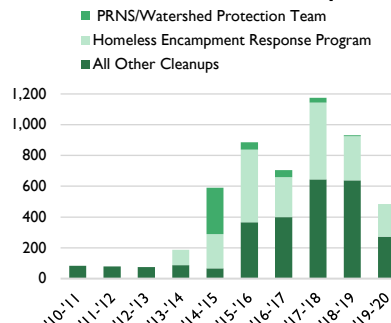
Baykeeper Consent Decree

In June 2016, the City executed a consent decree to settle a lawsuit filed by the San Francisco Baykeeper. The consent decree stipulates that the City will appropriate \$100 million over a ten-year period to implement projects intended to reduce the flow of pollutants from the City’s urban areas to receiving waters (e.g., green infrastructure).

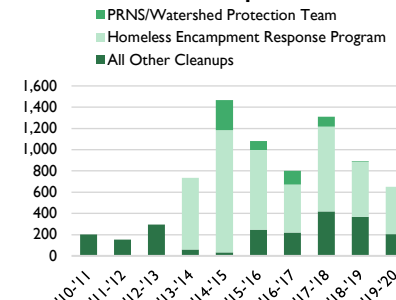
Annual Fee for Household Storm Sewer Service



Number of Creek Cleanups



Tons of Litter Collected at Creek Cleanups



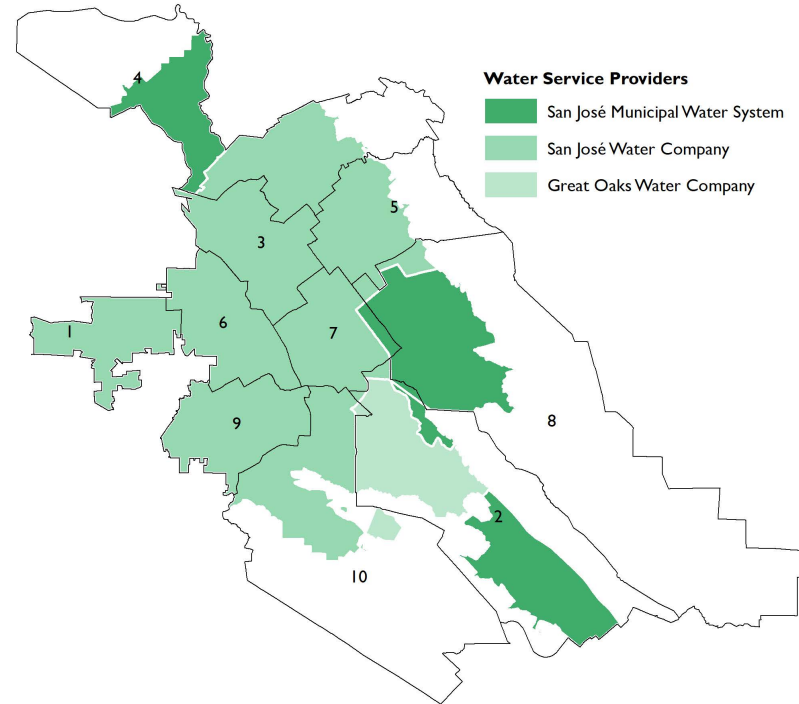
RETAIL WATER DELIVERY

ESD operates and maintains the San José Municipal Water System (Muni Water), which serves about 26,800 customers in North San José, Alviso, Evergreen, Edenvale, and Coyote Valley. Other local San José water retailers include Great Oaks Water Company (which serves Blossom Valley, Santa Teresa, Edenvale, Coyote Valley, and Almaden Valley) and the San José Water Company (which serves Downtown, West San Jose, Alum Rock, and Almaden Valley, among others). For 2019-20, operating expenditures for retail water delivery totaled about \$44.5 million.

The average monthly water bill for Muni Water customers was \$87.16. Muni water rates have increased in recent years due to higher wholesale water rates and other inflationary costs; the increase is consistent with those of other San José retail water providers.

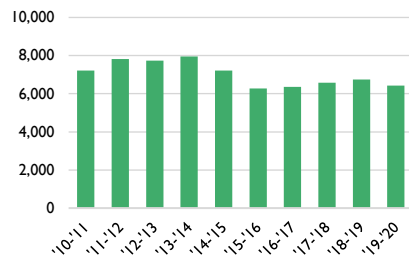
In 2019-20, Muni Water delivered 6,427 million gallons of water to its customers, down 11 percent from ten years ago. Fifty-six percent of City residents who responded to the resident survey rated drinking water delivery as "excellent" or "good". Muni Water met federal water quality standards in 100 percent of water samples taken.*

* For more information on water quality, see the [2019 Water Quality Report](#).

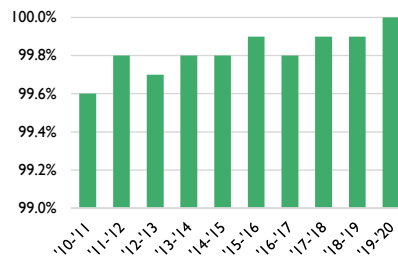


Note: Areas in white are served by private well systems, according to ESD
Source: Auditor map based on Environmental Services Department data

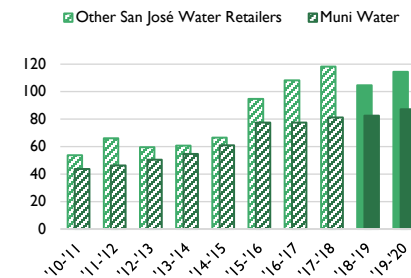
Millions of Gallons of Water Delivered to Muni Water Customers



% of Water Samples Meeting State and Federal Water Quality Standards



Comparison of Monthly Residential Water Bills



Note: Rates for 2018-19 and 2019-20 are based on water usage of 13 hundred cubic feet (HCF) whereas those of prior years are based on 15 HCF.

ENVIRONMENTAL SERVICES

WASTEWATER TREATMENT

ESD manages and operates the San José-Santa Clara Regional Wastewater Facility – the largest advanced wastewater treatment facility in the Western United States. The facility is co-owned with the City of Santa Clara, and provides wastewater treatment for approximately 1.5 million residents in San José and surrounding communities. The City’s Department of Transportation maintains the City’s sanitary sewer system (see Transportation chapter) that flows to the facility. ESD also manages pretreatment programs to control for pollutants at their source. For 2019-20, expenditures totaled \$192.8 million.* ESD wastewater treatment operations account for the largest share of ESD employees: 322 full-time budgeted positions out of 572 total.

The Wastewater Facility continues to meet the Regional Water Quality Control Board’s permit requirements for water discharged into the San Francisco Bay. In 2019-20, pollutant discharge requirements were met or surpassed 100 percent of the time.

The cost per million gallons treated was \$1,478. Aging infrastructure at the Facility has required increased maintenance and capital costs. In accordance with the Plant Master Plan adopted in 2013, the City is moving forward with over \$2 billion in long-term capital improvement projects to upgrade and rebuild the facility over the next 30 years.**

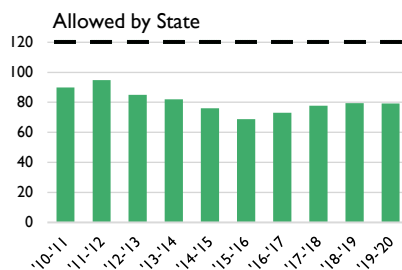
* Expenditures include personal, non-personal, capital and other expenses.

** For more information, see the [Capital Improvement Program webpage](#).



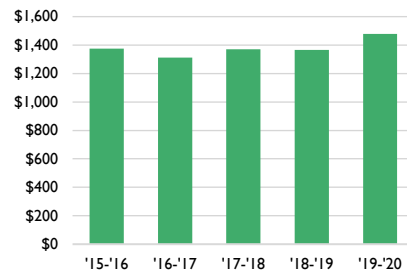
Aerial photo of the San José-Santa Clara Regional Wastewater Facility
Source: Environmental Services Department

Millions of Gallons per Day Discharged to Bay During Average Dry Weather Season

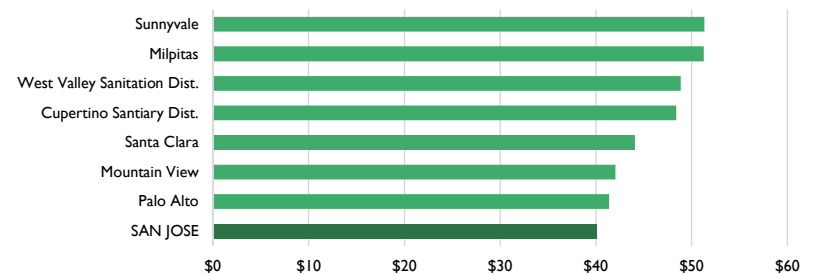


Note: Based on [2019 Annual Self-Monitoring Report](#).

Cost per Millions of Gallons Treated



Comparison of Monthly Sewer Rates* (2019-20)



* Sewer rates pay for costs of the sewer system as well as wastewater treatment.
Sources: Rates listed on local government websites for municipalities provided.

RECYCLED WATER

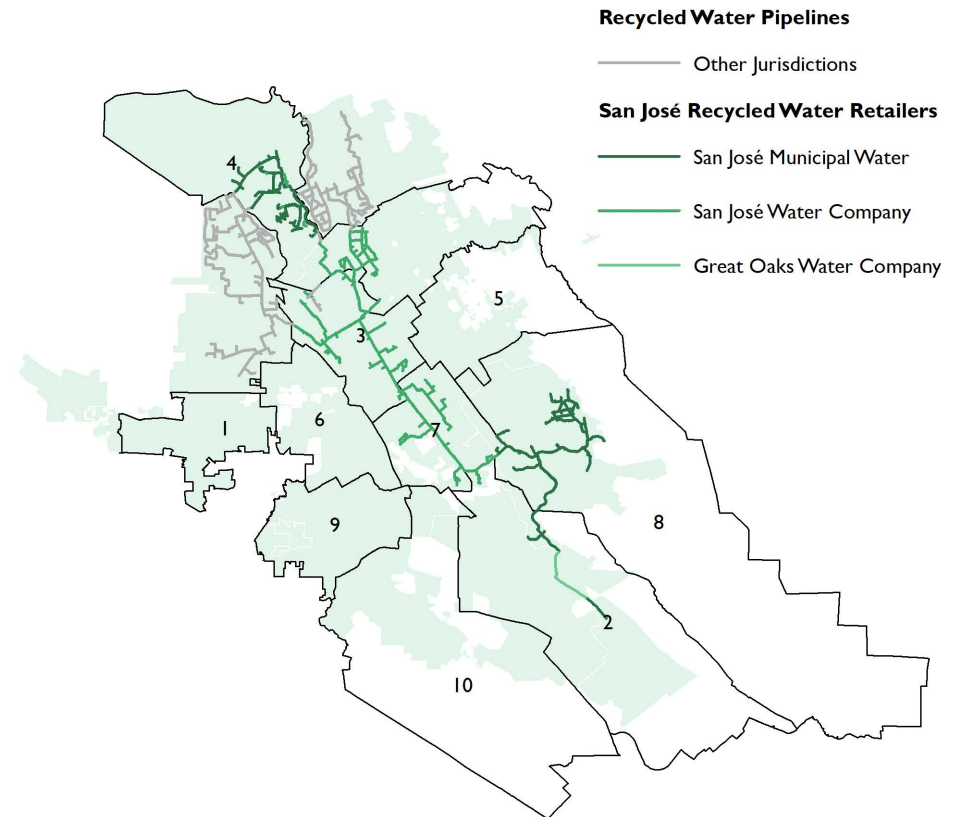
The City invested in South Bay Water Recycling (SBWR) in order to reduce wastewater effluent and protect the ecosystem of the South Bay, including the habitats of two federally endangered species, the Salt Marsh Harvest Mouse and the California Clapper Rail. SBWR serves the cities of Milpitas, Santa Clara, and San José.

In 2019-20, 17 percent of wastewater influent was recycled for beneficial purposes during the dry weather period, up from 13 percent ten years ago. SBWR customers used recycled water for cooling towers and to irrigate parks, golf courses, schools, and commercial landscape. SBWR met recycled water quality standards 100 percent of the time during the same period.

In 2019-20, SBWR delivered about 4 billion gallons of recycled water to 969 customers, who paid \$3.11* per hundred cubic feet of water. The Silicon Valley Advanced Water Purification Center, operated by the Santa Clara Valley Water District in partnership with San José and Santa Clara, produces up to 8 million gallons per day of highly purified water used to enhance the quality and supply of recycled water.

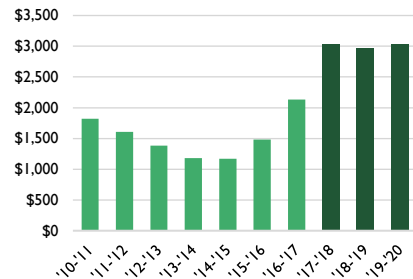
The cost per million gallons of recycled water delivered was \$3,032 in 2019-20.

* This rate is for City of San José Municipal Water customers; other SBWR provider rates may vary.

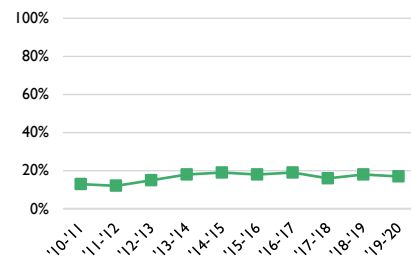


Source: Auditor map based on Environmental Services Department data

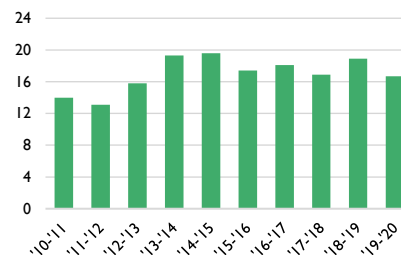
Cost per Million Gallons of Recycled Water Delivered



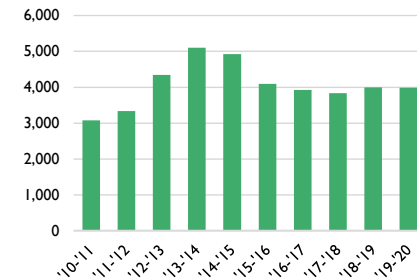
% of Wastewater Recycled for Beneficial Purposes during Dry Weather Periods



Millions of Gallons Per Day Diverted during Dry Weather Periods



Millions of Gallons of Recycled Water Delivered Annually



Note: Figures for 2017-18 and later are not comparable to those of prior fiscal years due to a change in accounting methodology.

CLIMATE SMART SAN JOSÉ

On February 27, 2018, the San José City Council adopted the [Climate Smart San José Plan](#). The plan is a continuation of the 2007 San José Green Vision, and represents San José's commitment to meeting the greenhouse gas (GHG) emission reduction targets of the Paris Climate Agreement. Climate Smart San José lays out eight goals, focusing on reducing air pollution, saving water, and creating a stronger and healthier community.

The City launched the Climate Smart Challenge to help San José residents take action to lower their carbon footprint and save money. The challenge allows residents to compete with fellow community members in reducing greenhouse gas emissions, and winners are eligible for special recognition and prizes. More information about the challenge can be found at: <https://climatesmartsjchallenge.org/>

Climate Smart Goals	Status to Date
1. By 2021, San José Clean Energy (SJCE) will offer 100 percent greenhouse gas-free power as a base product.	SJCE started serving both residents and businesses in February 2019. In 2020, SJCE provided electricity that is 45 percent renewable and 86 percent carbon free. SJCE is evaluating ways to provide power that is 100 percent carbon neutral by 2021. (See the Community Energy chapter for more information.)
2. By 2040, San José will be the world's first one gigawatt solar city.	Total solar capacity installed is 208 megawatts.
3. By 2030, 60 percent of all passenger vehicles in the City will be electric, making San José the electric car capital of the U.S.	The City Council adopted a building reach code that requires electric vehicle readiness in all buildings with an application for a building permit submitted on or after January 1, 2020.
4. Beginning in 2020, all new homes will be Zero Net Energy and, by 2030, 25 percent of all existing homes will be energy efficient and all-electric.	The City Council adopted a natural gas infrastructure prohibition for all new detached accessory dwelling units, single-family, and low-rise multi-family buildings with an application for a building permit submitted on or after January 1, 2020.
5. By 2030, San José will create an additional 22 million square feet of commercial workspace located within a half-mile of transit.	In 2019-20, the City issued permits totaling 2.35 million square feet of commercial, office, retail space within a half-mile of transit.
6. By 2030, San José will have developed 40,000 dwelling units in urban villages and focused growth areas.	Since the adoption of the General Plan in 2011, the City has permitted approximately 11,534 units within urban villages and focused growth areas.
7. By 2040, only four out of ten commute trips in San José will be taken in single-occupancy vehicles.	In 2019, an estimated 75 percent of commutes were taken in single-occupancy vehicles
8. By 2030, San José will reduce its per capita residential water consumption by 30 percent compared to 2009 levels.	In 2019, residential water consumption was 49.4 gallons per capita per day, a reduction of 19 percent compared to 2009 levels.

The mission of the Finance Department is to manage, protect and report on the City of San José's financial resources to enhance the City's financial condition for our residents, businesses, and investors.

FINANCE

The Finance Department manages the City's debt, investments, disbursements, financial reporting, purchasing, insurance, and revenue collection. In 2019-20 the department had 126 authorized positions, and its operating expenditures totaled \$20 million. This included personal and non-personal/equipment expenditures. In addition, Finance was responsible for \$60.2 million in other expenses, including \$46.8 million in debt service.

The Accounting Division is responsible for timely payments to vendors and employees, and for providing relevant financial information to the public. Revenue Management supports timely billing and revenue collection efforts. The division collected \$1.2 billion of the City's overall revenue in 2019-20, which includes sales tax and other revenues.

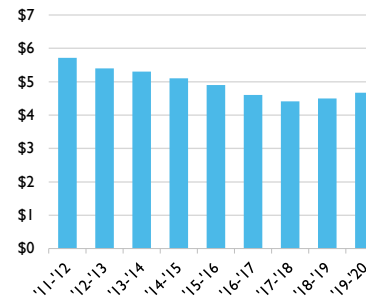
Purchasing is responsible for ensuring cost-effective procurement of quality products and services, and ensuring adequate insurance coverage for the City's assets. In 2019-20, the department procured \$191.5 million dollars of products and services, an increase from \$164.2 million last year. This increase is due to existing open purchase orders including emergency purchases to respond to COVID-19, such as personal protective equipment (PPE) and janitorial supplies.

Treasury manages the City's cash and investment portfolio. The primary objectives of the investment program, in priority order, are safety, liquidity, and yield. The City ended 2019-20 with an investment fund portfolio of \$2.04 billion, which had earned an average of 2.2 percent. The portfolio is larger than in prior years due to receiving millions of dollars in emergency funding through the federal CARES Act. Treasury also issues debt and administers a debt portfolio totaling \$4.7 billion. Actual debt issued was \$603 million in 2019-20, primarily resulting from the issuance of general obligation bonds for Measure T projects and refunding of prior general obligation bonds.

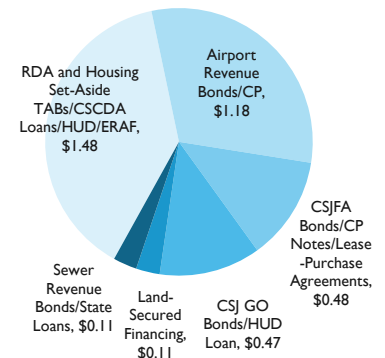
KEY FACTS (2019-20)

Average investment portfolio	\$2.04 billion
Total debt managed	\$4.7 billion
San José credit rating:	Moody's Aa1
	S&P AA+
	Fitch AA+

Total Debt Managed (\$billions)

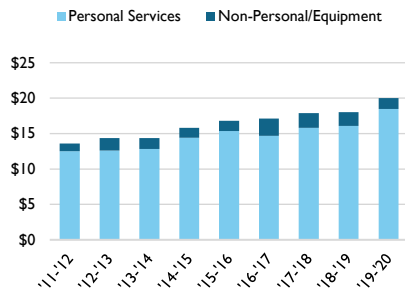


Outstanding Debt Issued by All Agencies, June 30, 2020 (\$billions)

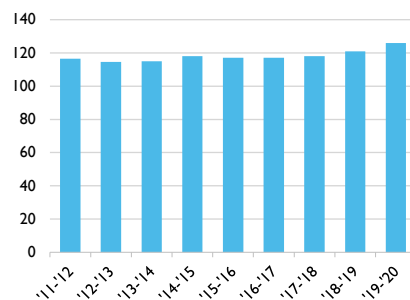


Note: Total debt managed includes conduit debt outstanding (multifamily housing revenue bonds). Pie chart to the right does not include conduit debt. For more information, see the [City's Comprehensive Annual Debt Reports](#).

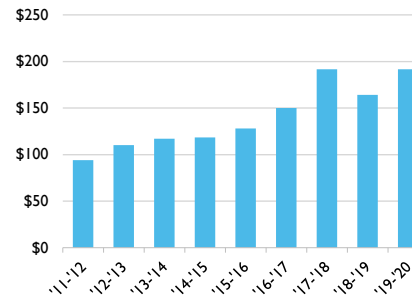
Operating Expenditures (\$millions)



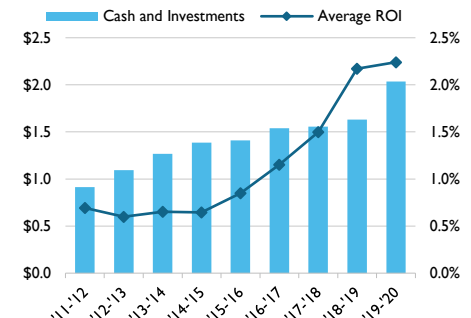
Authorized Positions



Total Dollars Procured (\$millions)



City Cash and Investments (\$billions)



The mission of the San José Fire Department is to serve the community by protecting life, property, and the environment through prevention and response.

FIRE

The San José Fire Department provides fire suppression, emergency medical services (EMS), and fire prevention services to residents and visitors within San José's geographic boundaries, totaling approximately 200 square miles (including some unincorporated areas). Other fire prevention services include regulatory enforcement of fire and hazardous materials codes through inspection activities and construction plan reviews for residents and businesses. The Department provides emergency Advanced Life Support first-response services, and the County of Santa Clara contracts with a private company for emergency ambulance services.

In 2019-20, the Department's operating expenditures totaled \$239 million. This includes personal and non-personal expenditures. The Department was responsible for additional costs including \$27.9 million in Citywide and other expenses, of which \$7.9 million was for workers' compensation claims. There were 838 authorized positions in the Department in 2019-20.

Fire Department personnel tested positive for COVID-19 before Santa Clara County issued a shelter in place order. In response, the Department quarantined several front-line firefighters to prevent further spread. Throughout the pandemic, the Department reports that it has maintained daily minimum staffing levels and emergency response capabilities.

In 2019-20, the Department sought to improve service to all areas of the community by adding Public Information Manager and Video/Multimedia Producer positions to expand community outreach and public education efforts. Additionally, messaging for fire and home safety, COVID-19 spread prevention, and recruitments were offered in multiple languages through social media platforms.

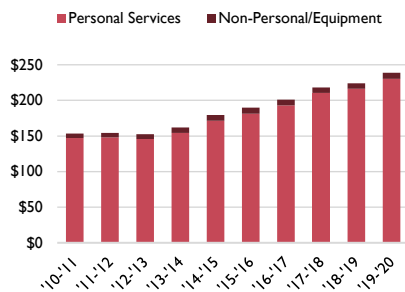


Source: San José Fire Department, photo of Communications staff

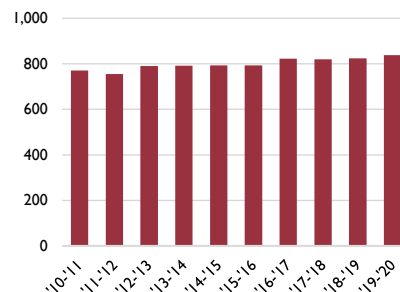


Source: San José Fire Department, photo of Engine 13

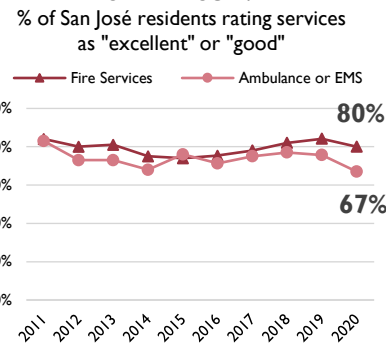
Fire Department Operating Expenditures (\$millions)



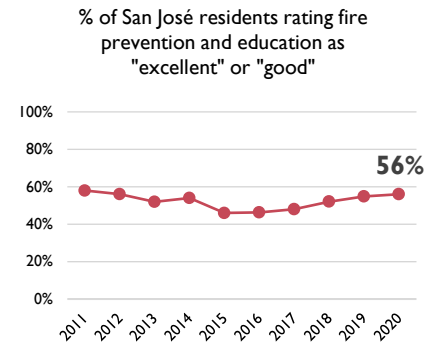
Fire Department Authorized Positions



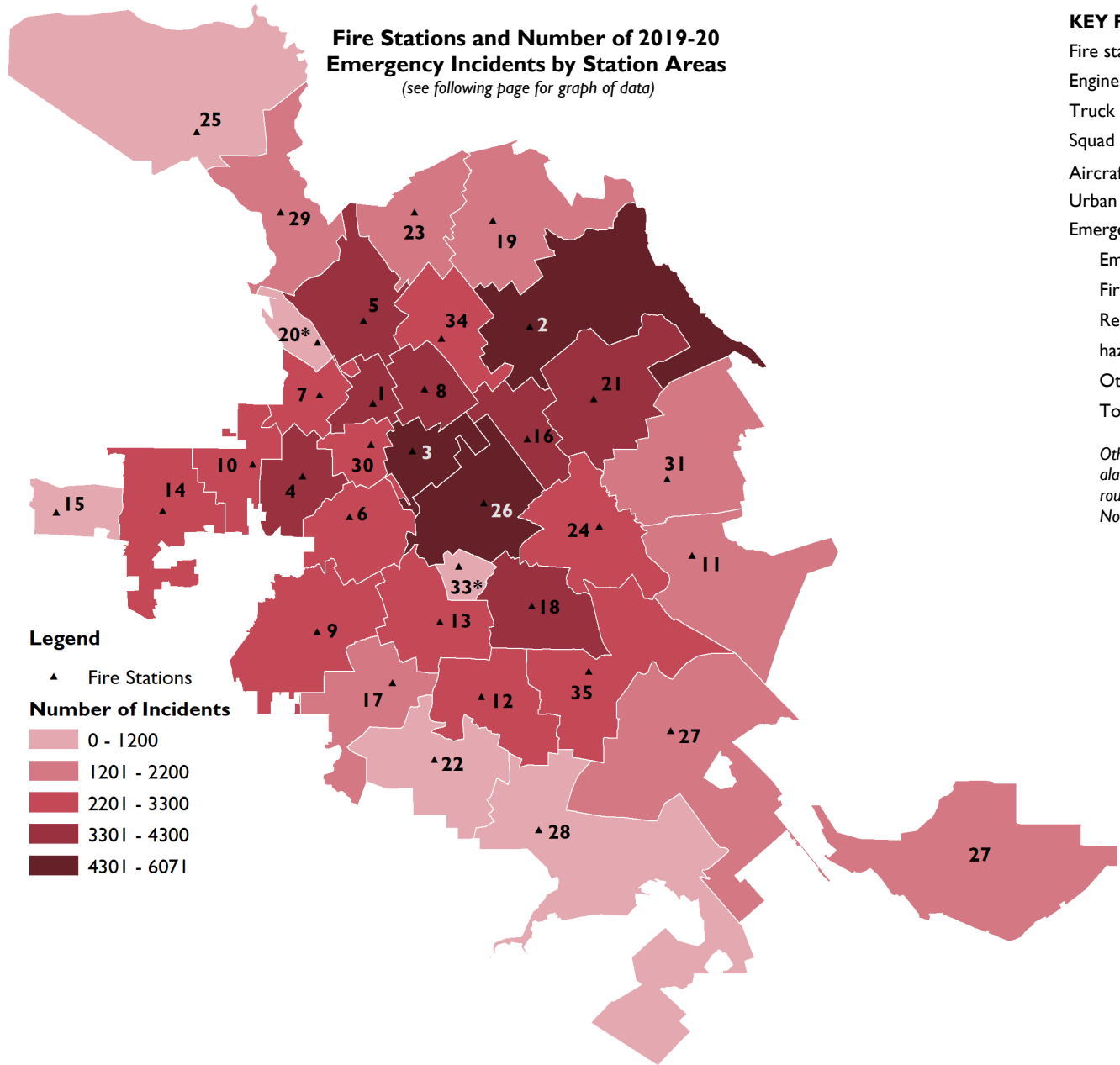
RESIDENT SURVEY



RESIDENT SURVEY



**Fire Stations and Number of 2019-20
Emergency Incidents by Station Areas**
(see following page for graph of data)



Legend

- ▲ Fire Stations

Number of Incidents

- 0 - 1200
- 1201 - 2200
- 2201 - 3300
- 3301 - 4300
- 4301 - 6071

KEY FACTS (2019-20)

Fire stations	33
Engine companies	32
Truck companies	9
Squad units	3
Aircraft Rescue Firefighting company	1
Urban Search and Rescue company	1
Emergency incidents	
Emergency medical incidents	56,500
Fires	3,700
Rescue, Haz Mat, and non-fire hazards	6,600
Other	24,900
Total	91,600

Other category includes service requests, false alarms, good intent responses, and canceled en route incidents
Note: Numbers may not add due to rounding.

Source: Auditor analysis based on incident data provided by Fire Department. Note: Data shows incidents by geographic area, not by responding unit.
* Fire Station #20 dedicated to Mineta San José International Airport. Fire Station #33 closed in August 2010. Incidents within the district of Station #33 handled by other stations. The Department has reserved the numbering of Fire Station #32 for future use.

FIRE

EMERGENCY RESPONSE

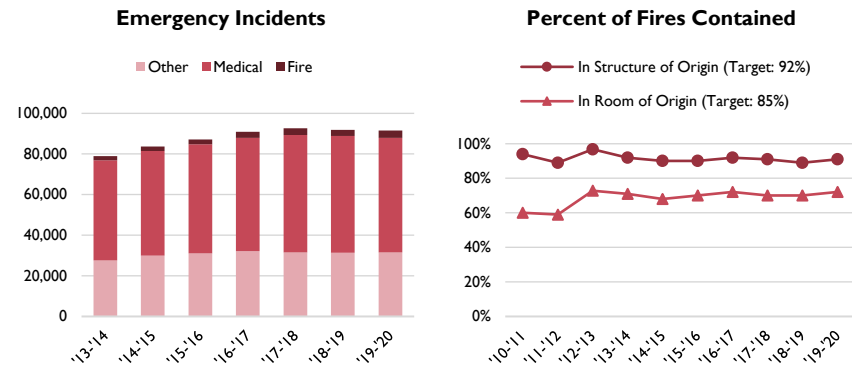
In 2019-20, the Fire Department responded to about 91,600 emergency incidents. There were 73,300 Priority 1 incidents (red lights and sirens) and 18,300 Priority 2 incidents (no red lights or sirens). Of the total incidents:

- 4 percent were fires (3,700 total)
- 62 percent were medical emergencies (56,500 total)
- 34 percent were other types of incidents, including good intent calls, rescues, and false alarms (31,500 total).

A breakdown of all incidents by fire station is provided below.

In 2019-20, the Department contained 91 percent of fires to the *structure* of origin (target: 92 percent). The Department contained 72 percent of fires to the *room* of origin (target: 85 percent).

There were 18 civilian fire injuries and four civilian fire deaths in 2019-20.

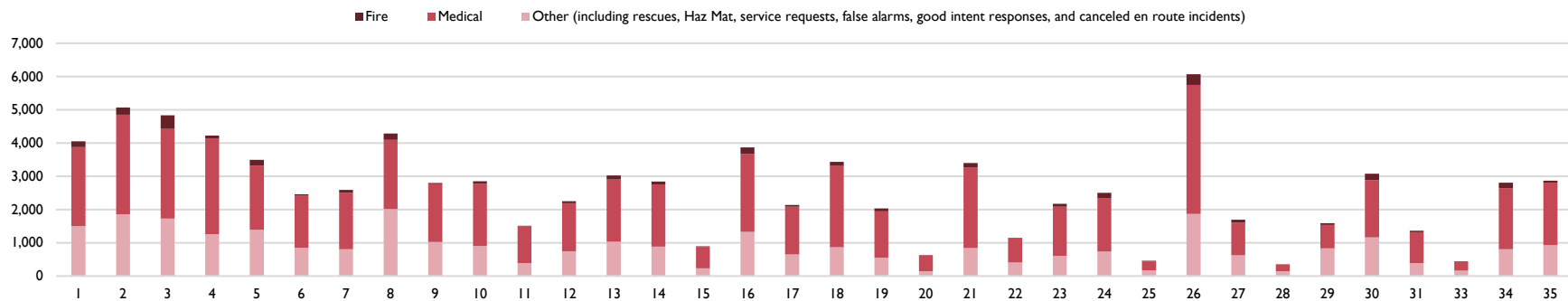


Emergency Medical Services (EMS)

The County of Santa Clara contracts with a private company to provide emergency ambulance transportation services to all County areas except Palo Alto. The San José Fire Department provides Advanced Life Support (paramedic) first-response services primarily within the incorporated City limits through a direct agreement with the County of Santa Clara Emergency Medical Services (EMS) Agency.

The agreement performance requirements specify that the Department must arrive on-scene within eight minutes 90 percent of the time to qualify for funding and arrive within eight minutes 95 percent of the time to receive maximum funding. These requirements apply to qualifying Code 3 EMS calls. In 2019-20, the Department met the County EMS Code 3 performance standard requirements of 90 percent for all 12 months.

Emergency Incidents by Station Area (2019-20)



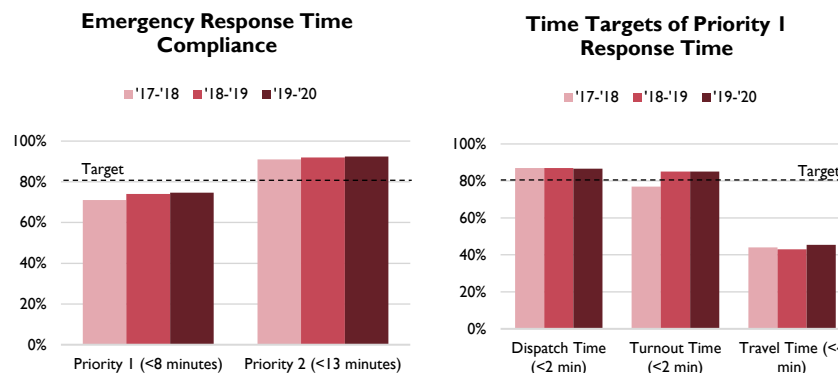
Note: Fire Station #20 dedicated to Mineta San José International Airport. Fire Station #33 closed in August 2010. Incidents within the district of Station #33 handled by other stations. The Department has reserved the numbering of Fire Station #32 for future use. Breakdowns of incidents and response times city-wide and by fire station are also available on the [SJFD Statistics Website](#).

EMERGENCY RESPONSE (continued)

In 2019-20, the Department responded to 75 percent of Priority 1 incidents within its time standard of 8 minutes (target: 80 percent), which is a slight improvement from the last two years. The Department responded to 92 percent of Priority 2 incidents within 13 minutes (target: 80 percent).

The Department disaggregates Priority 1 response time by three separate time segments: dispatch time, turnout time, and travel time. In 2019-20, the Department met its targets for dispatch time and turnout time (target: 80 percent within 2 minutes). The Department reports that continued messaging during training sessions has contributed to the improvement in turnout time. It met its travel time standard for only 45 percent of Priority 1 incidents (target: 80 percent within 4 minutes).

A breakdown of Priority 1 response times by fire station is shown below. Four fire stations met the Priority 1 response standard of 8 minutes for 80 percent of incidents in 2019-20, as compared to five stations last year.



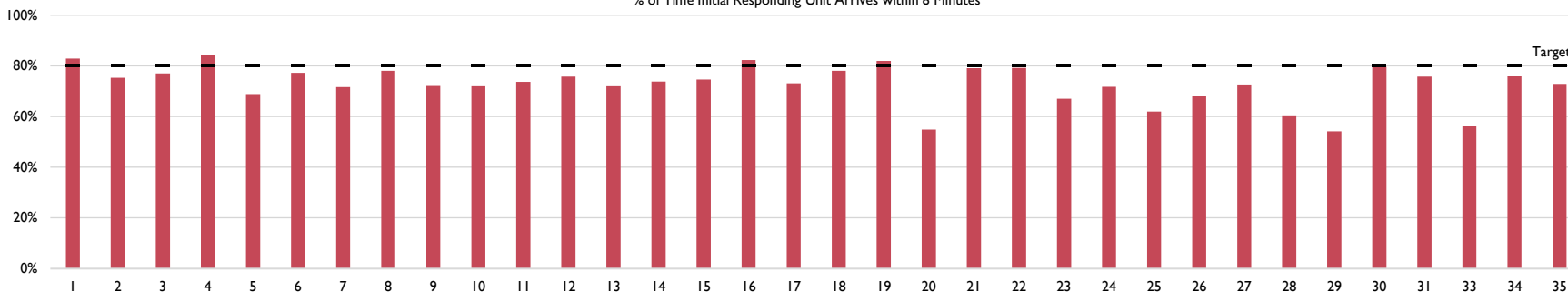
Improving Emergency Response

The Department developed a response time work plan which includes strategies to further improve response time performance. The Department deployed a business intelligence platform to improve data analysis and performance monitoring, and to provide Department leadership operational data for quality assurance and decision-making.

Additionally, the Fire and Police Communication Center launched Text to 9-1-1 to improve emergency services for the hearing-impaired community and to provide an alternate method of reporting emergencies when voice communication is unsafe or otherwise disrupted. Following the [Audit of 9-1-1 and 3-1-1](#), the Department implemented new call-taking procedures at the Fire Communications Center.

Priority 1 Response Time Compliance by Station (2019-20)

% of Time Initial Responding Unit Arrives within 8 Minutes



Note: Fire Station #20 dedicated to Mineta San José International Airport. Fire Station #33 closed in August 2010. Incidents within the district of Station #33 handled by other stations. The Department has reserved the numbering of Fire Station #32 for future use.

FIRE

FIRE PREVENTION

The Bureau of Fire Prevention provides regulatory enforcement of fire and hazardous materials codes, investigates fire cause, and educates the community to reduce injuries, loss of life, and property damage from fires and other accidents. Both fire fighters and fire prevention inspectors conduct initial inspections to check for compliance with fire codes. In 2019-20, the Department performed 10,600 initial fire inspections. Fire fighters conducted 4,900 of these initial inspections and fire prevention inspectors conducted the remaining. About 83 percent of initial inspections conducted were code compliant, and therefore did not require a follow-up inspection. The Department reports that the Santa Clara County public health shelter in place order impacted the number of inspections performed.

The Bureau of Fire Prevention also conducts investigations based on complaints received from residents or businesses. In 2019-20, 150 complaints were investigated. In addition, the Department conducted about 270 plan reviews for special events.

In 2019-20, arson investigators conducted over 400 investigations and were able to determine that about 90 of those investigations were caused by arson. The Department reports that 2019-20 increases in investigations conducted by the Arson Unit were partly driven by fires related to civil unrest and suspicious vegetation fires.

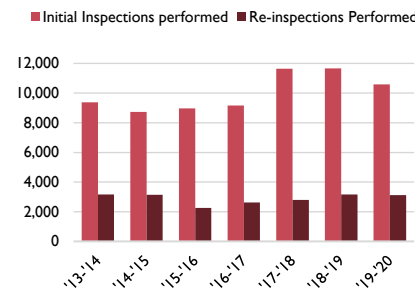
FIRE SAFETY CODE COMPLIANCE (DEVELOPMENT SERVICES)

Fire Safety Code Compliance enforces the City's Fire and Health and Safety Codes during the development plan review and inspection processes, in coordination with the Development Services partners in the Permit Center (see Planning, Building & Code Enforcement Department chapter). This includes both engineering and hazardous materials reviews. In 2019-20, Fire Code Compliance civilian and sworn staff performed 6,400 fire plan checks and 7,400 inspections for Development Services customers. Fire plan reviews were conducted within established time targets for 79 percent of projects in 2019-20. Following the recent [Audit of Fire Development Services](#), the Department is reviewing the methodology for calculating these performance measures.

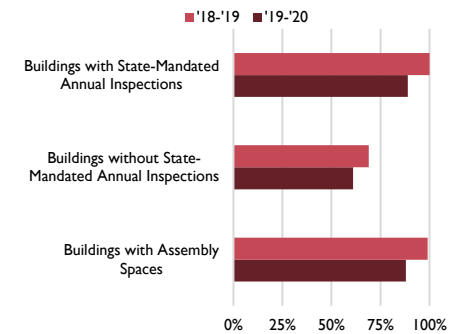
Fire Safety Inspections

The Department inspects existing buildings and newly constructed buildings to ensure compliance with the fire code. As of June 2020, San José had approximately 12,000 buildings that were eligible for a fire inspection, including 87 high-rises, 660 educational facilities, and 5,400 multi-family residences and hotels/motels. The frequency of the inspection cycle depends on the building use and type. For example, high-rises, schools, and multi-family residences are required by the State Fire Marshal to have annual inspections. In 2019-20, the Department completed 89 percent of state-mandated inspections.

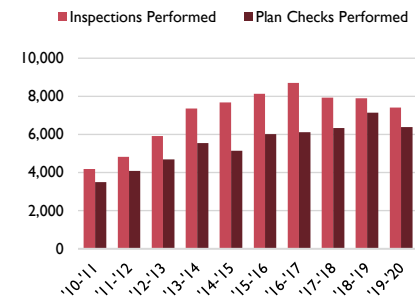
Fire Prevention Inspections (on existing buildings)



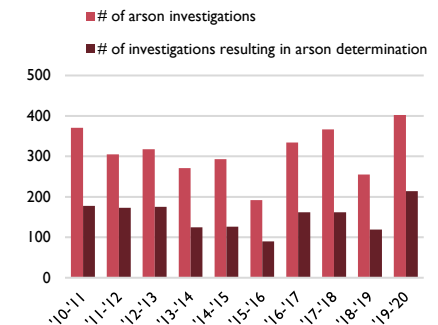
Completion of Initial Fire Inspections



Fire Safety Code Compliance - Workload (Development Services)



Arson Investigations



The **Development Services partners** in the Permit Center are:

- Planning, Building & Code Enforcement Department (see *PBCE* section)
- Fire Department
- Public Works Department (See *Public Works* section)

The mission of the Housing Department is to strengthen and revitalize our community through housing and neighborhood investment.

HOUSING

The Housing Department employs multiple strategies to meet the housing needs of San José residents, who face some of the highest housing costs in the nation.

These strategies include:

- Administering a variety of single-family and multi-family lending programs,
- Recommending housing-related policies,
- Financing new affordable housing construction,
- Extending the useful lives of existing housing through rehabilitation,
- Managing rent stabilization programs and tenant protection programs,
- Addressing homelessness through a regional “housing first” model, and
- Administering a number of federal and state grant programs.

The Housing Department’s operating expenditures totaled \$13 million in 2019-20. This included personal and non-personal/equipment expenditures. The Department was responsible for an additional \$67.3 million in Citywide and other expenses, including \$34.6 million for loans and grants.

Funding for the Department included revenues from the Department’s loan portfolio that continued to generate program income (principal outstanding as of November 2020 was \$588.6 million). Additional revenues come from various state and federal grants. Also included were Affordable Housing Impact Fees, which went into effect at the end of 2015-16, totaling \$9.6 million in revenues in 2019-20.

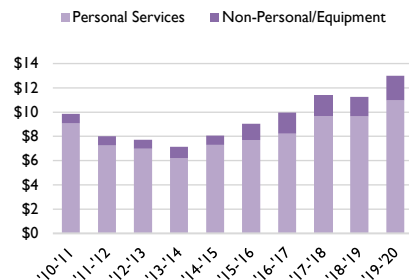
During the pandemic, Housing has expanded services, including rental assistance and food distribution, as well as emergency sheltering, interim housing, and Bridge Housing Communities (currently in development).

2019-20 Housing Program Funds Received	
Loan Repayments, Interest, and Miscellaneous Revenues	\$50,167,169
Homeless Housing Assistance and Prevention Grant (HHAP)	\$23,832,511
Fees and Charges*	\$18,223,472
Community Development Block Grant (CDBG)	\$6,789,730
Rental Rights	\$4,126,031
SB89 Grant	\$3,919,821
Bond Administration Fee	\$1,194,567
HOPWA Special Projects	\$1,027,491
Housing Opportunities for People with AIDS (HOPWA)	\$826,136
Emergency Solutions Grant (ESG)	\$646,052
HOME Investment Partnership Grant (HOME)	\$321,142
Total	\$111,074,120

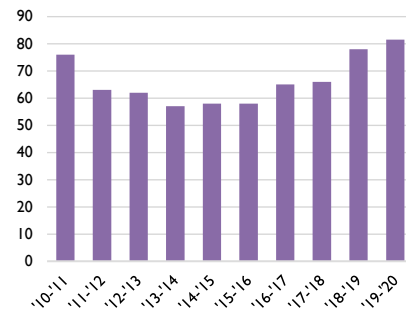
* Fees and Charges increased from \$7.8 million last year which were attributed to revenue from projects subject to Inclusionary Housing Policy In-lieu fees and Affordable Housing Impact fees.

Note: Does not include federal stimulus grants funding granted to the City under CARES including \$350,000 for HOPWA, \$5.3 million in CDBG, and \$35.5 million in ESG (primarily for homeless assistance). For more information, refer to our [Preliminary Review of the Allocation and Monitoring of COVID-19 Related Housing Grants](#).

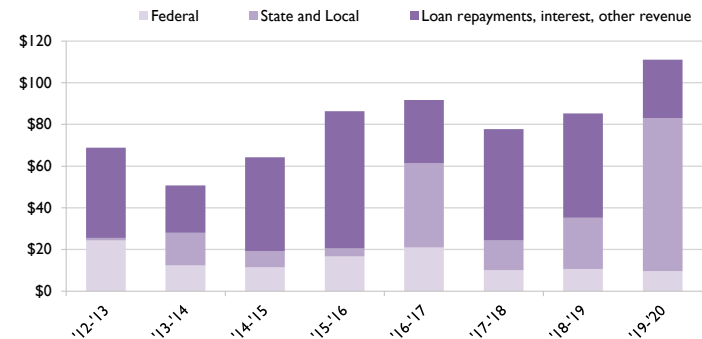
Housing Operating Expenditures (\$millions)



Housing Authorized Positions



Comparison of Funding Sources (\$millions)



AFFORDABLE HOUSING

Building New Affordable Housing

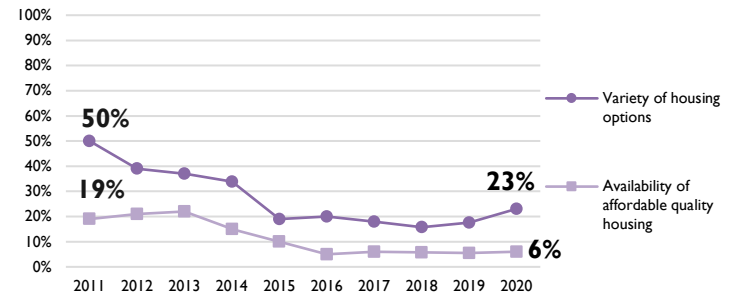
The availability of affordable housing has continued to be an area of concern for San José residents for a number of years. In 2020, only 6 percent rated the availability of affordable housing as “excellent” or “good,” while 76 percent considered availability to be “poor.”

The City's efforts to increase the supply of affordable housing in San José include making loans to developers and authorizing conduit financing. In 2019-20, developers completed 217 newly affordable housing units with City help. For new projects under construction, the City committed an average per-unit subsidy of about \$111,282 (for 894 affordable housing units) in 2019-20. According to the Department, unit costs can vary widely depending upon a variety of factors. There are around 20,000 affordable housing units in San José.

Rehabilitating Existing Housing & Financing Home Buying

Low-income homeowners whose homes are in need of repairs can qualify for City financial help to rehabilitate them. In 2019-20, the Department provided minor repairs for 217 homes in partnership with Rebuilding Together Silicon Valley and Habitat for Humanity. No major rehabilitations for single-family homes were completed.

RESIDENT SURVEY
% of residents rating housing opportunities as "excellent" or "good"

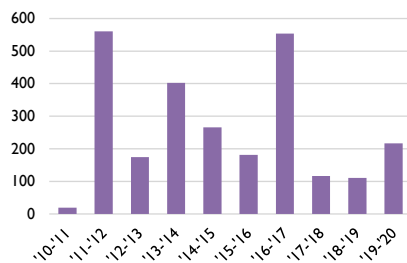


Quetzal Gardens - Affordable Housing Development

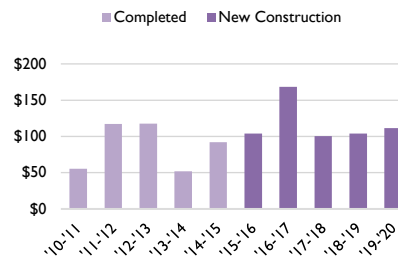


Source: Santa Clara County

Number of Affordable Housing Units Completed in the Fiscal Year

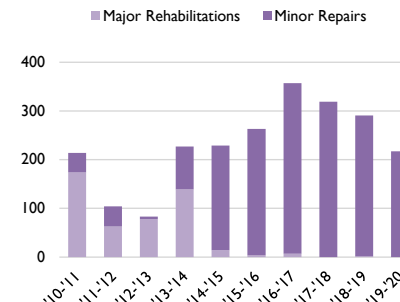


Average Per-Unit Subsidy for New Projects Under Construction (\$thousands)



Note: This measure was based on completed projects prior to '15-'16

Rehabilitated Units



HOUSING

NEIGHBORHOOD INVESTMENT & PUBLIC SERVICES

The Department received nearly \$6.8 million in federal Community Development Block Grant (CDBG) program funds in 2019-20 (does not include \$5.3 million granted through stimulus grants in response to the COVID-19 emergency). CDBG funds are used for housing rehabilitation, fair housing, code enforcement, senior and homeless services, foreclosure prevention, and economic development services.

Rent Stabilization and Tenant Protections

The Rent Stabilization Program oversees local ordinances providing limits on rent increases, just cause provisions, and requirements for removing apartments from the rental market. The program provides oversight of nearly 38,500 rent-controlled units, or about a third of the City's rental housing units. In 2019-20, there were 112 tenant and landlord petitions filed. Of those resolved by staff or through a hearing, 37 percent resulted in an agreement between the tenant and landlord. Average monthly rent in San Jose decreased slightly for the first time in 10 years.

In August 2020, the state of California issued a statewide eviction moratorium stating that no tenant can be evicted before February 1, 2021 as a result of rent owed due to COVID-19 hardship. See the [City's website](#) for full details.

Homeless Services

According to the 2019 San José Homeless Census and Survey, 6,097 San José residents were homeless when the census was conducted, including chronically homeless, youth, families with children, and veterans. Of these, 84 percent were unsheltered.

The Department provided almost \$55.9 million in grant funding to 15 service providers in 2019-20 as part of a region-wide effort to address homelessness. The Department initiated abatement of over 300 homeless encampment sites in 2019-20,* and it received 6,655 calls and emails to its Homeless Concerns Hotline. During 2019-20, 2,122 homeless San José residents were assisted into housing by the collective efforts of local jurisdictions and non-profit service providers. For more information, refer to our [Audit of the City's Homeless Assistance Programs](#).

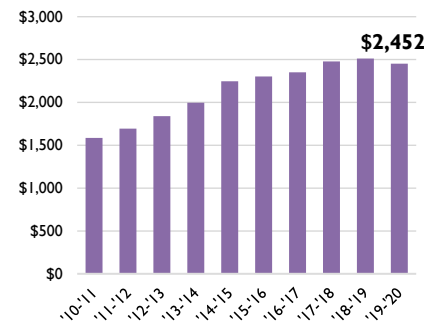
*The City has suspended all homeless encampment abatements during the COVID-19 pandemic.

KEY FACTS (2019-20)

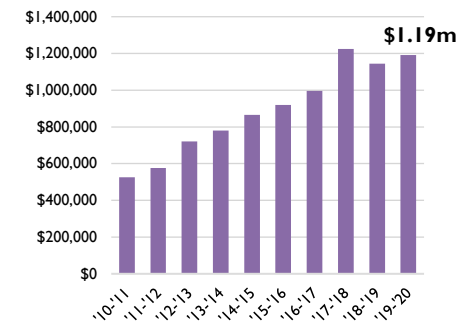
Median Household Income:	\$115,893
Income needed for a two bedroom apt. (avg. rent):	\$108,440
Income needed to afford median priced home:	\$207,833

Sources: U.S. Census American Community Survey, 2019 1-year estimates; Housing Market Report for Second Quarter 2020.

Average Monthly Rent in San José



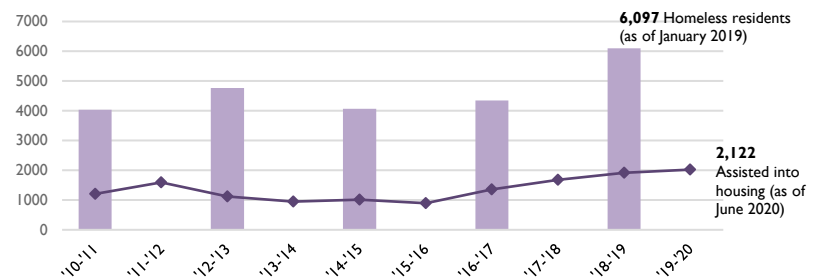
Median Single-Family Home Price



Sources: Costar report for Second Quarter 2020; SCCAOR June 2020 report.

Note: Average monthly rent is for all market-rate unit types (excludes affordable units). Data provided by Costar as of July 2020. Prior years updated to reflect Costar data.

Formerly Homeless San José Residents Housed by the Collective Efforts of Local Jurisdictions and Non-profit Providers



Sources: San José Homeless Census and Survey (prepared by Applied Survey Research, 2019) and Santa Clara County Homeless Management Information System (HMIS).

Note: Count of homeless residents is a count at a point in time in January of the indicated fiscal year.

The mission of the Human Resources Department: Our Human Resource team recognizes that our Employees power the City of San José and our success as a City is dependent on our ability to create a dynamic and engaged workforce. Our employees' ability to provide excellent service is strengthened when we invest in attracting talent, providing opportunities for career growth, enabling an environment focused on health, safety, and wellness, and retaining a diverse workforce in a workplace that is equitable and inclusive.

HUMAN RESOURCES

The Human Resources Department (HR) manages employee benefits, employee health and safety, training and development, and employment services. In 2019-20, HR's operating expenditures totaled \$12.9 million, and included 46.5 positions. HR was also responsible for \$90.6 million in other costs, including payments to benefit providers and workers' compensation costs.

In 2019-20, HR facilitated the hiring of 547 new full-time employees (newly hired, reemployed, or rehired) and 589 internal appointments (promotions and transfers). A hiring freeze was implemented in late March through the end of the fiscal year.

Health care premiums for Kaiser's family plan increased from \$2,104 combined monthly cost last year to \$2,237 in FY 2019-20. Premiums have increased significantly over the last ten years. Overall City spending on health benefits has reached \$58.4 million.

In 2017-18, the City Council approved outsourcing the City's workers' compensation function. In 2019-20, there were 787 new claims and 2,508 open claims. Workers' compensation payments totaled \$20.4 million.

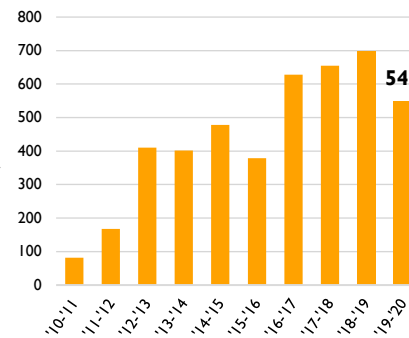
HR also administers the City's Voluntary Employees' Beneficiary Association (VEBA) plan and the Tier 3 Retirement plan (59 active members as of June 30, 2020), and continues to oversee the voluntary 457 deferred compensation plan. The percentage of employees participating in the 457 plan has increased slightly in recent years; from 69 percent in 2016-17 to 76 percent of eligible employees in 2019-20.

For more information, see the March 2019 audit report, [Employee Benefit Fund Administration: Opportunities Exist to Improve Controls](#).

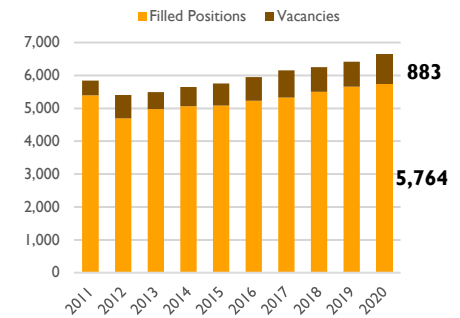
KEY FACTS (2019-20)

Number of City employees (budgeted full-time equivalents)	6,647
Covered lives (active employees and dependents)	10,905
Percentage of employees with timely performance appraisals	
Non-management	52%
Management	92%
Turnover Rate	
All employees (resignation, termination, retirements, etc.)	6%
Less retirements	4%

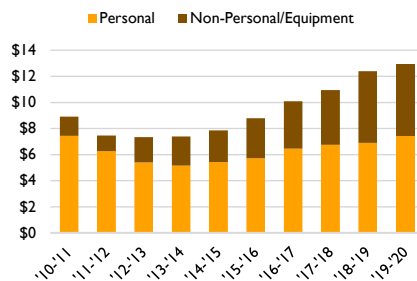
New Full-Time Hires (Citywide)



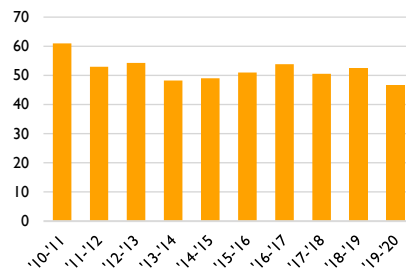
Citywide Staffing and Vacancies (as of June 30)



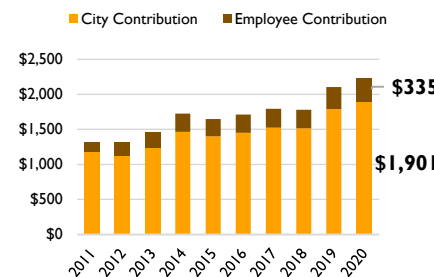
Human Resources Operating Expenditures (\$millions)



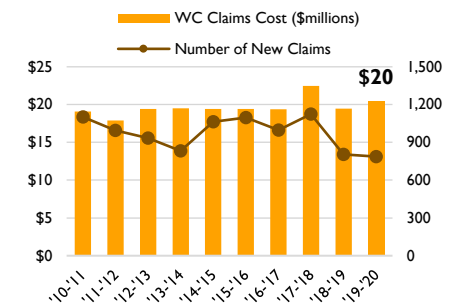
Human Resources Authorized Positions



Kaiser Family Plan Premium Rates



Workers' Compensation Payments & New Claims



Note: In 2018-19, HR began several initiatives and trainings to help reduce workplace injuries.

INDEPENDENT POLICE AUDITOR

The mission of the San José Independent Police Auditor is to provide independent oversight of the citizen complaint process to ensure its fairness, thoroughness, and objectivity.

INDEPENDENT POLICE AUDITOR

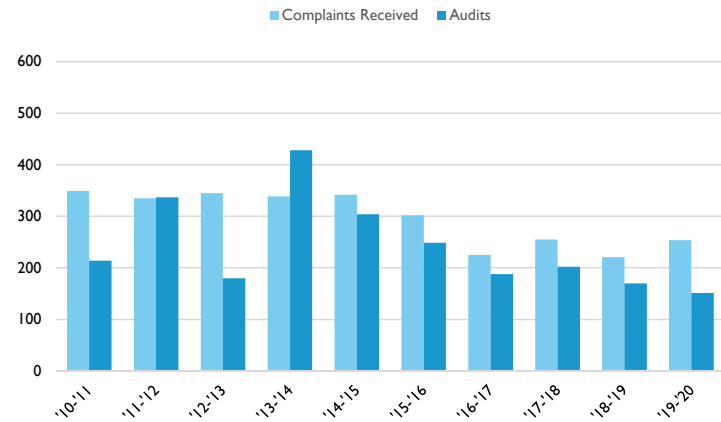
The Independent Police Auditor (IPA) provides the public with an objective review of police misconduct investigations in order to instill confidence in the complaint process and to provide independent oversight. In addition, the IPA conducts outreach to the San José community, proposes recommendations to improve San José Police Department (SJPD) policies and procedures, prepares annual public reports about complaint trends, and works to strengthen the relationship between the SJPD and the community it serves.

In 2019-20, the operating expenditures for the IPA totaled \$1.3 million, which includes personal and non-personal expenditures. In addition, the IPA was responsible for \$600 in Citywide expenses. The IPA's authorized positions have remained unchanged in recent years.

In 2019-20, the IPA received 254 complaints from the public regarding SJPD officers, 15 percent more than the previous year. There were 27 percent fewer complaints than ten years ago. Following the period of civil unrest that began in May, approximately 1,020 people contacted the IPA about SJPD's response or policy regarding demonstrators. Upon the IPA's review and consolidation, 20 formal complaints resulted from these concerns. The IPA reached 3,800 people through community events or meetings in 2019-20. Outreach for this year increased by 10 percent compared to last year, but was still lower than previous years in part due to a staff vacancy.

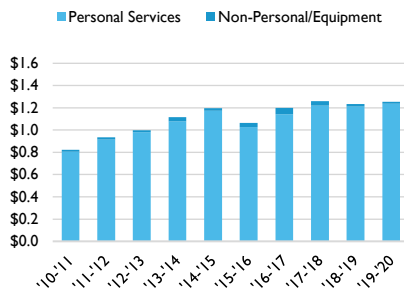
In August 2020, the City Council voted to add a ballot measure, Measure G, to amend the City Charter to expand the IPA's authority to include review of department-initiated investigations, access to police records, and the ability to perform other duties as assigned by the City Council. San José voters overwhelmingly approved Measure G in the November 2020 General Election, with 77 percent voting for its passage.

Complaints Received and IPA Audits

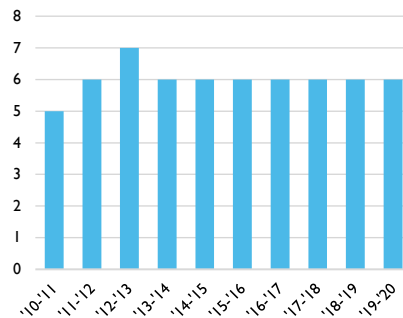


Note: The IPA audits only those complaints classified as “conduct complaints” or “policy complaints”. In general, the SJPD must complete its complaint investigation within one year from the date that the complaint was received. Thus, complaints received in one fiscal year may not be closed and audited until the following fiscal year.

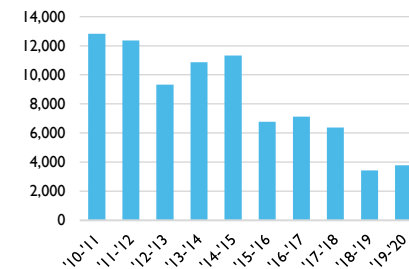
IPA Operating Expenditures (\$millions)



IPA Authorized Positions



Individuals Receiving Outreach Services at Community Events/Meetings



INFORMATION TECHNOLOGY

The mission of Information Technology is to execute, secure, and sustain the civic technology solutions that allow San José to thrive as a community.

INFORMATION TECHNOLOGY

The Information Technology Department (IT) provides Citywide information and communications technology strategy and infrastructure that support municipal services. IT is responsible for Citywide cybersecurity, data administration, customer support, data/voice/video communications, and business applications such as the financial management, human resources information, payroll, and the budget systems.

The Center for Digital Government recognized the City of San José as the nation's #1 most innovative local government in the 2020 Digital Cities Survey for the City's use of technology to engage the community, and more.

IT operating expenditures totaled \$25.7 million in 2019-20. IT was also responsible for \$790,000 in Citywide and other expenses. Authorized staffing totaled 95 full-time equivalent positions, including 15 positions at the San José 311 City Customer Contact Center. Total staffing included six IT Products-Project Manager positions added to staff the City Portfolio-Products-Projects Office during the City's mid-year budget process.

In response to the COVID-19 pandemic, IT accelerated implementation of mobile work and cybersecurity initiatives. Staff facilitated over 2,500 employees transitioning to work-from-home, and supported an increase of over 800 users on the City's secure access servers and more than 70,000 hours of monthly remote meetings, between January and June 2020.

IT aims to have network services (systems, voice, and network) and business applications achieve 99.9 percent and 99.8 percent uptime/availability, respectively. The City's network, telephones, systems and business applications met or almost met that target in 2019-20.

KEY FACTS (2019-20)

SJ311 IT Contacts	251,898
Service Desk Requests	19,934
Network Outages	5
Computers	7,824
Enterprise Servers	363

SJ311 contacts comprise all interactions IT handled via telephone, web, mobile, chatbot and walk-ins. SJ311 also automatically routed an additional 195,662 service requests directly through the app. The number of computers may include decommissioned or unused computers, and is as of October 2020.

IT Strategic Plan

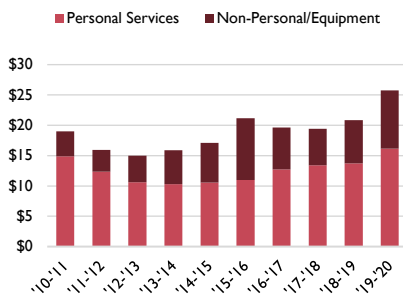
IT has concluded its 2017-2020 three-year strategic plan with a focus on exceptional municipal services through modern technologies and partnerships within the organization and with external partners. In furtherance of those goals, IT implemented the following:

- COVID-19 remote work, cybersecurity, and digital services
- 911-to-311 call transition and rebranding to SJ311
- FirstNet Phase I
- Digital Inclusion Overfelt Attendance Area
- Recovery and launch of the new City website
- City open data portal and data stories

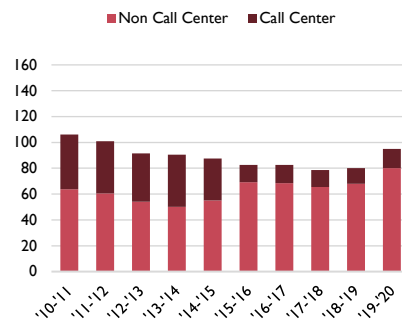
(See CSA Dashboard chapter for IT's project success rates.)

IT plans to work on a new 2020-2023 Strategic Plan with a larger focus on pandemic recovery, equity, service innovation, and addressing climate change.

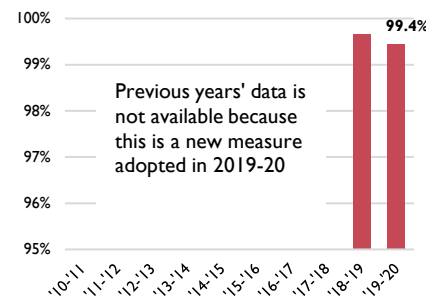
IT Operating Expenditures (millions)



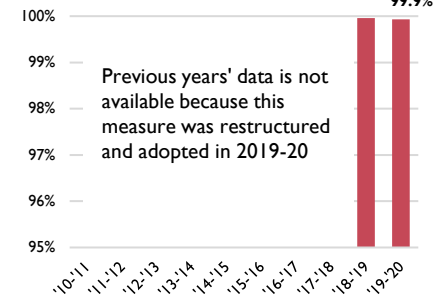
IT Authorized Positions



% Uptime and Availability for Business Applications



% Uptime and Availability for Systems, Network and Voice



SJ311 (FORMERLY CUSTOMER CONTACT CENTER)

San José 311 (SJ311) serves as the City’s customer contact center providing the community with access to City services via phone and email (408/535-3500 or customerservice@sanjoseca.gov), web, mobile application, direct chat, chatbot channels, as well as via the City Hall Information Desk. SJ311 is one of the primary points of City information and service access for residents, businesses, and employees. SJ311 staff are available to respond to resident queries during regular business hours and an answering service responds to resident questions after hours, routing emergency cases to on-call and standby City staff when appropriate. Other departments also maintain small customer contact centers to respond to specific resident concerns or questions.

In 2019-20, SJ311 received 209,705 contacts by telephone, 26,201 via the City Hall Info Desk, 15,501 from the SJ311 mobile app that were handled by IT staff, and 491 by direct chat. Staff answered 95 percent of contacts received (target: 85 percent). Forty-two percent of calls were self-service calls and redirected to a service provider or answered by the after-hours vendor. The average wait time for calls was 2.01 minutes (Target: ≤3 minutes). We should note that there were 195,662 service requests that were routed directly through the SJ311 app.

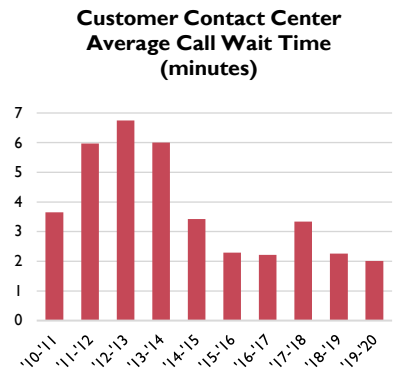
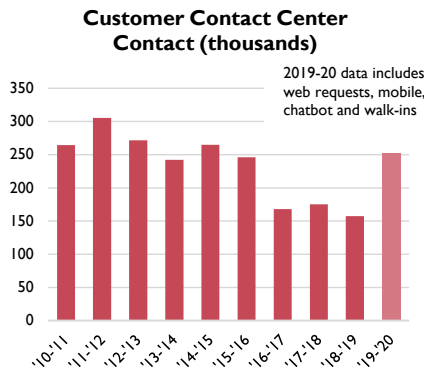
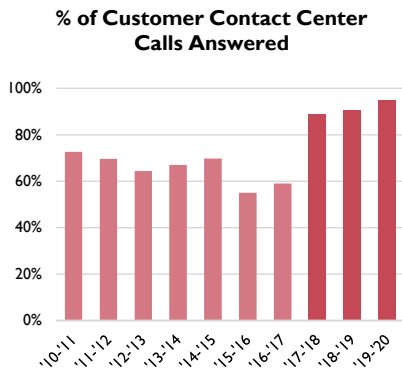
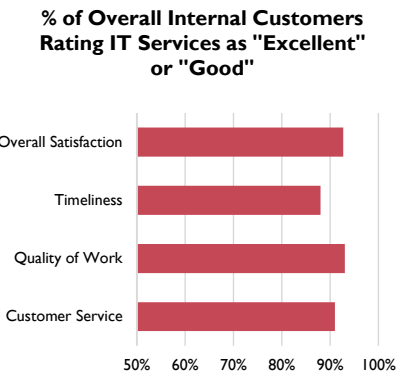
In response to our [Audit of 9-11 and 3-11: Changes to Call Handling and Increased Hiring Efforts Could Improve Call Answering Times](#), SJ311 absorbed most Police and Fire Department non-emergency calls. SJ311 absorbed the Fire Communications non-emergency calls in 2019 and Police calls in August 2020.

San José 311



Source: San José 311 event in March 2020. Picture provided by IT.

SJ311 allows residents to request City services through the application or website. Many requests feed directly into the relevant department work order systems. Residents can file and track their service requests through this application.



The San José Public Library's mission is to enrich lives by fostering lifelong learning and by ensuring that every member of the community has access to a vast array of ideas and information.

LIBRARY

The San José Public Library consists of 25 libraries, including the main Dr. Martin Luther King, Jr. Library downtown, and branches in neighborhoods across the city. The Library offers materials in various formats including books, CDs, DVDs, eBooks, online learning tools, and online database services. The Library also provides programs such as computer programming, English as a Second Language, citizenship classes, summer learning, literacy assistance, and story times. The City's libraries were open over 44,000 hours in 2019-20, down from 58,000 hours. This is due to the closure of all City libraries as a result of the pandemic.

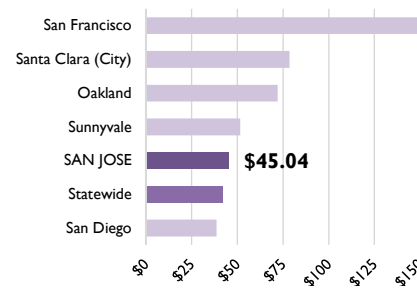
Library buildings have been closed for browsing and in-person programming since March 17, 2020 but eResources are available, allowing residents to borrow digital books and resources online through the Library's website. Beginning June 15, 2020, residents can also use Express Pickup to access physical materials (books, digital media, and electronic devices) from libraries during COVID-related closures. Residents can reserve materials online or call a participating library during business hours to place their requests ahead of time.

In 2019-20, the Library's operating expenditures totaled over \$45 million. This includes personal and non-personal/equipment expenditures. The Library was responsible for an additional \$10 million in other expenditures including nearly \$8 million in capital expenditures. Staffing totaled 373 full-time equivalent (FTE) authorized positions, with a total of 544 staff, a decrease from a year ago. Volunteers contributed over 60,100 hours to the Library in 2019-20, including math and coding tutoring, and reading to young children.

KEY FACTS (2019-20)

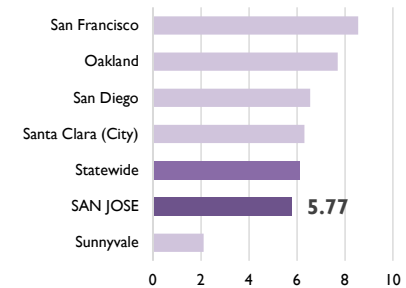
Libraries open	25
Total library materials	2,490,611
Number of eBooks/eMedia	428,083
Number of items checked out (including eBooks)	6,993,368
Number of registered borrowers	652,665
Number of reference questions (estimated)	309,044

Expenditures Per Capita (2018-19)



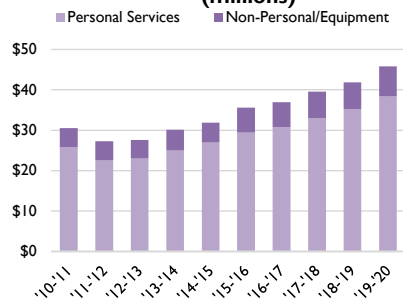
Source: California State Library, 2018-19 Summary Data

Hours Open Per 100 People (2018-19)

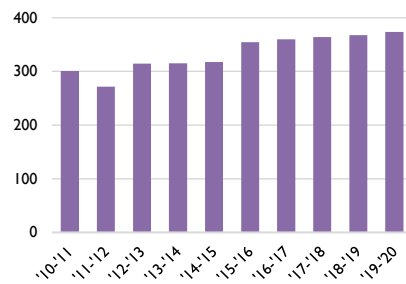


Source: California State Library, 2018-19 Summary Data

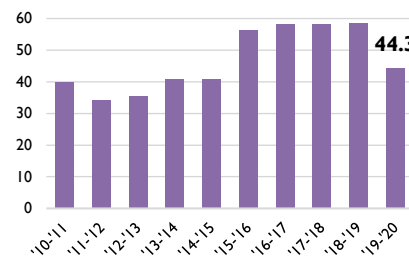
Library Operating Expenditures (millions)



Library Authorized Positions

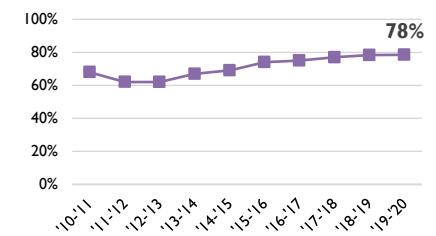


Total Hours Open Annually (thousands)



RESIDENT SURVEY

% of San José residents rating library services as "excellent" or "good"



LIBRARY COLLECTION AND CIRCULATION

In 2019-20, the Library’s collection totaled almost 2.5 million items, including nearly 1.8 million print materials (such as books and periodicals), and over 428,000 eResources (eBooks, eMagazines, eMusic, eMovies, and online learning tools). The Library also provides access to subscription-based online resources on a variety of topics, such as career development, technology training, consumer resources, language learning, and online high school classes.

San José’s 2018-19 circulation per capita (excluding eBooks) was higher than the statewide mean. Total circulation in 2019-20 (including eBooks) was nearly 7 million, and eResource circulation continues to grow.

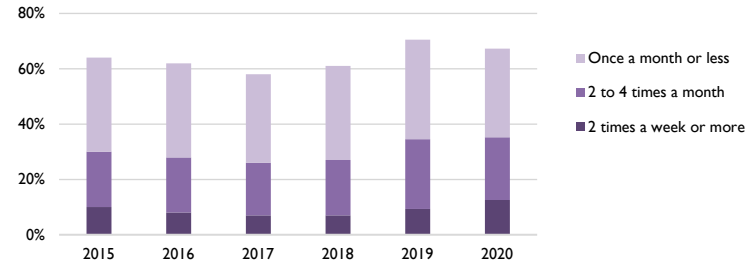
Sixty-seven percent of respondents to the resident survey indicated they, or someone in their household, used San José libraries at least once in the last 12 months. Online holds to reserve materials decreased from the previous year with library borrowers placing about 450,000 online holds to reserve materials in 2019-20.

Approximately 16 percent of the Library’s collection includes materials in languages other than English (nearly 400,000 items). The Library actively collects materials in 19 languages, including Spanish, Vietnamese, Chinese, Hindi, Persian, Tagalog, Russian, Korean, and Japanese. In total, the Library maintains materials in 90 languages.

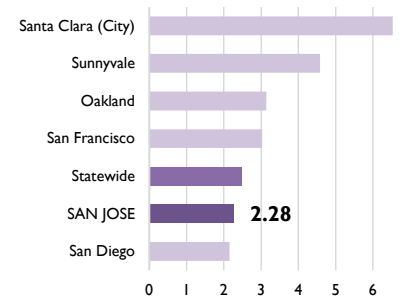
Of San José respondents to the resident survey, 78 percent rated the quality of public library services as "excellent" or "good."

RESIDENT SURVEY

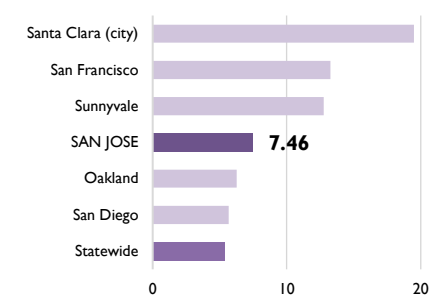
In the last 12 months, about how many times have you or other household members used San José public libraries or their services?



Materials Per Capita (2018-19)



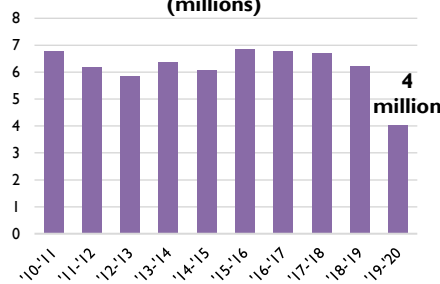
Circulation Per Capita (2018-19)



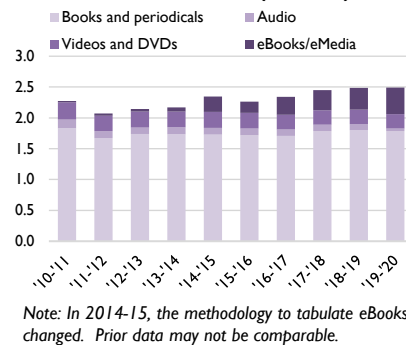
Source: California State Library, 2018-19 Summary Data

Source: California State Library, 2018-19 Summary Data (does not include eBooks)

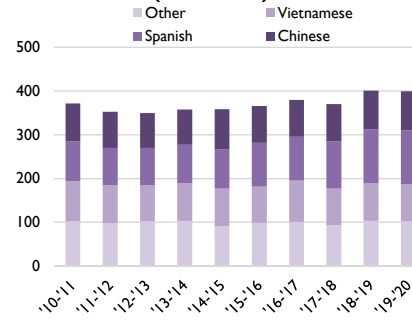
Number of Estimated Visitors to Main and Branch Libraries (millions)



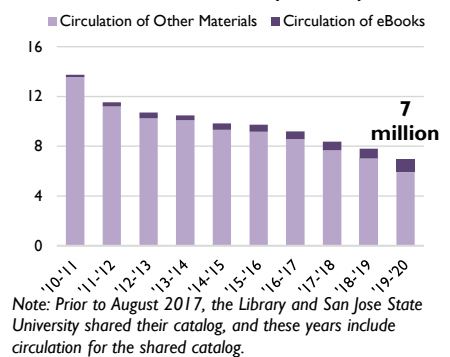
Total Collection (millions)



Non-English Collection (thousands)



Total Circulation (millions)



LIBRARY

The Library promotes reading and literacy, and supports school readiness. Programs include preschool and early education initiatives, story time, summer learning, digital literacy, adult and family literacy programs, and more. More information about Library programs can be found at sjpl.org/events.

In May 2018, the City Council formally adopted the Education and Digital Literacy Strategy, which codifies the Library's role in leading the City's Education and Digital Literacy Initiative. In April 2020, the Library was appointed to lead the EOC's Child Care and Digital Inclusion Branch. Through these efforts the Library, supported by staff from the Office of Civic Innovation, Public Works, IT, and the CMO, have provided 12,800 student households with hotspots, and are advancing the buildout of five public Wi-Fi networks in East San José. Additionally, the Branch supported connectivity solutions at R.O.C.K 'n' Learn sites, which provide students a safe space for distance learning, and expects to complete the installation of outdoor networks at nine libraries and eight community centers in December 2020.

In 2019-20, libraries offered over 14,000 programs with total attendance at just over 270,000. SJPL Works, the Library's business and workforce development center, offered 266 business programs, with over 3,500 participants attending in-person and virtual sessions.

In February 2018, the Library launched Coding5k, an initiative to teach coding and computer science to 5,000 unduplicated students each year. In 2019-20, more than 4,720 children and youth participated in a coding, computer science, or technology program at City libraries.

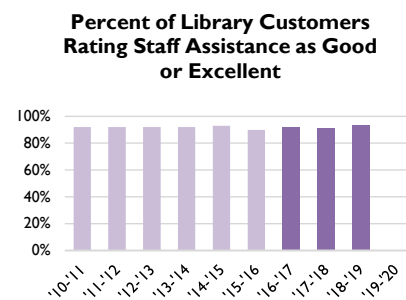
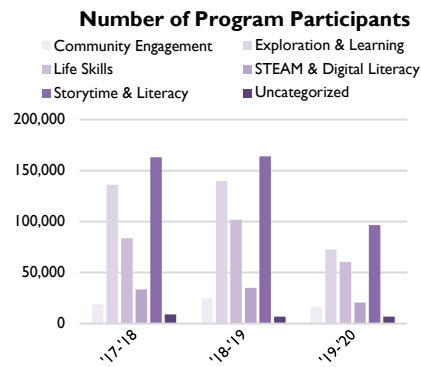
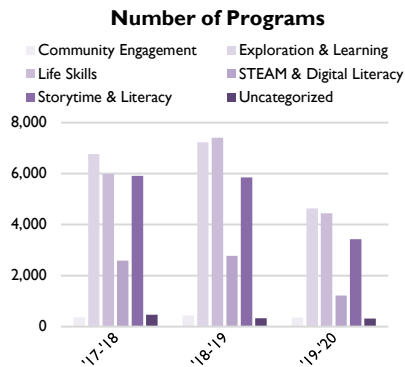
See CSA Dashboard chapter for additional measures related to Library activities.



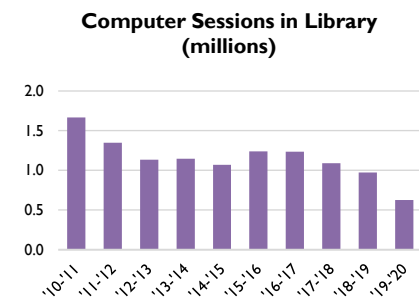
Source: San José Library Department



Source: San José Library Department



Source: Library customer surveys.
Note: In 2016-17, the methodology to tabulate staff assistance changed. Prior data may not be comparable. This data was unavailable in FY 2019-20 due to COVID.



Note: Does not include wireless connections or use of personal devices.

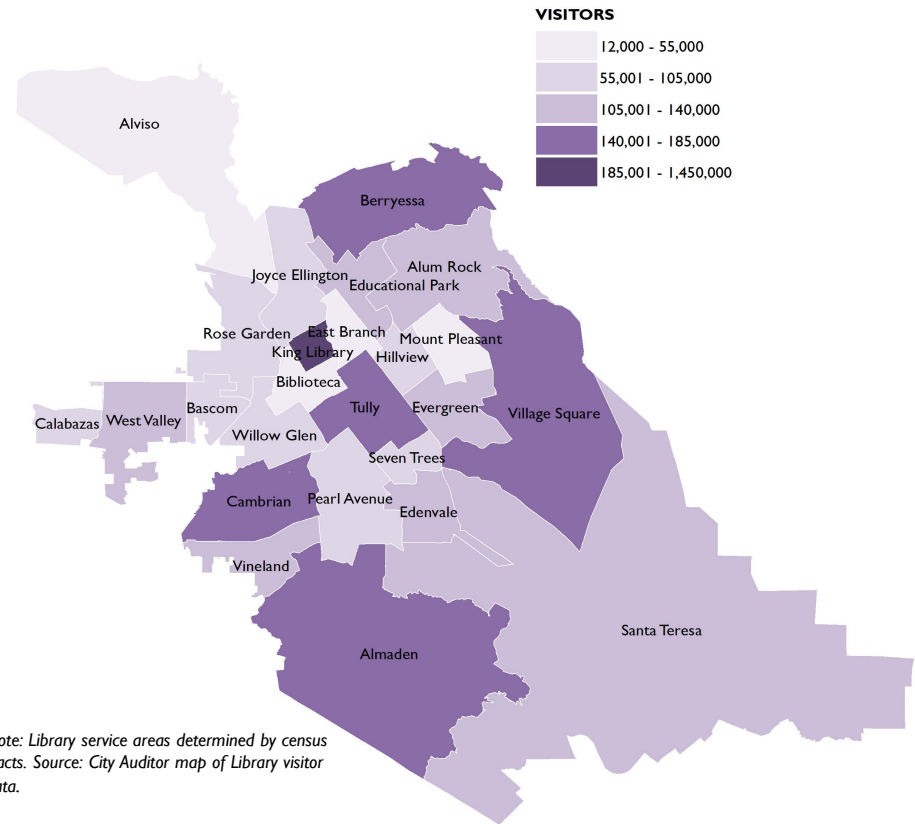
SAN JOSE BRANCH LIBRARY OPERATION

In 2019-20, City libraries had 4 million visitors, a decrease of over 2 million from last year, largely due to the COVID-related closure of all City libraries in March 2020. About 1.4 million visitors went to the Dr. Martin Luther King, Jr. main library. The Library also operates a Bridge Library Program to serve neighborhoods without ready access to branch libraries. Historically, circulation and the number of visitors vary significantly across locations.

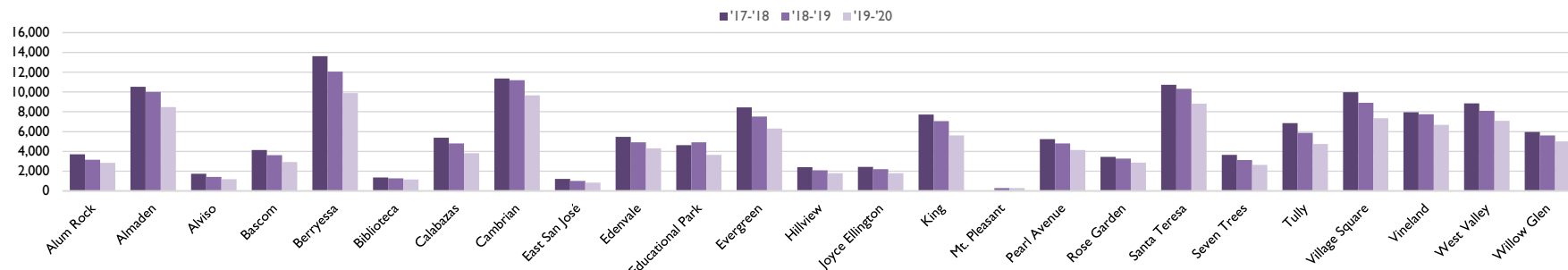
The number of computer sessions on library-owned computers amounted to over 625,000. The Library offers Wi-Fi services that enable customers to use their own devices, and in 2019-20, about 300,000 Wi-Fi sessions were held via branch library Wi-Fi (excludes Mt. Pleasant). Wi-Fi continues to be available in the areas around the libraries despite building closures.

At several branches, visitors can also check out laptops and tablets for in-library use. Since August 2020, laptops and hotspots have become available for at-home use. Hotspots are now available for checkout at all SJPL locations, except Mt. Pleasant. Reservations for devices can be made for pickup at any SJPL Express Pickup location, or from the Maker[Space]Ship.

Branch Library Visitors, 2019-20



Branch Library Circulation (thousands)



Note: Prior to August 2017, the Library and San José State University shared their catalog, and 2017-18 includes circulation for the shared catalog. Mt. Pleasant opened in April 2019.

PARKS, RECREATION AND NEIGHBORHOOD SERVICES

The mission of Parks, Recreation and Neighborhood Services is connecting people through parks, recreation and neighborhood services for an active San José.

PARKS, RECREATION AND NEIGHBORHOOD SERVICES

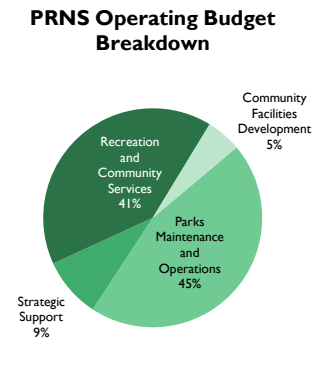
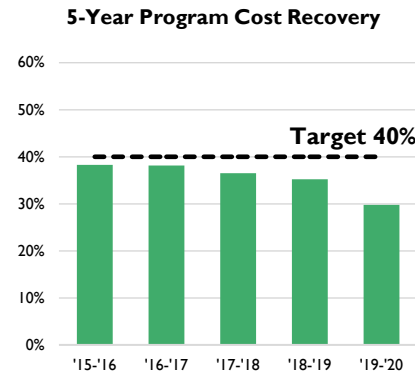
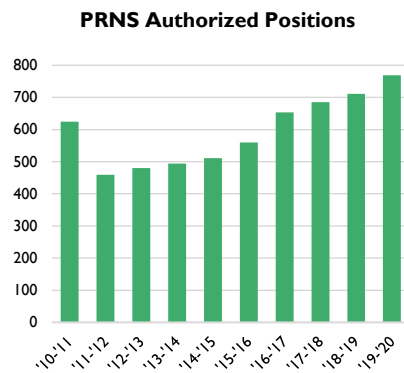
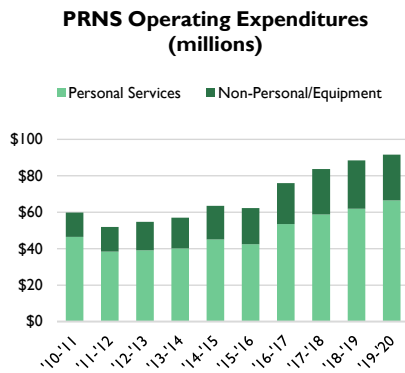
The Parks, Recreation and Neighborhood Services Department (PRNS) operates the City’s regional and neighborhood parks, as well as facilities such as Happy Hollow Park & Zoo. PRNS also operates community and recreation centers and provides various recreation, community service, and other programs for the City’s residents. PRNS offers programs and services for children, youth, teens, adults, seniors, and people with disabilities.

In 2019-20, PRNS operating expenditures totaled \$91.5 million. This included personal and non-personal/equipment expenditures. PRNS was responsible for \$59 million in additional costs, including \$35.8 million in capital expenditures, \$6.9 million in Citywide expenses, and \$9.7 million in debt service expenses. Staffing totaled 769 authorized positions, 58 more positions than 2018-19. This included continued funding to support placemaking and park activation programs, and added staffing to support long-term strategy development at the Police Activities League (PAL).

COVID-19 shelter in place restrictions and the temporary closure of many facilities and programs has impacted PRNS revenues. PRNS has a goal of recovering 40 percent of its direct program costs through collected revenues (e.g., fees, charges, leases, grants). For 2019-20, PRNS reported its direct program cost recovery rate was 30 percent. Program fees, which accounted for 56 percent of collected revenues, were down from \$22 million last year to \$14 million. [Happy Hollow Park & Zoo](#) served 307,000 visitors and generated \$4.9 million in revenues in 2019-20 down significantly from the previous years' numbers of 488,000 visitors and \$7.6 million in revenues. PRNS reports that over 600 staff were redeployed for COVID-19 related activities.



Source: PRNS (Alum Rock Park and PRNS staff working at an emergency food distribution site at Castlemont Elementary School)



PARKS, RECREATION AND NEIGHBORHOOD SERVICES

PARKS

The City has 199 neighborhood and ten regional parks, as well as other facilities, such as community gardens, trails, swimming pools, and skate parks. Excluding golf courses, the developed portion of these facilities covered 1,791 acres. There were an additional 1,425 acres of open space and undeveloped land. Two new neighborhood parks and one regional park were added in 2019-20. These were the Iris Chang and Rincon South Park and the Arcadia Ballpark. For more information on City Parks see our 2020 audit, [Park Maintenance: Improved Data Collection and Analysis Would Enhance Park Maintenance Operations](#).

The City's General Fund cost to maintain developed parkland was \$13,160 per acre. (See the CSA dashboard chapter for additional information on park condition.)

The PRNS five-year Capital Improvement Program (CIP) allocated \$360 million to parks in 2019-20. PRNS estimates it has a deferred maintenance and unfunded infrastructure backlog totaling approximately \$382 million for regional park facilities, community buildings, regional facilities, trails, and park restrooms.

The [City Trail Network](#) is composed of 40 unique trail systems that will be interconnected as further development occurs. The 2019-20 network includes 61.78 miles of trails that are open to the public (86 percent paved). An additional 84 miles have been identified or are being studied for further development, or are in the planning or construction phases of development.

KEY FACTS (2019-20)

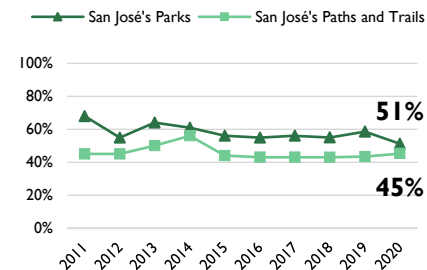
Neighborhood Parks (199 parks)	1,228 acres
Regional Parks (10 parks)	562 acres
Golf Courses (3 courses)	321 acres*
Open space and undeveloped land	<u>1,425 acres</u>
Total*	3,537 acres*

For list of City parks see: [City Parks](#)

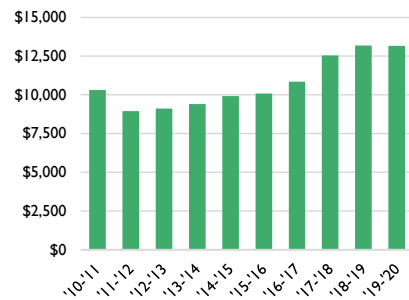
*State, county, or other public lands within San José's boundaries are not included in the above figures. Does not include 50 acres open space.

RESIDENT SURVEY

% of San José residents rating services as "excellent" or "good"

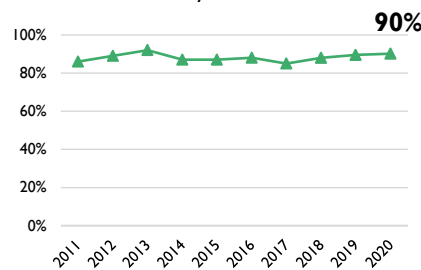


Cost per Acre to Maintain Parks and Other Facilities



RESIDENT SURVEY

% of San José residents that reported visiting a park at least once in the past year



Activate SJ

In 2019-20, the City adopted ActivateSJ, PRNS' new 20-year strategic plan. The plan focuses on five guiding principles: 1) Stewardship 2) Nature 3) Equity & Access 4) Identity 5) Public Life.

Key outcomes include ensuring 100 percent of parks are in good or excellent condition; preserving a park and recreation system that preserves nature and supports wildlife; achieving a 10-minute walk to a quality park for all residents; completing Regional Master Plans to ensure that the park system reflects the culture and history of San José; and developing self-sustaining quality spaces to strengthen community pride and unity. The department plans to evaluate progress, measure success, and refine or adjust the benchmarks every five years from 2020-2040.

PARKS, RECREATION AND NEIGHBORHOOD SERVICES

RECREATION PROGRAMS AND COMMUNITY CENTERS

PRNS program offerings include (but are not limited to) after-school programs, camps, aquatic programs, arts and crafts, dance, early childhood education, health and fitness programs, sports, therapeutic classes designed for persons with disabilities, and programs for seniors. For a list of all programs and classes, see [Community Center Brochures](#). Participation in the City run programs was reduced from the previous year in 2019-20 because of the COVID-19 shelter in place restrictions. All 48 community centers were closed from March 17, 2020 through June 30, 2020 due to those restrictions and no programming outside of essential services such as curbside senior nutrition and some childcare occurred during that time.

In 2019-20, the City operated 16 community centers throughout the City. Three of those centers are combination community centers and libraries. In 2019-20 PRNS also managed 32 additional Neighborhood Center Program Partner sites. These sites, formerly known as reuse sites, are generally operated by nonprofits, neighborhood associations, school districts, or other government agencies or community service providers.

The City's hub community centers and the Bascom Community Center were open an average of 57 hours per week until the shelter in place orders, after which all community centers were closed to the public for the remainder of the fiscal year.

(See the CSA Dashboard chapter for results of recreation program participant surveys.)

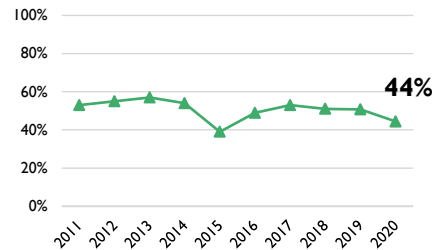
KEY FACTS (2019-20)

Community centers (including Neighborhood Center Program Partner sites)	48
Community center square footage	553,464 sq. ft.
Average weekly hours open (hub community centers)	57
Estimated participation at City run programs*	709,264

*This is a duplicated count (i.e., individuals are counted for each program attended). We should note that all community centers were closed to the public beginning March 17, 2020 due to the COVID-19 shelter in place orders.

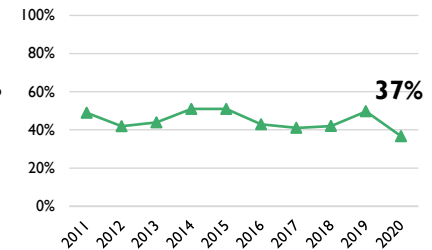
RESIDENT SURVEY

% of San José residents rating recreational opportunities as "excellent" or "good"

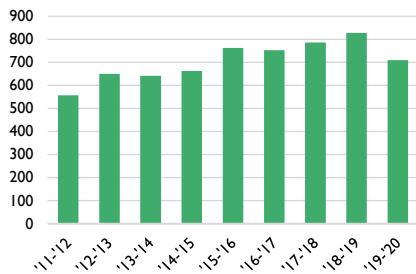


RESIDENT SURVEY

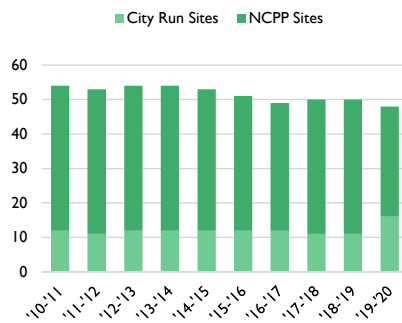
% of San José residents using a recreation center or facility at least once



Estimated Participation in Programs at City-Operated Community Centers (thousands)

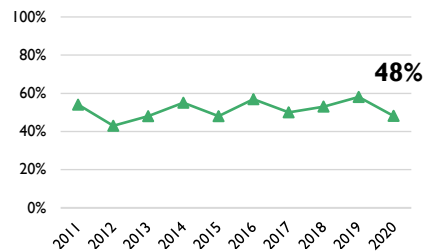


Community Centers

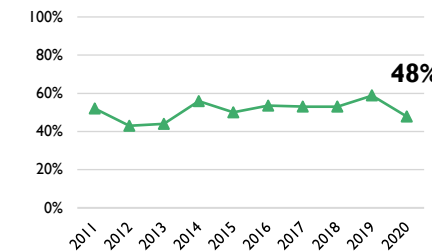


In 2019, PRNS rebranded the "Reuse Program" to the "Neighborhood Center Partner Program".

RESIDENT SURVEY
% of San José residents rating San José's recreation centers or facilities "excellent" or "good"



RESIDENT SURVEY
% of San José residents rating San José's recreation programs "excellent" or "good"



PARKS, RECREATION AND NEIGHBORHOOD SERVICES

RECREATION PROGRAMS AND COMMUNITY CENTERS (continued)

City of San José Community Centers Map



Source: Auditor generated based on Public Works data

In 2019, PRNS rebranded the "Reuse Program" to the "Neighborhood Center Partner Program". Currently there are 32 sites in the Neighborhood Center Partner Program with an additional 16 sites that are City-operated. For more information see our 2018 audit [Community Center Reuse: Efficient Monitoring and Better Data Can Help Determine the Next Phase of Reuse](#).

Community Centers in Operation

City-Operated Sites

Almaden Community Center (hub)	Hank Lopez Community Center
Almaden (The Spot) Youth Center	Mayfair Community Center (hub)
Bascom Community Center (hub)	Millbrook Community Center
Berryessa Community Center (hub)	Northside Community Center
Calabazas Neighborhood Center	Roosevelt Community Center (hub)
Camden Community Center (hub)	Seven Trees Community Center (hub)
Cypress Senior Center (hub)	Southside Community Center (hub)
Evergreen Community Center (hub)	Willow Glen Community & Senior Center (hub)

Neighborhood Center Partner Program Sites

Alma Youth and Senior Centers	Kirk Community Center
Almaden Winery Community Center	Los Paseos Youth Center
Alum Rock Youth Center	Meadowfair Community Center
Alviso Community Center (closed)	Noble House Community Center
Alviso Youth Center	Noble Modular Community Center
Backesto Neighborhood Center	Olinder Neighborhood Center
Berryessa Youth Center	Rainbow Park Neighborhood Center
Bramhall Park Neighborhood Center	San Tomas Community Center
Capitol Park (Goss) Community Center	Sherman Oaks Community Center
Edenvale Community Center	Spartan Keyes Neighborhood Center
Edenvale Youth Center	Starbird Community Center
Gardner Community Center	Vietnamese-American Cultural Center at George Shirakawa Community Center
Hamann Park Community Center	Vista Park Community Center
Hillview Library (closed)	Washington United Youth Center
Houge Park Community Center	Welch Park Neighborhood Center

PARKS, RECREATION AND NEIGHBORHOOD SERVICES

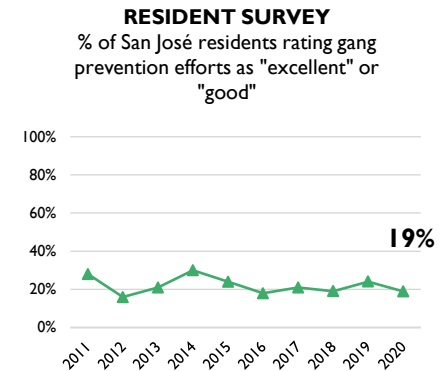
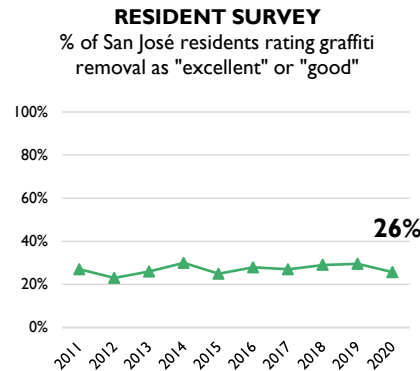
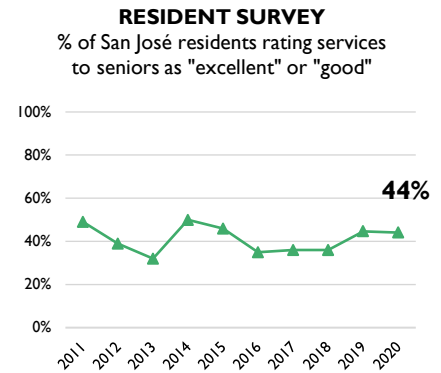
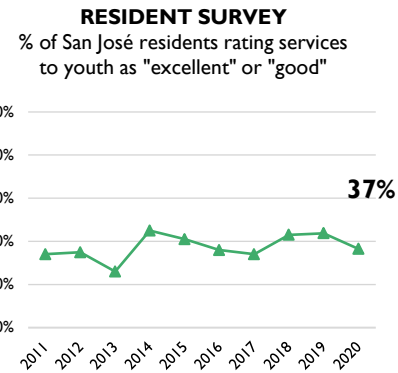
NEIGHBORHOOD SERVICES

PRNS also provides a number of community services including anti-graffiti and anti-litter programs, gang prevention and intervention programs, the senior nutrition program, and others.

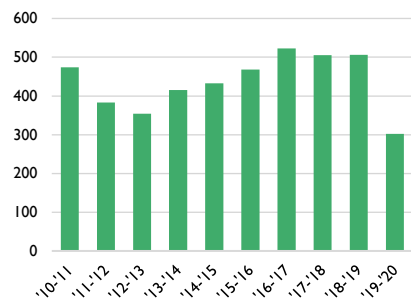
The Mayor's Gang Prevention Task Force (MGPTF) has service components such as the Bringing Everyone's Strengths Together (B.E.S.T.) program, the Safe Schools Campus Initiative (SSCI) and the Safe Summer Initiative providing services to at-risk youth and their families.* In 2019-20, the SSCI team responded to 302 incidents at 57 high, middle, and elementary schools which is down from the previous year due to school closures. There were an estimated 3,200 participants in programs offered by community based organizations that received B.E.S.T. grants; in 2019-20 grants totaled \$2.5 million. The 2019-20 expenditures for the B.E.S.T. program were \$5.1 million.

In 2019-20, the City's contractor completed 42,849 graffiti removal workorders. One of the reasons for the increase from the previous year was due to clean-up requests related to the civil unrest that occurred during the summer. The resident survey reports that 26 percent of residents viewed graffiti removal services as good or excellent. Survey responses were likely based on respondents' overall perception of graffiti removal, including graffiti on highways, expressways, and railroads that are the responsibility of others.

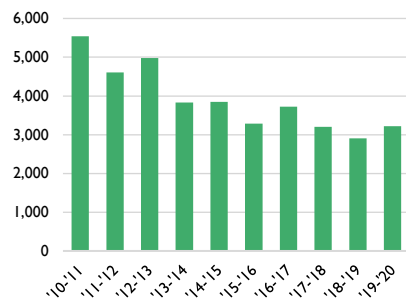
* SSCI is a partnership between school districts and the City to address violence-related issues in schools. The Safe Summer Initiative did not occur until July 2020 due to COVID-19. For more information on Mayor's Gang Prevention Task Force programs see our audit of [The Mayor's Gang Prevention Task Force: Better Coordination and Use of Data Can Further The Task Force's Strategic Goals](#)



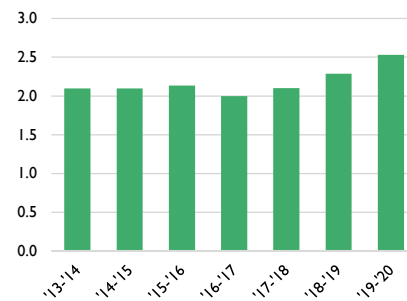
Incidents Responses on Safe School Campuses



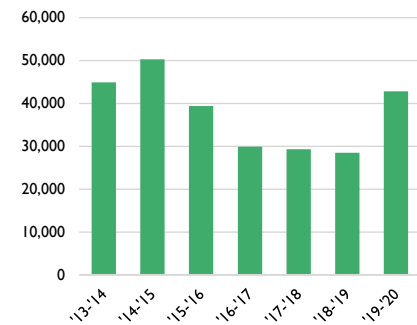
Participants in Grant-Funded B.E.S.T. Youth Service Program



Estimated Square Feet of Graffiti Eradicated (millions)



Graffiti Workorders Completed



PLANNING, BUILDING AND CODE ENFORCEMENT

The mission of the Planning, Building and Code Enforcement Department is to facilitate the preservation and building of a safe, attractive, vibrant and sustainable San José through partnership with and exceptional service to our diverse communities and customers.

PLANNING, BUILDING AND CODE ENFORCEMENT

The Planning, Building and Code Enforcement (PBCE) Department guides the physical development of San José. Through its three divisions, it reviews construction applications and issues permits for consistency with law and policy. PBCE's 2019-20 operating expenditures totaled \$53.5 million. This includes personal and non-personal expenditures. The Department was also responsible for Citywide and other expenses totaling \$3.4 million. PBCE had 336.5 authorized positions.

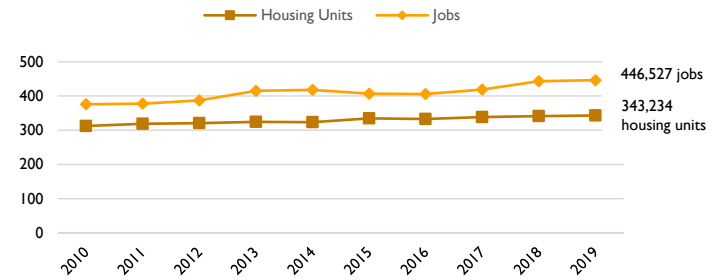
Under the collaborative umbrella of Development Services, PBCE works with other City departments to deliver the City's permitting function. Subsequent pages of this chapter discuss Development Services.

PLANNING

PBCE's Planning Division administers the City's long-range planning projects and processes land development applications to match the City's planning goals. The [Envision San José 2040 General Plan](#), last updated in March 2020,* identifies 12 major strategies that promote active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth. PBCE reviews the major strategies of the General Plan during both an annual hearing and its regular four-year major plan review. The U.S. Census Bureau estimates that San José had 446,527 jobs and 343,234 housing units in 2019. See the *Development Services pages of this chapter for more on the Planning Division's work*. Also see [San José: A Community Guide](#) online.

*Council approved General Plan amendments to change the land use designation of urban residential and residential neighborhoods (Mountain Springs and Westwinds mobile home parks) to mobile home park in order to prevent risk of redevelopment.

San José Housing Units and Jobs (thousands)

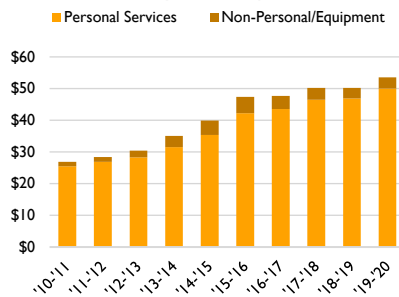


Source: American Community Survey, U.S. Census Bureau
 Note: In 2019-20, building permits accounted for 1,811 new residential units, including 488 single-family units (including second units and duplexes), and 1,323 multi-family units.

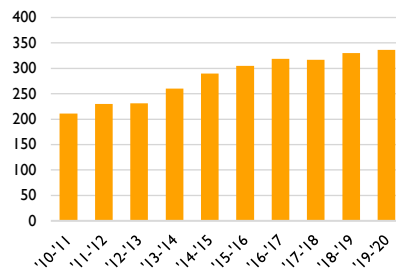
Select Planning Updates

Secondary Units: In 2019, Council approved a number of changes to secondary unit regulations to align with new California state laws. In 2020, Council approved updates to San Jose's zoning laws to allow for tiny homes on wheels (THOWs), which are a type of detached ADU. See the regulation changes at sanjoseca.gov/adus.

PBCE Operating Expenditures (\$millions)

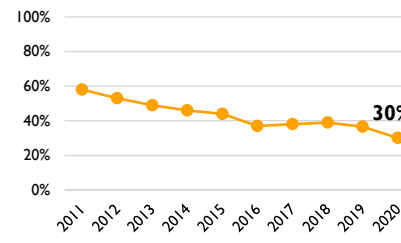


PBCE Authorized Positions



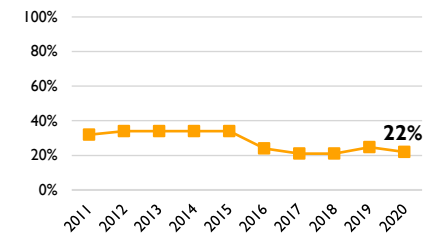
RESIDENT SURVEY

% of San José residents rating overall quality of new development as "excellent" or "good"



RESIDENT SURVEY

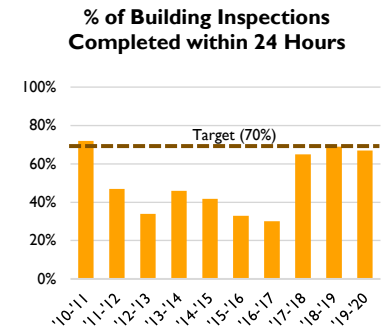
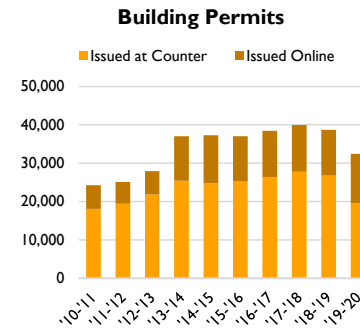
% of San José residents rating land use, planning and zoning as "excellent" or "good"



PLANNING, BUILDING AND CODE ENFORCEMENT

BUILDING

PBCE's Building Division reviews new construction projects within the City, ensuring they meet health and safety codes and City zoning requirements. Due to the COVID-19 emergency, the Division saw a decrease in the number of permits issued after several years of modest growth. It completed 74 percent of plan checks within cycle times (target: 85%) and 67 percent of building inspections within its goal of 24 hours (target: 70%). See *Development Services on the next page for more on the Building Division's work.* Also see the *CSA Dashboard chapter for additional performance measures.*



Note: Beginning in '17-'18, data excludes inspections specifically requested for > 24 hours as missed targets.

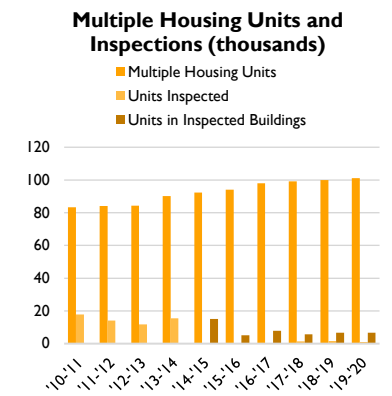
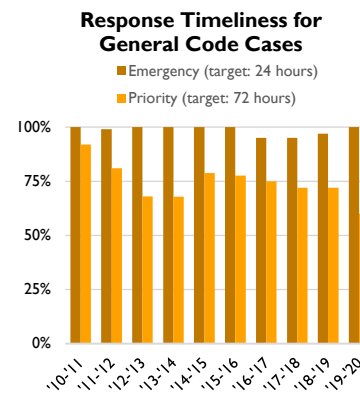
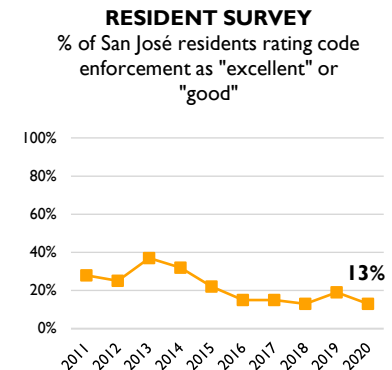
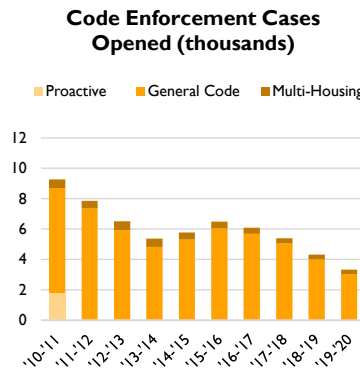
CODE ENFORCEMENT

PBCE's Code Enforcement Division enforces laws that promote the health, safety, and appearance of existing buildings and neighborhoods. It also inspects businesses selling alcohol or tobacco; property and business owners fund these inspections with fees.

In 2019-20, PBCE opened about 3,000 general code enforcement cases, including 147 emergency complaints and 861 priority complaints. Code Enforcement staff responded to nearly 100 percent of emergency complaints within PBCE's 24-hour target and 60 percent of priority complaints within the 72-hour target.* Code enforcement sends letters in response to other types of complaints and only responds personally as appropriate.

Response times for priority complaints from March 17, 2020 through June 30, 2020 significantly declined due to the County's shelter in place order and suspension of Code Enforcement field inspections during the COVID-19 emergency.

Code Enforcement has a risk-based, tiered Multiple Housing Inspection Program whereby more frequent inspections are targeted to properties at higher risk of violations. In 2019-20, Code Enforcement inspected 6,749 housing units out of the estimated 101,053 units on the Multiple Housing Roster.



*Emergency complaints involve an immediate threat to life or property, such as an unsecured pool fence. Priority complaints involve possible threats to life or property, such as unpermitted construction. The proportions of such complaints that met response targets—97 percent and 60 percent, respectively, as noted above—are averages of monthly results.

DEVELOPMENT SERVICES

The Permit Center in City Hall provides one-stop permit services for new building projects and changes to existing structures.

The **Development Services partners** in the Permit Center are the:

- Planning Division,
- Building Division,
- Public Works Department (also see *Public Works chapter*), and
- Fire Department (also see *Fire chapter*).

In 2019-20, Development Services:

- issued about 32,400 permits (12,800 online),
- served nearly 35,000 Permit Center customers, and
- processed over 5,000 planning applications.*

Due to the COVID-19 emergency, field inspections and building permits have decreased.

The volume of construction decreased for the third straight year; however, the value of construction has steadily increased from 2017-18. Trends varied across residential, commercial, and industrial categories.

The Permit Center located in City Hall

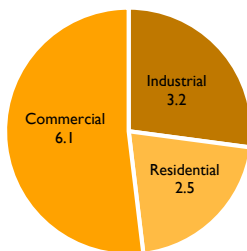


Source: Auditor photo from Fall 2019

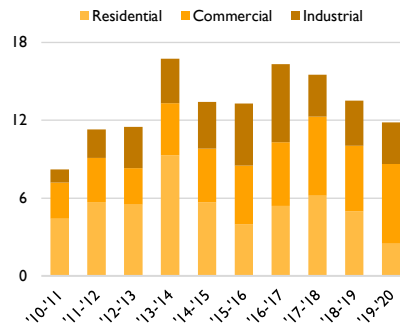
Partner	Revenue (\$millions)	Positions
Building	\$33.80	171
Public Works	\$9.90	69.31
Fire	\$8.41	41.32
Planning	\$6.34	43.21
TOTAL	\$58.45	324.84

Source: 2019-20 Modified Budget as outlined in the City's 2020-21 Adopted Operating Budget

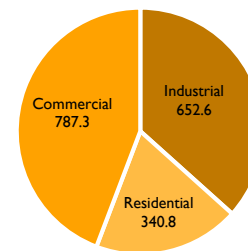
Volume of Building Activity
(millions of square feet)



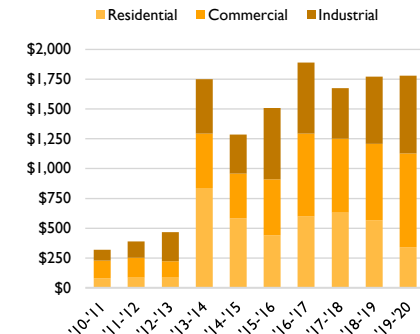
Volume of Construction
(millions of square feet)



Value of Building Activity
(\$millions)



Value of Construction
(\$millions)



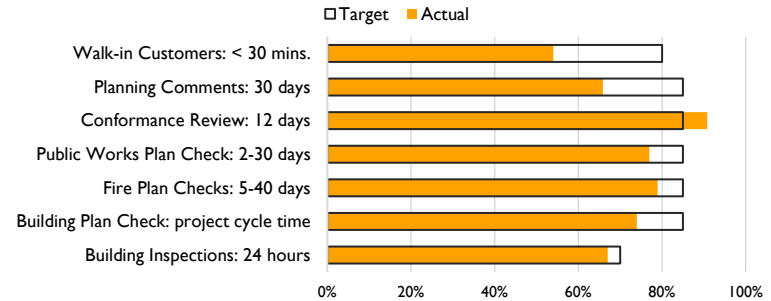
Development Services projects vary broadly, from replacing a residential water heater to large, mixed-use developments of many thousands of square feet. One project may require multiple permits and inspections. Some projects require approval through a public hearing, but most require only administrative approval (an estimated 86 percent). Projects only go through Public Works or the Fire Department when they have impacts on public facilities (e.g., traffic, streets, sewers, utilities, flood hazard zone) or fire-related issues (e.g., need for fire sprinkler systems or fire alarm systems), respectively.

The City offers a number of programs to expedite project delivery for companies, small businesses, and homeowners. However, turnaround times continue to be a primary concern. Timeliness of individual steps in the development process varies depending on the scale and complexity of a given project, and can involve one to all four of the Development Services partners. One of the seven selected development processes met their annual timeliness targets.

Of the 32,400 building permits PBCE issued in 2019-20, about 12,800 were online permits, saving staff time and customer trips to the Permit Center.

(See CSA Dashboard chapter for additional performance measures for development services.)

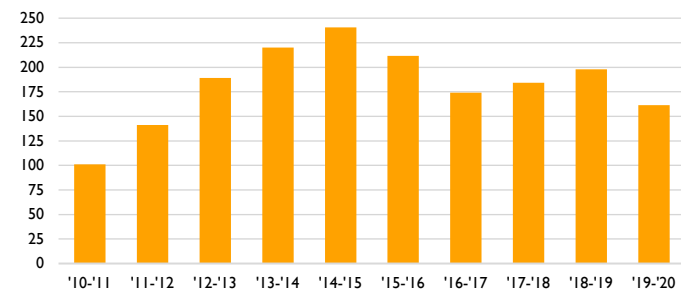
Timeliness of Development Services*



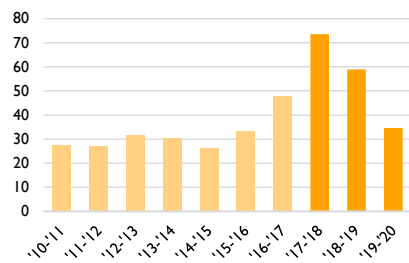
Source: PBCE from the City's Permits Database

*These selected measures may occur simultaneously; some are dependent on completion of particular processes. For other Fire and Public Works measures related to Development Services, see the Fire and Public Works chapters.

Building Inspections (thousands)

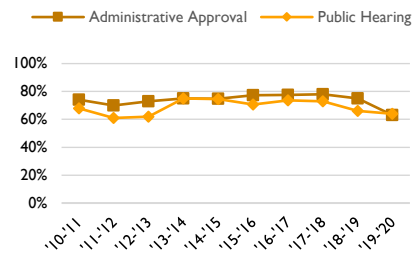


Permit Center Customers Served (thousands)*



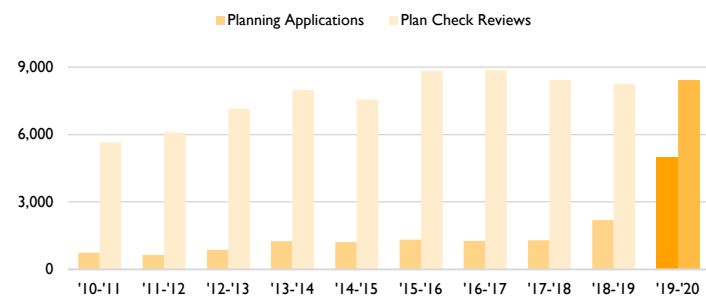
* Due to COVID-19, City Hall closed which limited Permit Center activity. In 2017-18, PBCE changed their methodology to include duplicated counts for multiple services and visits.

Development Services Overall Customer Satisfaction by Project Type



Source: Development Services Customer Satisfaction Surveys

Planning Applications and Plan Checks



Measures may have increased in 2019-20 due to changes in data reporting following an upgrade to the City's Integrated Permitting System (IPS).

The San José Police Department's mission is to create safe places to live,
work and learn through community partnerships.

POLICE

In 2019-20, the San José Police Department (SJPD) operating expenditures totaled \$445 million. In addition, the Police Department was responsible for \$14 million in other costs, including \$8.2 million for workers' compensation, and \$3.3 million in Citywide expenses.

The Department has one police station open to the public, as well as five community policing centers and one police substation which are currently closed to the public due to staffing.

In 2019-20, there were 1,149 authorized sworn positions and 561 authorized civilian positions in the SJPD, totaling 1,710 for both sworn and civilian. The number of sworn, authorized positions per 100,000 residents has decreased from 132 in 2010-11 to 110 in 2019-20.

SJPD has faced high vacancy rates among street-ready officers. Of the 1,149 authorized sworn positions, only 954 were actual full-duty, street-ready officers as of June 2020 (this excludes vacancies, officers in training, or those on modified duty or disability/other leave). There were 115 sworn hires in 2019-20 and 126 sworn vacant positions as of June 30, 2020.

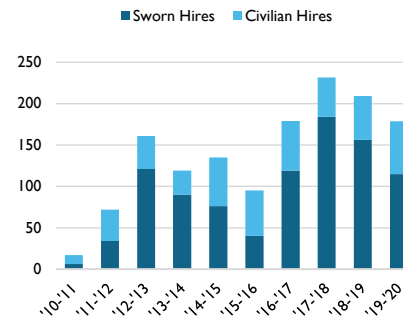
As a result of civil unrest during the months of May and June 2020, the SJPD identified opportunities for continued improvement in the areas of staffing during large-scale events and training. Furthermore, in light of the COVID-19 pandemic, the SJPD altered its operations and services to comport with the guidelines set forth by the County of Santa Clara while maintaining a commitment to ensuring the safety of San Jose residents. The Main Lobby of the Police Administration Building was closed on March 17, 2020 and reopened on June 8, 2020.

KEY FACTS (2019-20)

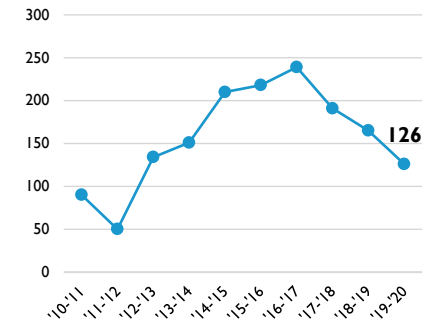
Sworn police positions*	1,149
Street-ready officers	954
Total authorized positions	1,710
Total emergency calls	603,799

*Includes two positions assigned to the City Attorney's Office.

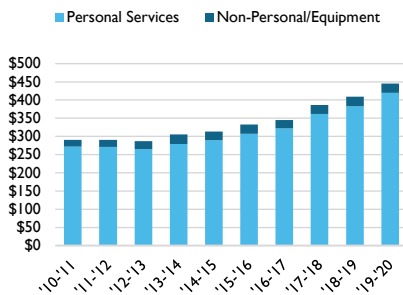
Police Department Hires



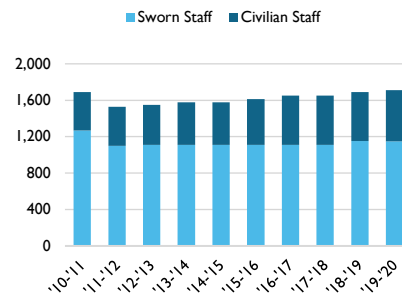
Sworn Police Vacancies



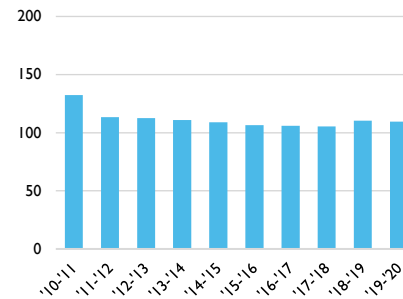
Police Department Operating Expenditures (\$millions)



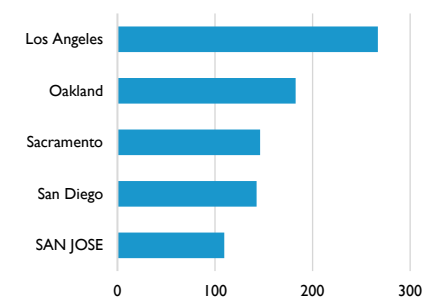
Police Department Authorized Positions



San José Sworn Staff per 100,000 Residents



Authorized Sworn Staff per 100,000 Residents



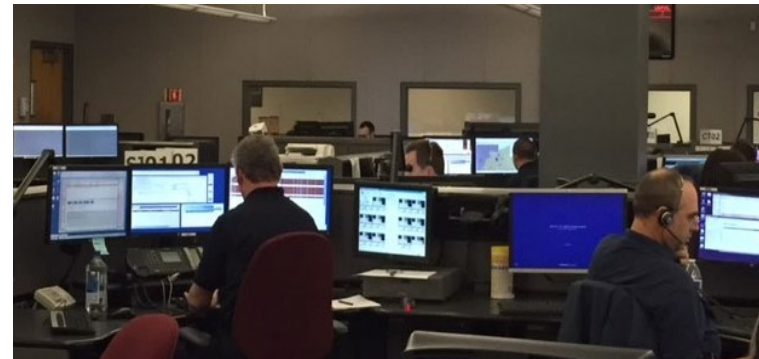
CALLS FOR SERVICE

The SJPD Communications Center receives all 9-1-1 calls for police, fire, and ambulance services in the City of San José. Additionally, SJPD receives other non-emergency calls. Call-answering staff in the Communications Center obtain information from callers, prioritize events, and relay information to dispatchers. Dispatchers evaluate resources, identify and direct emergency personnel and equipment, and maintain control of radio channels to ensure the safety of officers and the public.

In 2019-20, SJPD handled about 1.2 million total calls for service. The number of 9-1-1 and other emergency calls increased slightly to about 604,000.* The number of non-emergency calls (e.g., 3-1-1 calls and phone reports) totaled about 503,000, around 71,500 more than last year.** Field events (e.g., car and pedestrian stops, and other officer-initiated calls) accounted for the remaining.

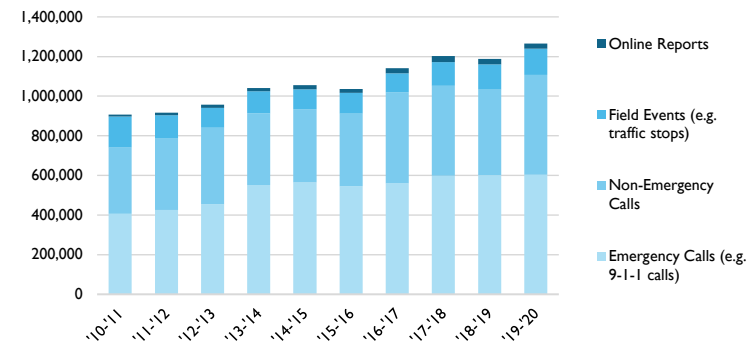
The percentage of 9-1-1 calls answered within 10 seconds was 88 percent (target: 90 percent), about the same as the prior year. The Department reports that high call volume and staffing shortages required use of overtime to achieve this near-target service level. Of the 163 authorized positions in the Communication Center, only 118 were actual full duty as of June 2020.

* This includes 9-1-1 transfers received by the Fire Department for fire and medical emergencies.
 ** On February 27, 2020, 3-1-1 calls were transitioned to a separate line answered by the City Call Center (see Information Technology Chapter). According to the Department, the rise in non-emergency calls may be due to underreported non-emergency calls prior to 2019-20, as well as the events of COVID-19 and civil unrest.



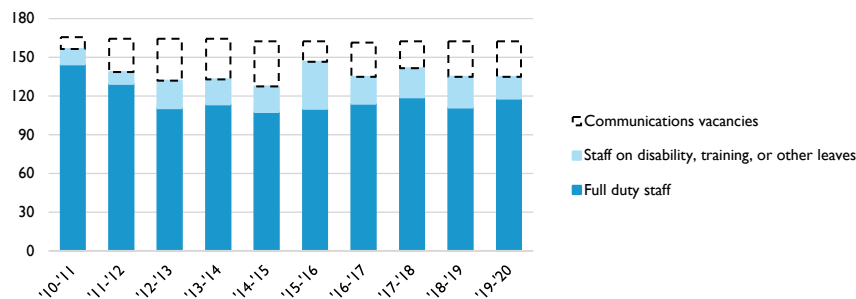
Source: San José Police Department, photo of Communications staff.

Breakdown of All Calls for Service

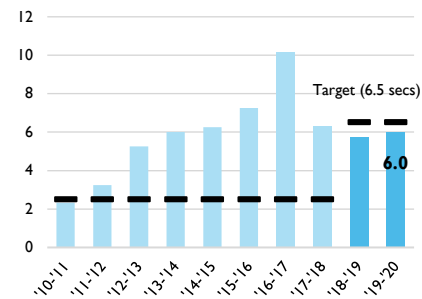


Note: All calls for service received, including duplicates, online reporting, and calls that did not require a police response. Prior to 2019-20, non-emergency calls may have been underreported.

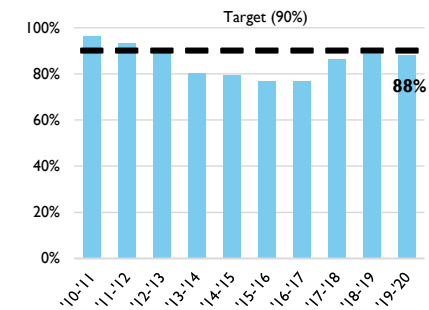
Communications Center Staff (as of June 30)



Average Emergency Call Answering Time (seconds)**



% of 9-1-1 Calls Answered Within 10 Seconds



**Years prior to 2016-17 may not be comparable due to change in methodology. In 2018-19, the call answering time target was adjusted to reflect all components of call answering time.

POLICE

POLICE RESPONSES

The SJPD responded to about 212,000 Priority 1-4 incidents in 2019-20 (definitions shown in gray box below):

- 9,900 Priority 1 responses (5 percent)
- 85,900 Priority 2 responses (41 percent)
- 78,300 Priority 3 responses (37 percent)
- 37,900 Priority 4 responses (18 percent)

Percentages do not total to 100 percent due to rounding.

Prioritization of Police Responses

Priority 1 responses: Present or imminent danger to life or there is major damage to/loss of property (i.e., large-scale incident or cases where there is an in-progress or just occurred major felony).

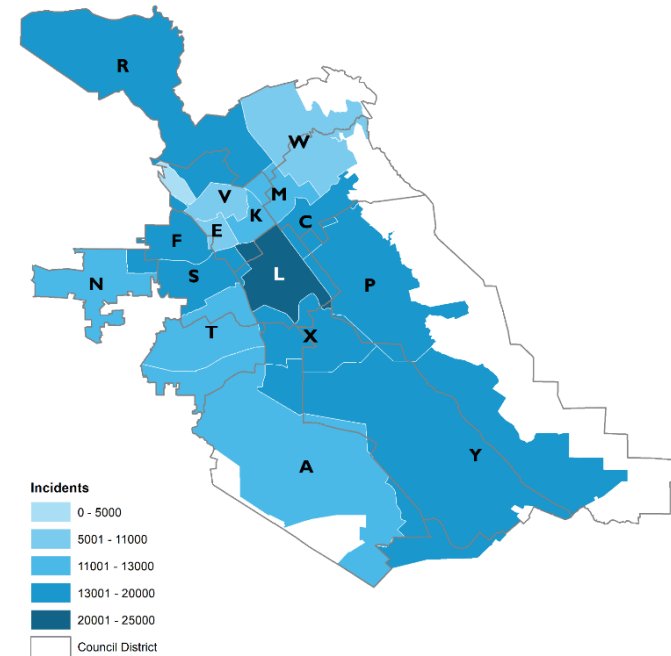
Priority 2 responses: Injury or property damage or potential for either to occur or the suspect is still present in the area. Includes all missing person reports for children under the age of 12, or at risk missing persons, including mentally handicapped or disoriented adults.

Priority 3 responses: There is property damage or the potential for it to occur. The suspect has most likely left the area. Situations where the suspect is in custody for a non-violent crime and is cooperative. Situations when a prior crime against the person occurred and there are no injuries to the victim necessitating immediate medical care and the suspect is not present.

Priority 4 responses: There is no present or potential danger to life/property and the suspect is no longer in the area.

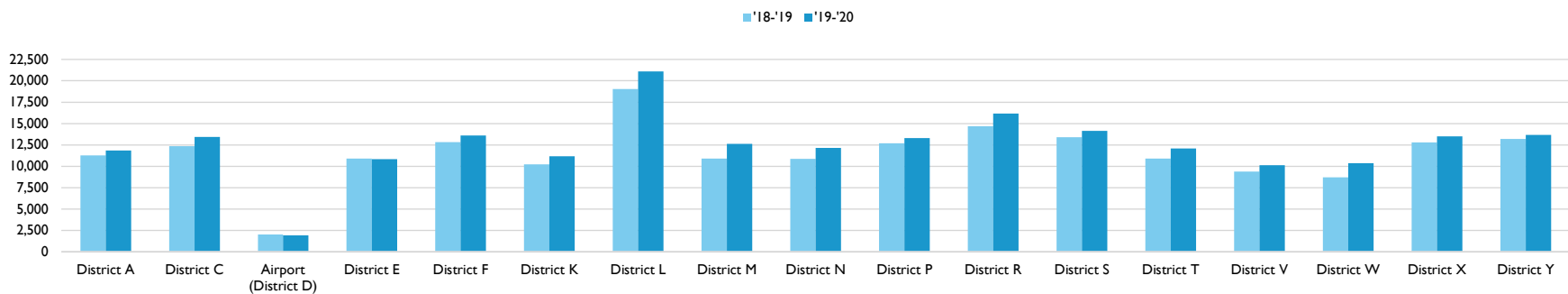
Police Districts by Number of 2019-20 Priority 1-4 Responses*

(see below for graph of data)



Source: City Auditor's Office based on response data provided by the Police Department.

Priority 1-4 Police Responses* by District



* Includes only Priority 1-4 calls for service to which the Department responded; excludes duplicate calls and officer-initiated events.

POLICE RESPONSE TIMES

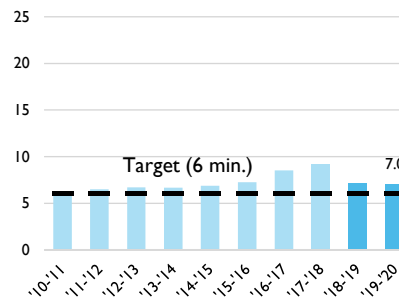
In 2019-20, the citywide average response time for Priority 1 calls was 7 minutes (target: 6 minutes). The citywide average 21 minute response time for Priority 2 calls was well above the target of 11 minutes.

As staffing reductions have affected the SJPD, the Department has focused on maintaining Priority 1 response times as these calls involve present or imminent danger to life or major property loss. Priority 2 calls are those which involve either injury or property damage, or the potential for either to occur.

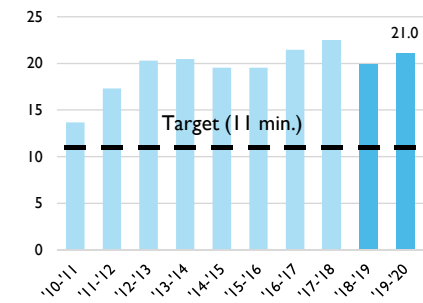
The Department disaggregates response times by three time targets: processing time, queuing time, and driving time. In 2019-20, the Department processing time for both Priority 1 and 2 were close to targets while queuing time and driving times for Priority 1 and 2 calls were above targets.

In 2019-20, only 1 out of 17 districts was below the 6 minute target response time for Priority 1 calls. Response time may vary across districts because of the size or physical characteristics of an area, whether there are adjacent police service areas, population density, traffic conditions, and officer staffing levels.

Average Priority 1 Police Response Time* (minutes)

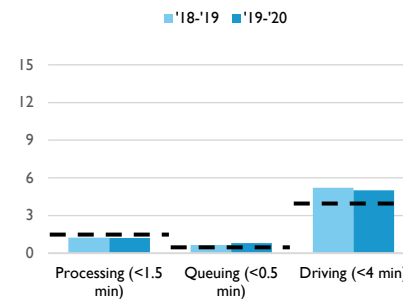


Average Priority 2 Police Response Time* (minutes)

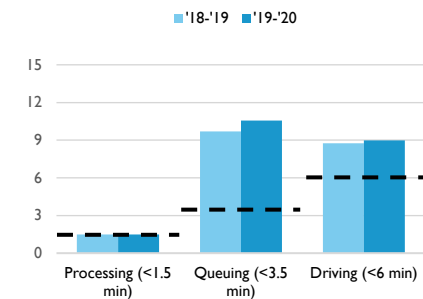


*In 2018-19, SJPD revised their reporting of police response times to be based on how incidents are initially coded into their system. In prior years, SJPD had measured response times based on updated coding of incidents as determined throughout the response, which could change the priorities of incidents and incorrectly affect response times.

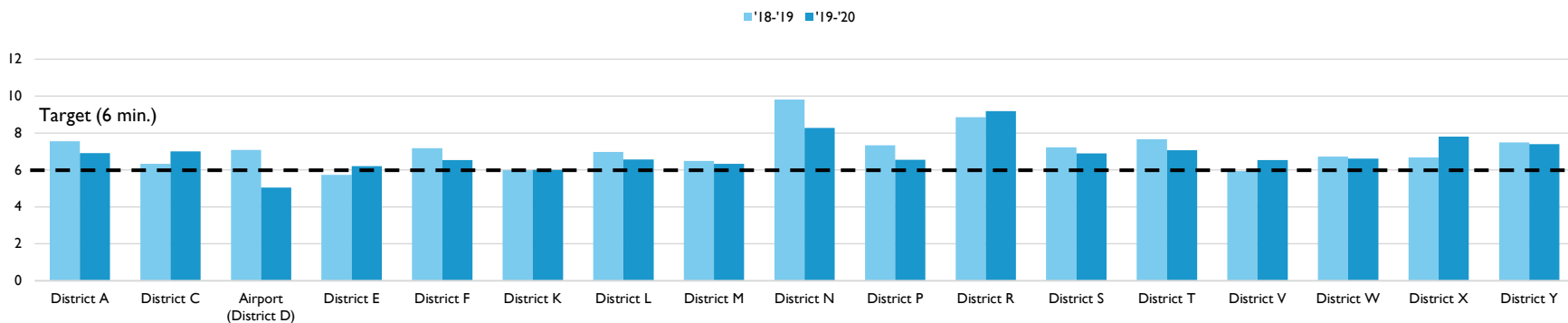
Priority 1 Response Time Breakdown (minutes)



Priority 2 Response Time Breakdown (minutes)



Priority 1 Average Police Response Times (minutes)



POLICE

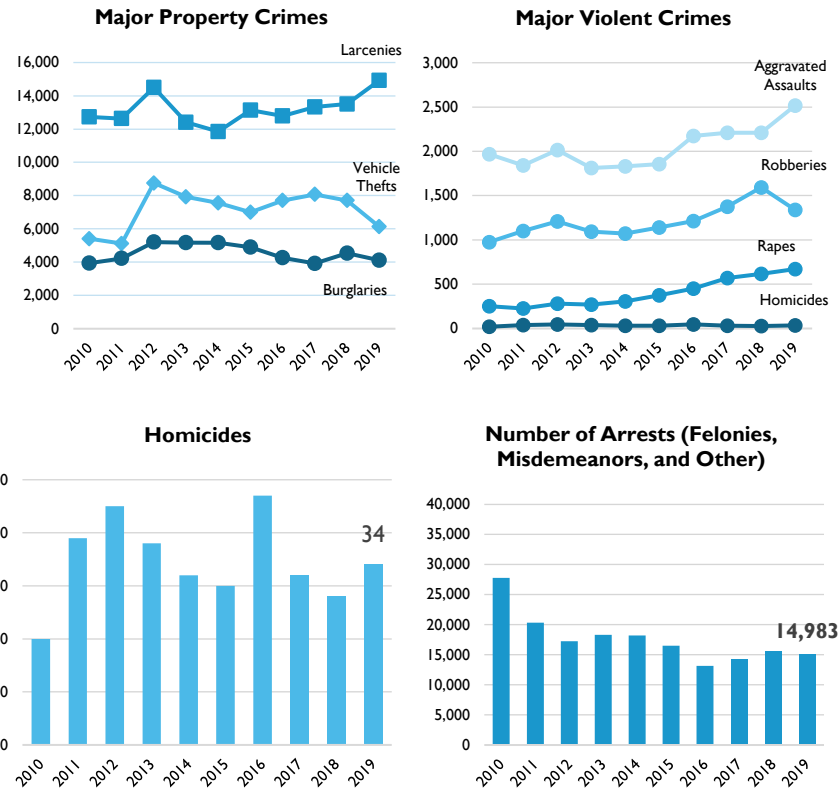
CRIME IN SAN JOSE

In 2019, there were 29,700 major crimes in San José, up 17.5 percent from ten years ago. Major crimes include violent crimes (homicide, rape, robbery, and aggravated assault) and property crimes (burglary, larceny, and vehicle theft). In 2019, there were 34 homicides in San José. This was six more than in 2018 and just below the ten-year average.

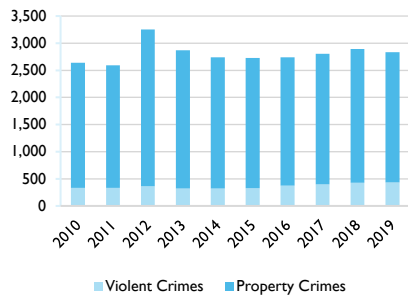
San José experienced 2,858 major crimes per 100,000 residents in 2019. Although, the rate of major crimes per 100,000 residents in San José has historically been slightly below the national and state rates, in 2018 San José's rate rose slightly above both the state and national rates and continued to exceed those rates in 2019. However, San Jose's crime rate remains below that of other major California cities, such as Oakland, San Francisco, and Los Angeles.

The number of arrests for felonies, misdemeanors, and other offenses has decreased from about 27,800 in 2010, to around 15,000 in 2019. There were 641 gang-related and gang-motivated incidents* overall in 2019-20, of which 160 were classified as violent by the SJPD. This is a decrease from 2018-19, which saw 771 overall gang incidents and 221 violent gang incidents.

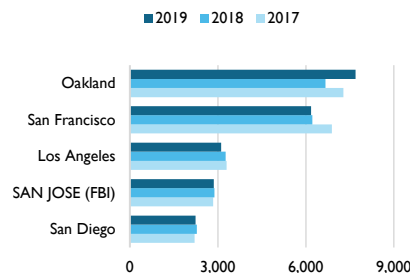
*Prior to 2017, SJPD only reported gang-motivated incidents. 2017-18 numbers were updated to reflect inclusion of both gang-motivated and gang-related incidents. Gang-motivated incidents include crimes committed for the benefit of a gang, whereas gang-related incidents include crimes involving gang members that may not necessarily be for the benefit of a gang.



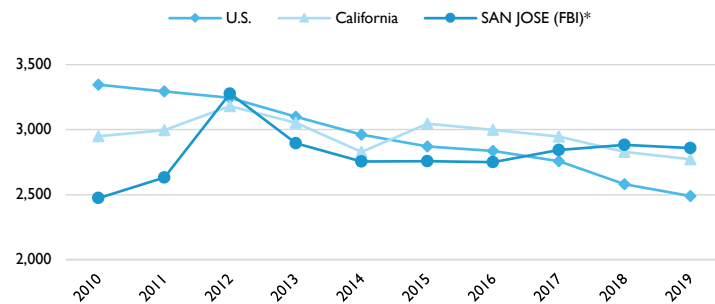
Major Crimes per 100,000 Residents



Major Violent and Property Crimes per 100,000 Residents Across CA Cities



Major Violent and Property Crimes per 100,000 Residents



Sources: SJPD, CA Department of Justice, FBI For national crime data visit the [FBI web page](#). San José adopted the FBI's updated definition of rape beginning January 1, 2015.

PERCEPTIONS OF SAFETY IN SAN JOSE

The resident survey asked San José residents a variety of questions about how safe they feel in the city. Forty-eight percent reported that they feel “very” or “somewhat” safe from violent crime in San José. Thirty-six percent reported feeling “very” or “somewhat” safe from property crimes.

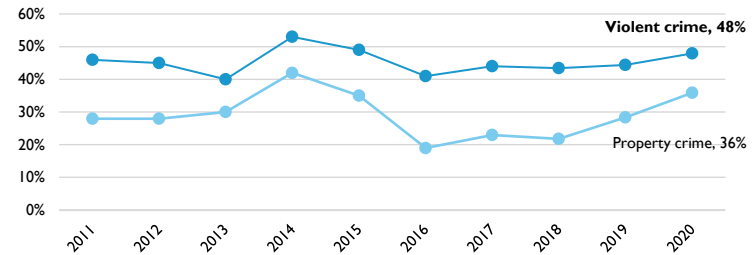
Thirty-three percent of respondents said they feel “good” or “excellent” regarding their overall feeling of safety in San José.

Respondents were also asked how safe they feel in their own neighborhoods as well as in downtown San José. More respondents said they feel “very” or “somewhat” safe in their neighborhoods during the day than at night. Similarly, respondents said they felt more safe during the day downtown than at night. Respondents felt more safe in their neighborhood than downtown.*

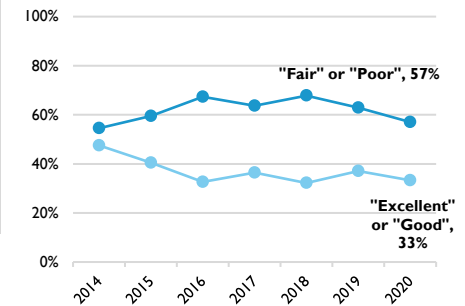
Similar to San José residents overall, students and staff at San José State University felt safer during the day than at night. Eighty-one percent of students and staff felt safe on campus during the day and 33 percent felt safe on campus after dark.

*Because of a programming error, questions related to residents' feelings of safety after dark in their neighborhoods and downtown were excluded from the online English-language survey, resulting in a smaller number of responses for these items.

RESIDENT SURVEY
% of respondents who feel "very or "somewhat" safe from violent and property crimes



RESIDENT SURVEY
Overall feeling of safety

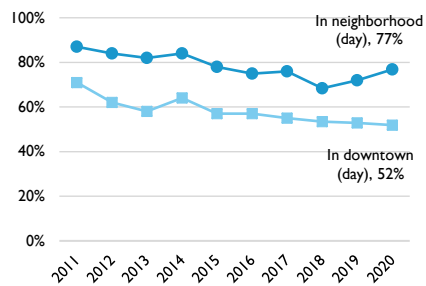


RESIDENT SURVEY

92% of respondents said it was “essential” or “very important” for the community to focus on an overall feeling of safety in the next two years.

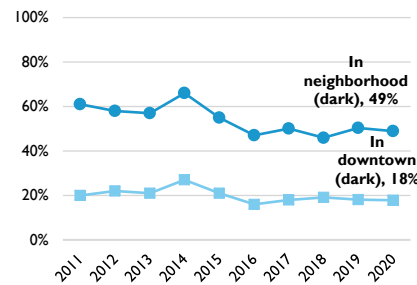
RESIDENT SURVEY

% of respondents who feel "very" or "somewhat" safe during the day



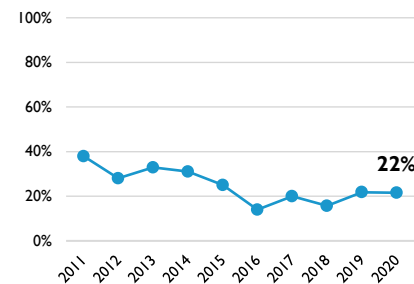
RESIDENT SURVEY

% of respondents who feel "very" or "somewhat" safe after dark



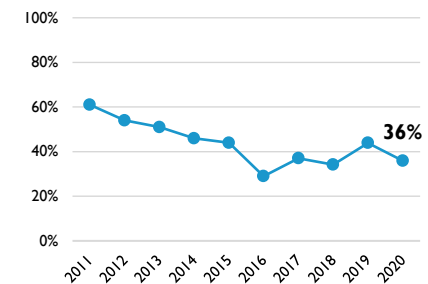
RESIDENT SURVEY

% of respondents rating crime prevention "excellent" or "good"



RESIDENT SURVEY

% of respondents rating police services as "excellent" or "good"



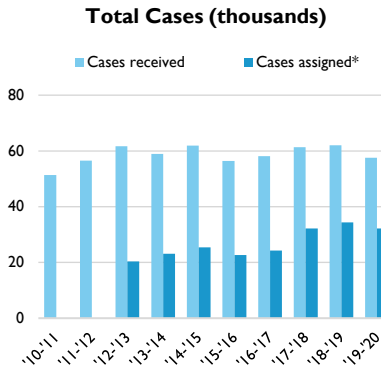
POLICE

INVESTIGATIVE SERVICES

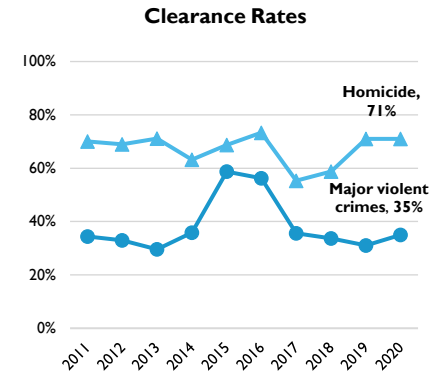
The SJPD investigates crimes and events by collecting evidence, interviewing witnesses, interrogating suspects, and other activities. In 2019-20, the Bureau of Investigations received 57,500 cases, around 4,500 fewer than in 2018-19. Of these cases, 32,200 were assigned for investigation. A case may not be assigned because of a lack of resources or because it is deemed not workable (e.g., no evidence).

When a case is closed because of an arrest or by exceptional means (e.g., death of suspect), it is classified as cleared. In 2019, the clearance rate in San José for major violent crimes was 35 percent, compared to 46 percent for both the U.S. and California.* The clearance rate for homicides in San José was 71 percent, compared to 61 and 65 percent for the U.S. and California.**

*Out of 4,561 total violent crimes for San José, 1.2 million for the U.S., and 174,331 for California.
 **Out of 34 homicides for San José, 16,425 for the U.S., and 1,690 for California.



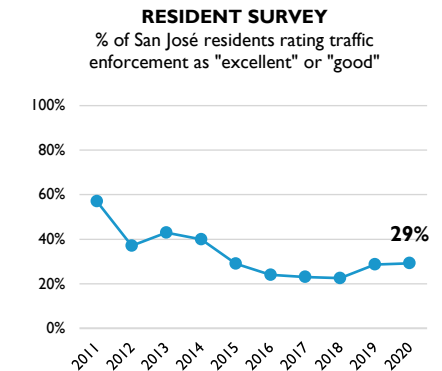
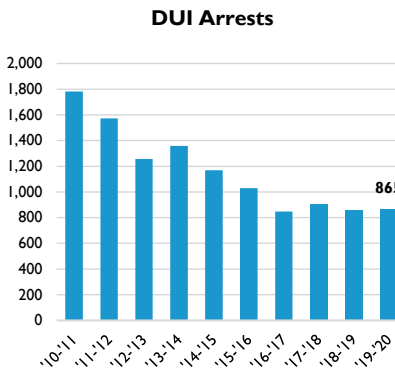
*In 2012-13, the Police Department changed the performance measure from recording cases investigated to cases assigned to reflect the record management system classification. Cases are assigned when there is a likelihood that investigation will yield results.



TRAFFIC SAFETY

The SJPD provides for the safe and free flow of traffic through enforcement, education, investigation, and traffic control. In 2019-20, the SJPD's Traffic Enforcement Unit issued around 7,900 citations, about 3,000 more citations than last year. Traffic Enforcement Unit staffing, which experienced significant reductions in the past, was increased in 2020 and staff are targeting areas with higher crash rates to increase traffic safety. Twenty-nine percent of San José respondents to the resident survey rated traffic enforcement "good" or "excellent."

DUI arrests were about the same as the previous year and have declined significantly over the past 10 years. San José's rate of fatal and injury crashes has been steadily decreasing since 2003, though 2019 saw this rate increased slightly from the prior year, as shown in the Transportation Chapter.



The mission of the Public Works Department is to provide excellent service in building a smart and sustainable community, maintaining and managing City assets, and serving the animal care needs of the community.

PUBLIC WORKS

The Public Works Department oversees the City’s capital projects; maintains the City’s facilities, equipment, and vehicles; provides plan review services for development projects; and provides animal care and services.

In 2019-20, Public Works' operating expenditures totaled \$120.4 million. This included personal and non-personal expenditures. Public Works was responsible for an additional \$94.8 million in expenditures, including \$56.3 million in capital-related expenditures, and \$3.3 million in Citywide expenses. The Public Works Capital Strategic Support budget increased by about \$26 million from last year, largely due to Measure T infrastructure improvements. Staffing increased from 573 to 621 authorized positions. Eleven of the new positions were to support delivery of Measure T projects, and eight positions were to improve and streamline inspection and field services for the Small Cell utility permitting process.

OFFICE OF EQUALITY ASSURANCE

San José is subject to numerous labor policies that have been passed by City Council, approved by voters, or adopted due to requirements from the State of California. The Office of Equality Assurance in Public Works implements, monitors, and administers the City's wage policies and has been part of Public Works since 2002. In addition, they oversee the City's disadvantaged business enterprise program and ensure compliance with the Americans with Disabilities Act (ADA).

The Office of Equality Assurance started tracking prevailing and living wage infraction data in a central location in October 2018, and will continue to track this information going forward.

Example Projects Completed in FY 2019-20

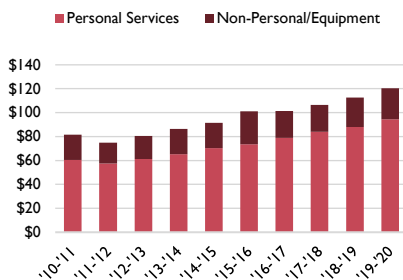
Arcadia Softball Facility
Airport - Airfield Electrical System Rehabilitation
FEMA Sierra Road Landslide Repair
Fire Station 26 Signal Improvements
Sanitary Sewer Assessment and Repairs
Vine Safety Street Light Improvement

OFFICE OF EQUALITY ASSURANCE KEY FACTS (2019-20)

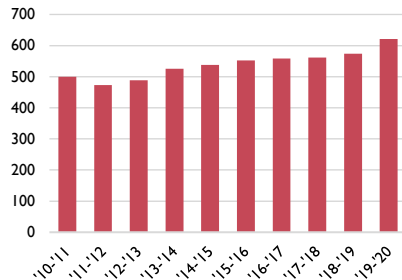
Number of minimum wage complaint inquiries	88
Number of minimum wage letters sent	6
Number of affected workers (from the letters sent)	374
Amount of restitution (from the letters sent)	\$30,411

Note: Restitution refers to non-compliance with prevailing and living wage infractions by contractors working on Public Works' projects or service and maintenance contracts.

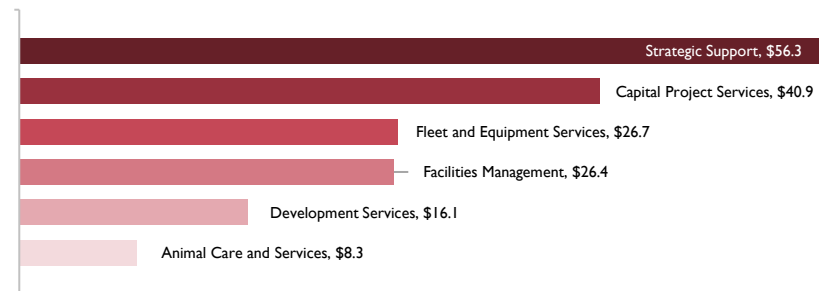
Public Works Operating Expenditures (\$millions)



Public Works Authorized Positions



Public Works 2019-20 Adopted Budget by Service (\$millions)



CAPITAL PROJECT SERVICES

The Capital Services division of Public Works oversees the planning, design, and construction of public facilities and infrastructure.* Other departments such as the Airport, Transportation, and Environmental Services also manage some capital projects in their divisions.

In 2019-20, Public Works completed 37 construction projects, down from 62 in 2018-19. Construction costs totaled \$103.4 million in 2019-20. One project (the Airport Interim Four Gate Boarding Facility) accounted for 52 percent of the construction costs. A project is considered on budget for the entire life cycle of a project when its total expenses are within 101 percent of its budget. In 2019-20, Public Works completed 36 of 37 projects on budget, or 97 percent.

A project is considered on schedule for the construction phase of the project when it is available for use (e.g., completed street being used by vehicles, parks being utilized) within two months of the approved baseline schedule. Of the projects intended for completion in 2019-20, 24 of 25 projects were on schedule (96 percent).

In 2019-20, for projects less than \$500,000, Public Works' average delivery cost (the ratio of soft costs to hard costs) was 66 percent, above the target of 63 percent. For larger projects, the average delivery cost was 19 percent, which is less than the target of 47 percent.

* Read more about the division in the July 2018 [Audit of the Department of Public Works: Enhancing Management of Capital Projects](#).

Construction Projects During COVID-19 Shelter in Place Order

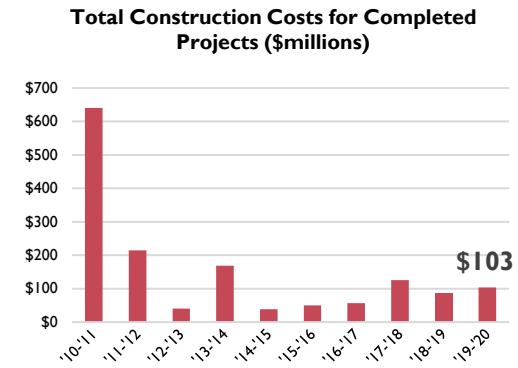
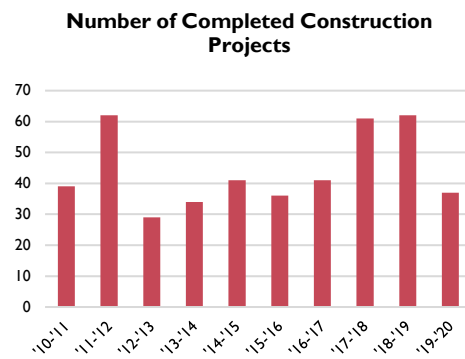
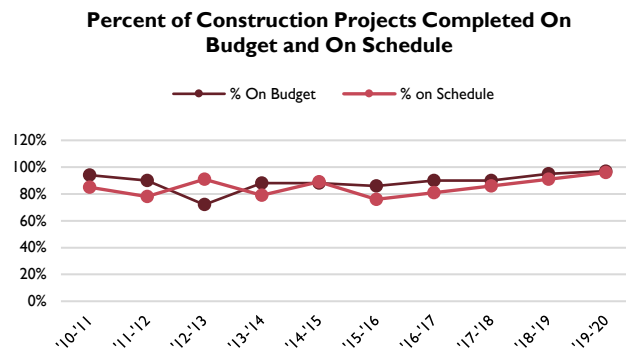
The number of construction projects dropped due to COVID-19. Santa Clara County's shelter in place order, which took effect in March 2020, prohibited construction activity except for certain circumstances. Public Works projects were permitted if they were specifically designated as an "Essential Government Function." Projects that fit this designation included water and wastewater treatment, Airport, roadways and traffic signals, storm and sanitary sewer systems, and critical City buildings and facilities.



Iris Chang Park



Waterford Park Improvements



PUBLIC WORKS

FACILITIES MANAGEMENT

The Facilities Management division manages 2.8 million square feet in 224 City facilities, including City Hall (over 500,000 square feet). Services include maintenance, improvements, event support, and property management.

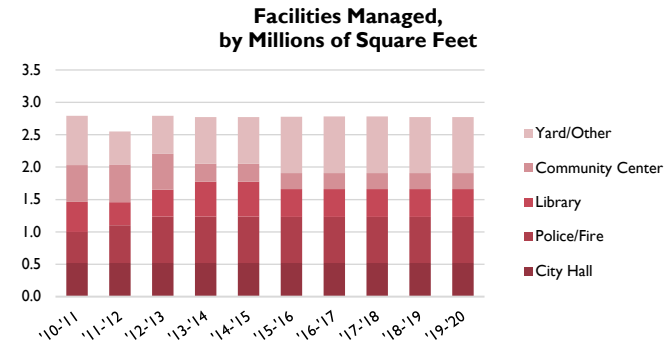
The division completed 10,959 corrective and preventive work orders in 2019-20, down from 16,398 last year. Only 41 percent of 12,400 preventive maintenance work orders were completed during the year, down from 78 percent last year. Some work orders were delayed due to the COVID-19 shelter in place, causing the drop.

As of January 2020, Public Works estimated a facilities maintenance backlog for City-owned and operated facilities of over \$188 million in one-time costs, as well as \$20.1 million in annual unfunded costs. The estimated one-time maintenance backlog for City facilities operated by others is about \$68 million, but this does not include the SAP Center, Sharks Ice, or Municipal Stadium.

Measure T, approved in 2018, is estimated to provide \$650 million for a variety of infrastructure needs. This is expected to significantly decrease the infrastructure backlog.

KEY FACTS (2019-20)

Total number of City facilities	224
Square footage	2.8 million
Completed corrective & preventative work orders	10,959
Total completed solar installations on City sites	37



Note: "Other" includes PRNS reuse sites. See the PRNS chapter for more information about the reuse program.

FLEET & EQUIPMENT SERVICES

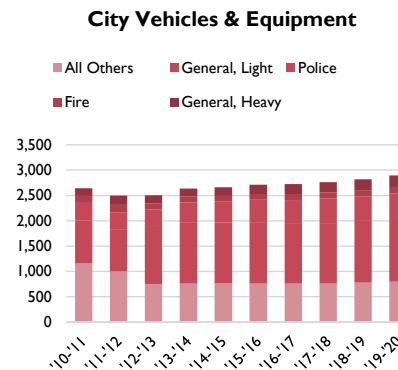
Fleet and Equipment Services manages procurement and maintenance to provide a safe and reliable fleet of 2,894 City vehicles and pieces of equipment.* Public Works completed 19,594 repairs and preventative work orders in 2019-20, about 7 percent less than a year ago. Emergency vehicles were available for use when needed 100 percent of the time in 2019-20; the City's general fleet was available when needed 97 percent of the time.

In 2007, the City committed to ensuring 100 percent of public vehicles run on alternative fuels. Under the City's Climate Smart plan, the City intends to expand the conversion of its fleet to electric as quickly as possible. In 2019-20, 46 percent of City vehicles ran on alternative fuels, including compressed natural gas, propane, electricity, and biodiesel.

As of January 2020, Public Works estimated a vehicle and equipment deferred maintenance and infrastructure backlog of \$9.6 million in one-time costs, slightly more than the previous year.

KEY FACTS (2019-20)

Total number of vehicles & equipment	2,894
Completed repairs & preventative work orders	19,594
Percent of fleet running on alternative fuel	46%



Equipment Class	Cost/Mile Estimate
Police	\$0.36
Fire	\$2.80
General, Light (sedans, vans)	\$0.40
General, Heavy (tractors, loaders)	\$2.25

*Read more about Fleet & Equipment Services in the August 2020 audit report, [Fleet Maintenance and Operations: Public Works Can Continue to Improve Fleet Operations.](#)

PUBLIC WORKS—DEVELOPMENT SERVICES

The Development Services division of Public Works coordinates with private developers and utility companies to ensure that private projects comply with regulations to provide safe and reliable public infrastructure.

The division manages two fee-based cost-recovery programs: the Development Fee Program (for private developers) and the Utility Fee Program (for utility companies). During 2019-20, the division approved 546 development permits and received 3,310 utility permits, slightly down from last year. In 2019-20, Public Works met 76 percent of planning and 72 percent of public improvement permit timelines; each declined from last year (target for both: 85 percent).

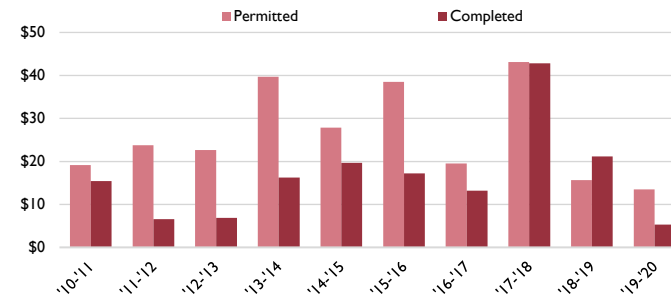
Private development projects add public infrastructure (streets, traffic lights, storm sewer, etc.) to the City’s asset base. Projects permitted in 2019-20 are expected to add \$13.5 million in public infrastructure upon completion. Projects completed in 2019-20 added \$5.3 million in value to the City’s asset base, down from \$21 million last year. (See table for examples.)

Category	Project Description	Estimated Value
Permitted	•Park Ave and Almaden Blvd (relocating storm and sanitary main facilities for proposed development)	\$300,000
	•Champions Drive (surface improvements and stormwater facility construction for a new street)	\$1.3 million
	•Bering Drive and East Brokaw Road (curb, gutter, sidewalk, sanitary and storm main installation)	\$3.1 million
Completed	•The Alameda near Stockton Ave (curb, gutter, sidewalk, street lighting, sanitary and storm main installation)	\$300,000
	•Almaden Road and Curtner Ave (left turn lane, cross walk, wheel chair ramps and sidewalk construction)	\$600,000
	•Valley Fair Sanitary Sewer Relocation (temporary sanitary sewer bypass for Ultimate Valley Fair buildout)	\$160,000

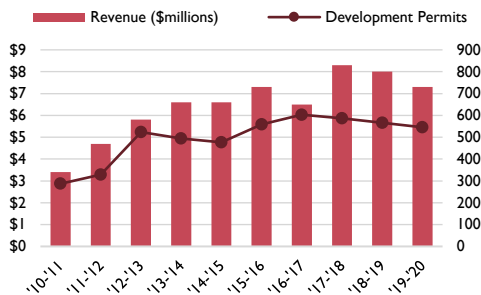
The Development Services partners are:

- Planning, Building & Code Enforcement Department (see *PBCE* section)
- Fire Department (see *Fire* section)
- Public Works Department

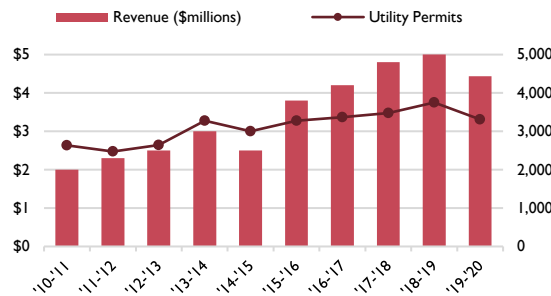
Value of Public Improvements from Private Development Projects (\$millions)



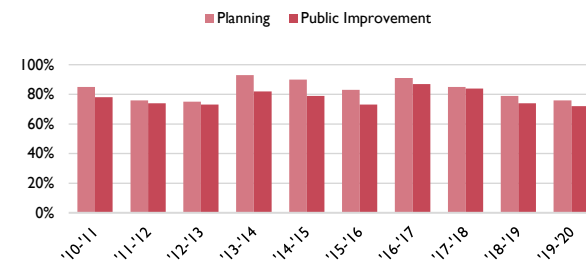
Development Revenues and Permits



Utility Fee Revenues and Permits



Permitting Timeliness (Target 85%)



PUBLIC WORKS

ANIMAL CARE & SERVICES

The City provides animal licensing programs, patrol services, adoption/rescue programs, spay/neuter programs, and medical services through its Animal Care Center (Center). The Center serves San José, Cupertino, Los Gatos, Milpitas, and Saratoga.

As of July 1, 2020, there were over 55,000 licensed animals in the Center's service area, down from about 61,000 in the previous year. Of licensed animals, 75 percent were dogs and 25 percent were cats. The Center provided about 4,400 low-cost spay/neuter surgeries to the public.

Due to COVID-19, the Center closed to public access and reduced adoption services. As a result, in 2019-20, the Center sheltered 14,004 animals, down from last year (17,156). Among incoming animals, 92 percent of dogs and 91 percent of cats were adopted, rescued, returned to their owner, or transferred. The Center's overall live release rate was about 91 percent, similar to the prior year.

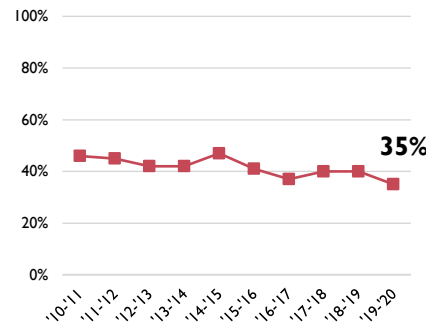
In 2019-20, animal service officers responded to about 20,540 service calls, a decrease from the previous year. Six major categories of calls (including animal bite investigations and patrols, dead animal removal, and stray or roaming animals) accounted for 45 percent of all calls. For emergency calls, such as dangerous situations or critically injured or sick animals, the time target is to respond to calls within one hour. In 2019-20, the Center met this target 95 percent of the time.

KEY FACTS (2019-20)

Location of Animal Care Center	2750 Monterey Rd
Licensing costs (dog / cat)*	Starts at \$25 / \$15
Animal licenses in service area (as of July 1, 2019)	55,325
Incoming animals to Center	14,004
Live release rate	91%
Calls for service completed	20,540
Low-cost spay/neuter surgeries	4,413

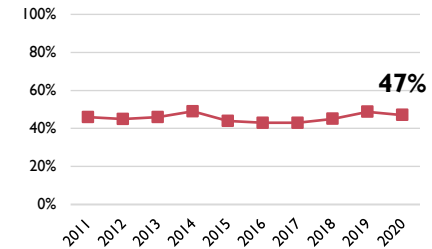
*Licensing costs depend on an animal's age, and whether it has been spayed or neutered. The costs presented here are for an animal under one year old, that has been spayed or neutered.

Cost Recovery

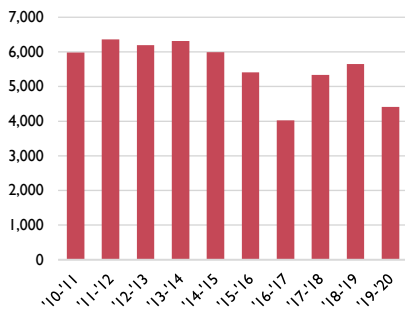


RESIDENT SURVEY

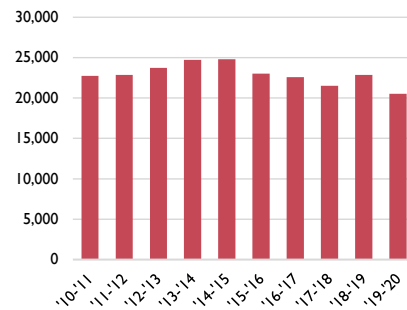
% of residents rating San José's animal control services as "excellent" or "good"



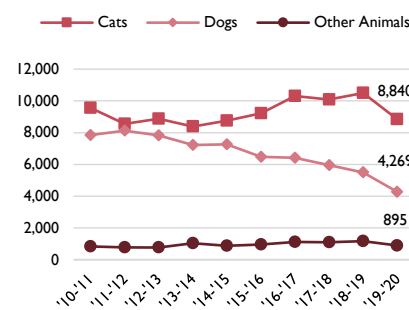
Low-Cost Spay/Neuter Surgeries



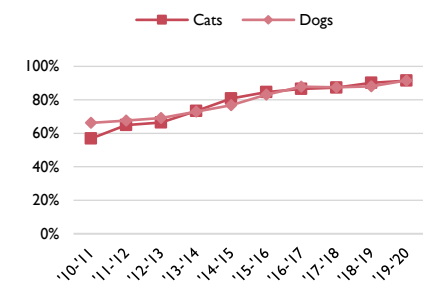
Calls for Service



Incoming Shelter Animals



Percent Adopted, Rescued, Returned, or Transferred



RETIREMENT SERVICES

The mission of the Office of Retirement Services is to provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans.

RETIREMENT SERVICES

The Office of Retirement Services administers two pension plans, the Federated City Employees' Retirement System (Federated) and the Police and Fire Department Retirement Plan (Police and Fire), as well as Other Post-Employment Benefits (OPEB) for City employees and retirees.*

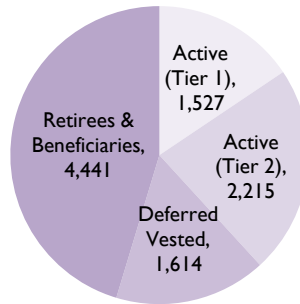
The Office is responsible for administering retirement benefits, including providing retirement planning and counseling; supervising the investment of plan assets; managing contracts; and producing financial reports.

In 2019-20, the Office's personal expenses totaled \$6.8 million, and there were 40 authorized positions (up from 34 positions ten years ago). About \$4.3 million in additional administrative costs, such as professional fees, were paid out of the retirement funds. Total investment fees were \$60.1 million in calendar year 2019, down from \$62.4 million in calendar year 2018.

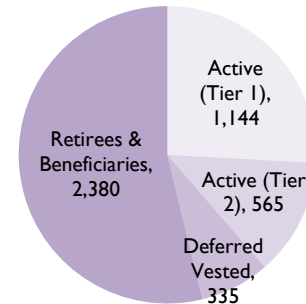
The City's total contributions to the two plans included \$369.8 million for pension benefits and \$53.9 million for OPEB, along with contributions from City employees of \$76.6 million for pension and OPEB. This totals to \$500 million in contributions from the City and its employees. The City's contributions have grown dramatically since the early 2000s and are expected to continue to grow.

*In 2016, the City improved Tier 2 benefits and closed retiree healthcare to new members. Additionally, the City established a Voluntary Employee Beneficiary Association (VEBA), a defined contribution plan for retiree healthcare expenses, which went into effect in 2018. The City also offers a Tier 3 defined contribution plan for new executive and professional employees that is managed by the Human Resources Department. See the Human Resources chapter for more information.

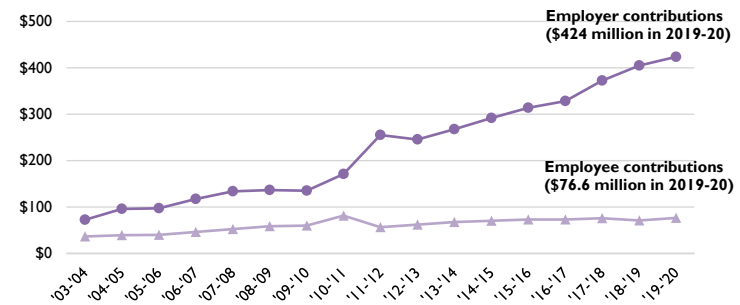
Federated Plan Membership



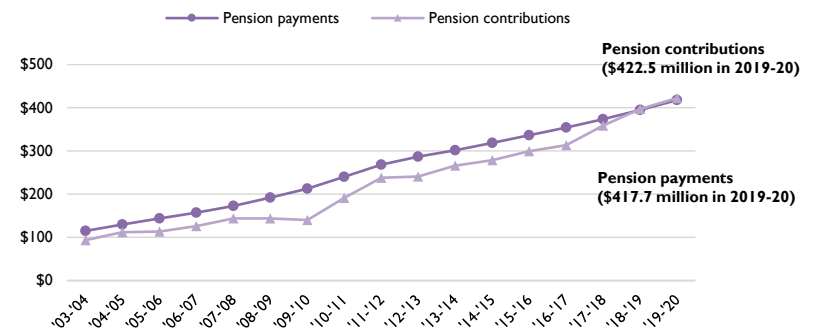
Police and Fire Plan Membership



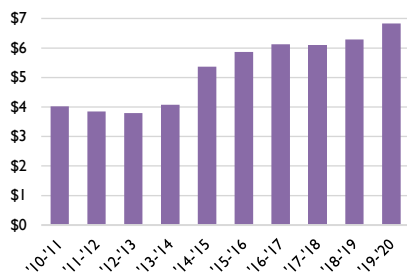
Total Annual Contributions for Pension and Retiree Health and Dental Benefits (\$millions)



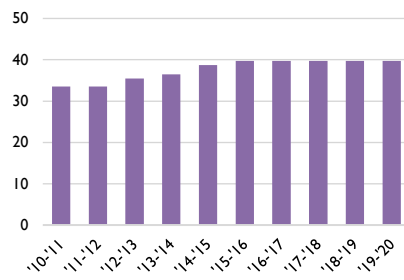
Pension Benefit Payments and Contributions (\$millions)



Retirement Services Personal Services Expenditures (\$millions)



Retirement Services Authorized Positions



Note: The Retirement Services chapter of the City's Operating Budget only includes personal services. Additional administrative expenses and investment expenses are included in the Federated City Employees Retirement System and the Police and Fire Department Retirement Plan Comprehensive Financial Reports.

Sources for above charts: Police and Fire Department Retirement Plan and Federated City Employees' Retirement System Comprehensive Annual Financial Reports

RETIREMENT SERVICES

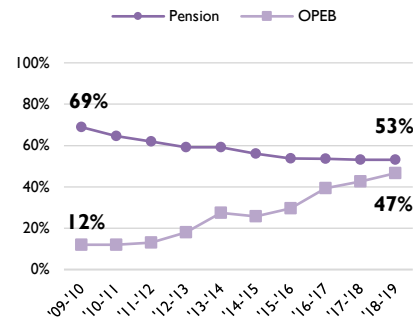
As of June 30, 2020, there were 6,821 retirees or beneficiaries of the plans, up from 5,319 ten years ago. Over that period, the ratio of active members (i.e., current employees contributing to the plans) to beneficiaries has declined to less than 1:1. In 1980, the ratio was nearly 5:1.

The pension and OPEB plans' total liabilities (including future pension payments) exceeded the values of their assets by \$2.5 billion for Federated and \$2 billion for Police and Fire respectively. These net liabilities totaled about \$251,000 per Federated member and about \$450,000 per Police and Fire member.

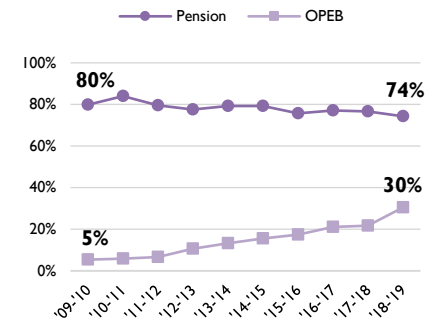
As of the June 30, 2019 actuarial valuations, the Federated and Police and Fire funded ratios (or percent of liabilities covered by plan assets) were 53 percent and 74 percent for the respective pension plans.

The City's Retirement Stakeholder Solutions Group (Group), comprised of representatives from a range of active and retired stakeholder groups, began meeting in November 2019. This group is working to develop a shared understanding of the issues facing the City's retirement systems and to develop a list of recommendations for City Council to consider. The Group is currently looking at options to reduce the City's structural deficits. One of the options under consideration is using pension obligation bonds, which are taxable bonds that fund the unfunded portion of pension liabilities by creating debt.

Federated Funded Status



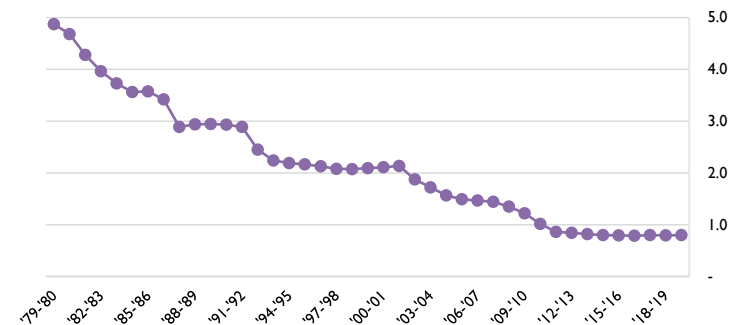
Police and Fire Funded Status



Sources: Federated City Employees' Retirement System and Police and Fire Department Retirement Plan Actuarial Valuations

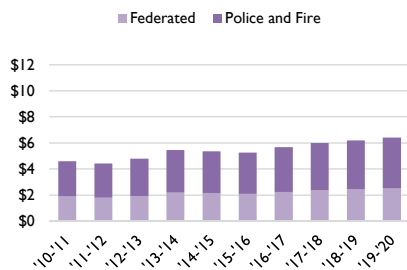
Note: Funded status calculated using the actuarial value of assets, which differs from the market value, as gains/losses are recognized over five years to minimize the effect of market volatility on contributions. As of 2016-17, OPEB funded status reflects changes to asset and liability calculations based on guidance from the Government Accounting Standards Board.

Ratio of Active Members to Retirees and Beneficiaries

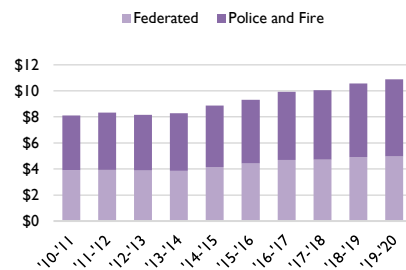


Source: Police and Fire Department Retirement Plan and Federated City Employees' Retirement System Comprehensive Financial Reports and Actuarial Valuations

Retirement Plan Net Assets (\$billions)



Retirement Plan Total Liabilities (\$billions)



Source: Police and Fire Department Retirement Plan and Federated City Employees' Retirement System Comprehensive Financial Reports and Actuarial Valuations

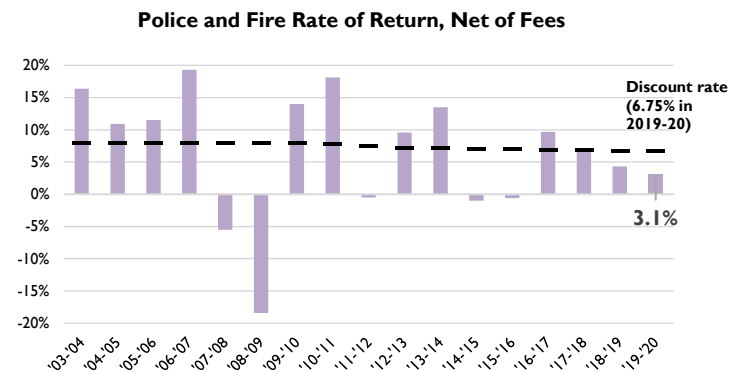
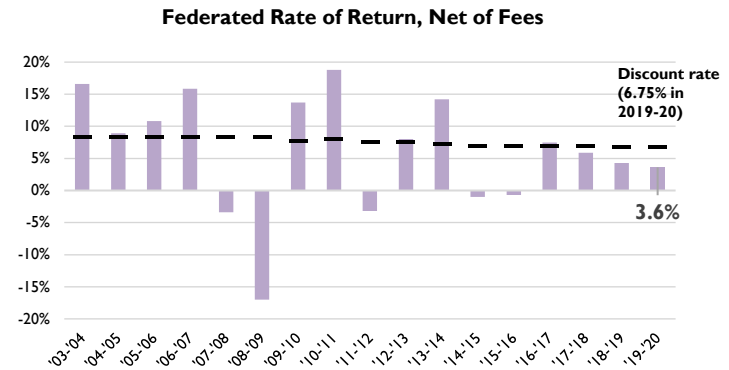
RETIREMENT SERVICES

The retirement plans' assets are distributed among various types of investments, according to each board's investment policies. As of June 30, 2020, both pension plans held the largest portions of their assets in public equities. The Federated public equity asset allocation was 49 percent in 2019-20, up from 30 percent in 2018-19. Similarly, the Police and Fire public equity asset allocation was 46 percent in 2019-20, up from 31 percent last year. The second largest portion of both pension plans were "alternatives," which are generally investments outside of traditional stocks, bonds, or cash.

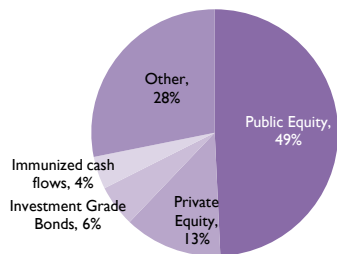
During 2019-20, the Federated pension plan had a net rate of return on pension plan assets of 3.6 percent, down from 4.3 percent last year. The Police and Fire pension plan had a net rate of return of 3.1 percent, down from 4.3 percent in 2018-19. In 2019-20, the assumed rate of return, or discount rate*, for both plans was 6.75 percent, consistent with last year.

Both the Federated and Police and Fire net returns were smaller than last year, but still positive. As a result of the positive investment returns, total plan assets increased from \$6.20 billion last year to \$6.42 billion on June 30, 2020.

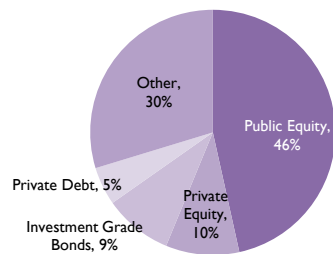
*The assumed rate of return, or discount rate, is the annual rate used to discount pensions expected to be paid in the future to current dollars. For pension plans, it is often based on average expected investment returns over a long time horizon.



Federated Pension Actual Asset Allocation



Police and Fire Pension Actual Asset Allocation



Source: Federated City Employees' Retirement System and Police and Fire Department Retirement Plan Comprehensive Annual Financial Reports. Note: Asset classes not in top four largest categories grouped in "other", such as other bonds, real estate, and cash. Percentages do not add up to 100 due to rounding.

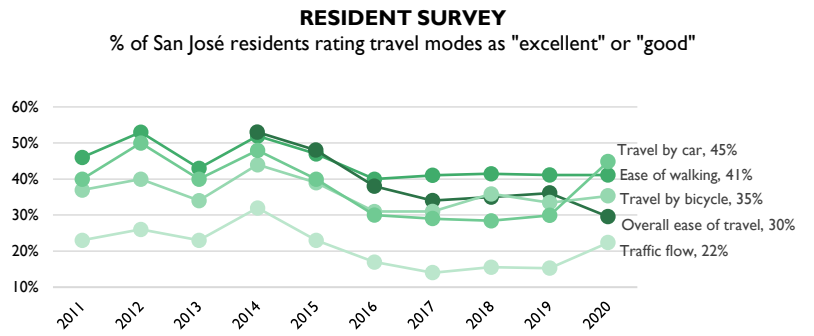
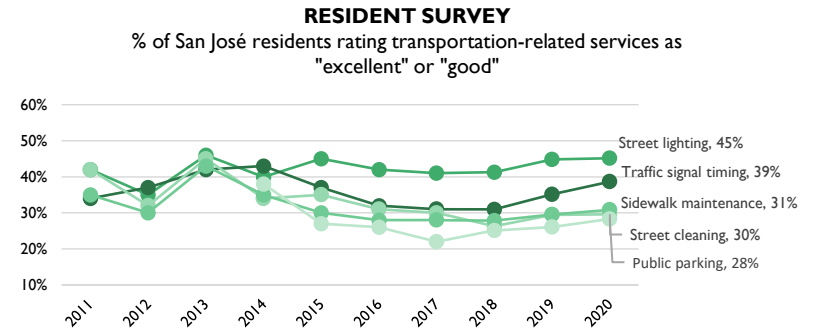
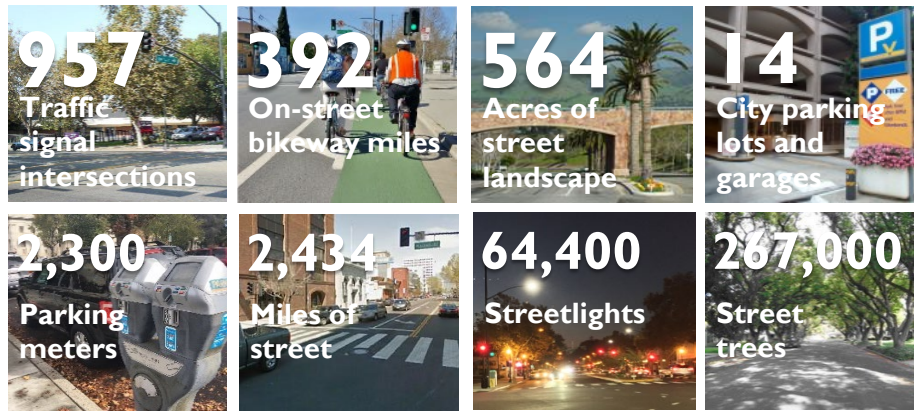
TRANSPORTATION

The mission of the Transportation Department is to plan, develop, operate, and maintain transportation facilities, services, and related systems which contribute to the livability and economic health of the City.

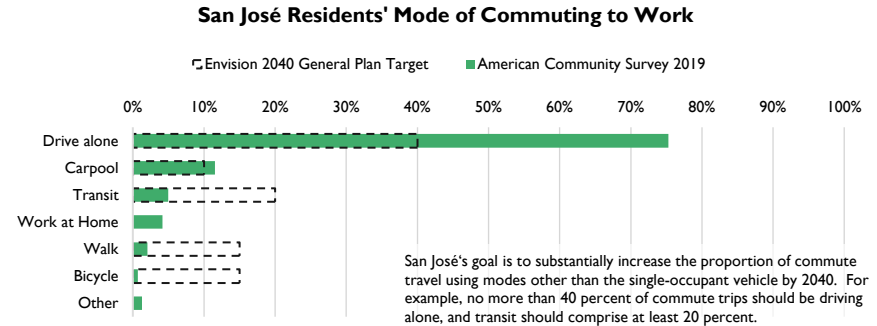
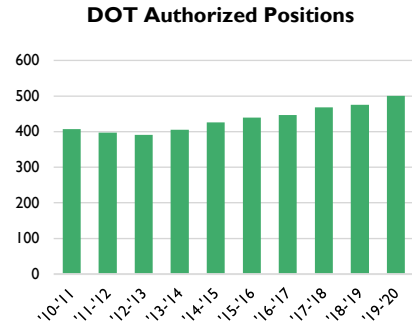
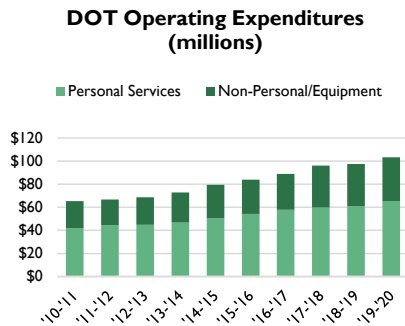
TRANSPORTATION

The Department of Transportation (DOT) has eight core service groups to: plan and develop transportation projects; optimize traffic flow and safety; maintain street pavement; maintain traffic signals, signs, markings, and streetlights; maintain street landscapes and street trees; clean and repair sanitary sewers; maintain storm sewers; and maintain public parking. Additional staff provide strategic support, such as budget and information technology services.

In 2019-20, DOT's operating expenditures totaled \$103.4 million, including personal and non-personal expenditures. In addition, DOT was responsible for other expenditures including \$104.1 million in capital-related expenditures and \$21.4 million in Citywide and other expenditures. The Department had 501 authorized positions; staffing was up (23 percent) compared to levels 10 years ago.



Note: For 2020, differences in ratings for the "overall ease of travel" measure may be at least partially attributable to changes in question wording and should be interpreted cautiously.



2019 American Community Survey, 1-year estimates, table B08006

Note: Mode of Commuting to Work values are from before the shelter in place order.

TRANSPORTATION SAFETY & OPERATIONS

Transportation Safety & Operations manages various traffic safety programs to facilitate safe and efficient travel within San José. In 2015, the City adopted [Vision Zero](#), a transportation safety initiative that recognizes traffic deaths as preventable and unacceptable, and prioritizes human life over mobility and high vehicle speeds. Under Vision Zero, the City’s goal is to reduce, and ultimately eliminate, traffic fatalities and severe injuries.

In 2019, there were 60 traffic fatalities, eight more than 2018. Forty-eight percent were pedestrians, and their median age was 58. Despite this increase, San José’s rate of fatal and injury crashes has remained well below the national rate, with 2019 resulting in a rate of 2.4 per 1,000 residents. In comparison, the national rate was 5.9 per 1,000 residents in 2018.

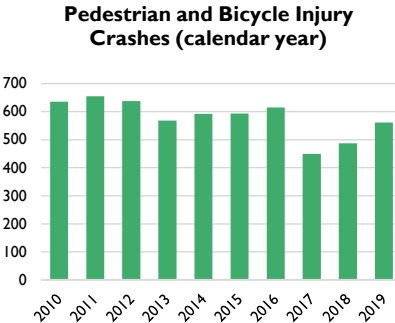
DOT installs traffic safety improvements, such as flashing beacons, median refuge islands, curb extensions, radar speed display signs, and edgelines/centerlines to enhance pedestrian crossings safety and/or reduce speeding on roadways. Additionally, over 1,200 traffic studies were evaluated citywide. Moreover, nearly 36,000 school children and over 2,000 seniors received traffic safety education in 2019-20, a reduction of 25 percent and 51 percent respectively from 2018-19 due to a pause in engagements because of COVID-19 restrictions.

TRANSPORTATION PLANNING & PROJECT DELIVERY

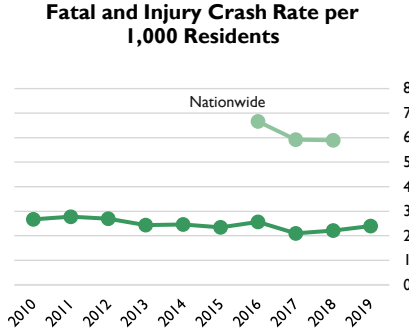
Planning & Project Delivery supports the development of San José’s transportation infrastructure. This includes coordinating transportation and land use planning studies, managing the Capital Improvement Program, and working with regional transportation agencies such as VTA, BART, and Caltrans.

In 2019-20, DOT budgeted \$343 million towards its traffic capital improvement program. Regional projects include freeway and transit infrastructure improvements; local projects include major street improvements, such as road resurfacing and bike lane installation.

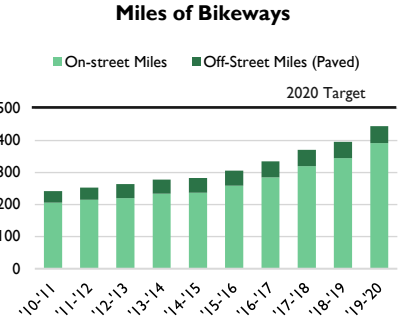
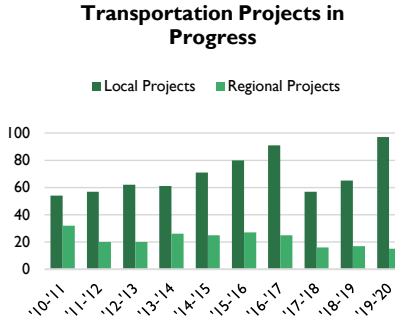
San José currently has 454 miles of bikeways, including 392 miles of on-street bicycle lanes and routes (installed by DOT) and 62 miles of trails (installed by Parks, Recreation and Neighborhood Services), of which about 86 percent have a paved surface. San José is around 90 percent of the way to its 2020 goal of 400 miles of on-street bikeways and 100 miles of off-street trails. DOT anticipates completing 400 miles of on-street bikeways in 2020-21 and has been developing its next plan, [Better Bike Plan 2025](#), which aims to create a 100-mile low-stress, connected network.



Note: This includes fatal crashes.



Source: National fatal and injury crash rate data comes from the National Highway Traffic Safety Administration (NHTSA) Traffic Safety Facts Report, 2020. Data prior to 2016 is not comparable due to different sample designs used by NHTSA, so only 2016-2018 years are shown.



- Example Local & Regional Transportation Projects (FY 2019-20)**
- Vision Zero Corridor
 - Bicycle Detection Phase I
 - ADA Accessibility Ramps
 - BART Phase II
 - Caltrain Electrification
 - 680 Sound Wall

TRANSPORTATION

STREET PAVEMENT MAINTENANCE

Pavement Maintenance is responsible for maintaining and repairing the 2,434 miles of city streets. In 2019, the city’s street pavement condition was rated a 66, or “fair,” on the Pavement Condition Index (PCI) scale by the Metropolitan Transportation Commission (MTC).* A “fair” rating means that streets are worn to the point where expensive repairs may be needed to prevent them from deteriorating rapidly. This is a three-year moving average.

DOT also annually assesses the conditions of the City's streets, and also rated the City's average street pavement condition a 66 in 2019.

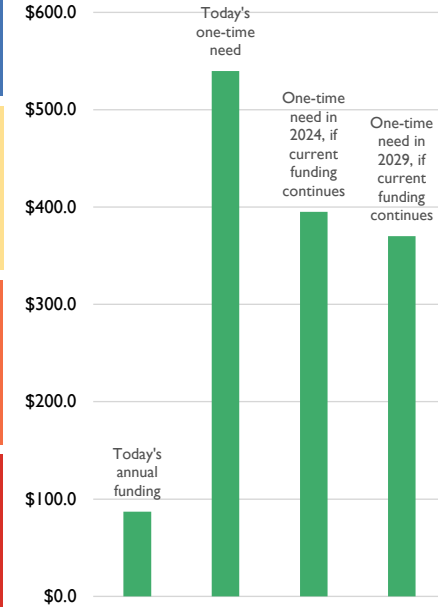
DOT estimates it needs \$539.7 million for deferred maintenance on poor and failed roads, which compares closely with last year’s levels (\$539.1 million) representing a stabilization of the backlog. Due to added funding from 2016 VTA Measure B that had been delayed due to a lawsuit, DOT was able to perform preventive maintenance on local and neighborhood streets in 2019 for the first time since 2011. Accounting for one-time and temporary funding sources, the 10-year average annual funding for pavement maintenance is estimated at \$87.1 million.

In 2019-20, 57 miles of street were resurfaced and 221 miles were preventively sealed. DOT has also continued to make safety-related corrective repairs, such as filling potholes and patching damaged areas. In 2019-20, DOT crews repaired over 8,300 potholes, 58 percent less than 2018-19. DOT credits this decrease to improvements in pavement conditions from completing large pavement projects and also to COVID-19 impacts. Staff only worked on reported potholes because of COVID-19 restrictions, and there were fewer reported potholes during the shelter in place.



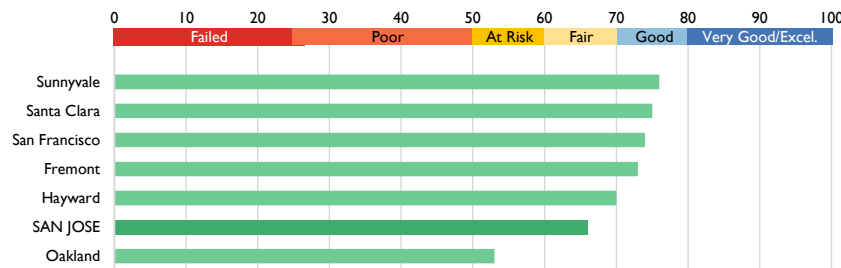
Photo source: Department of Transportation

Funding Needed to Fix Poor, Failed, and Overdue Roads (\$millions)



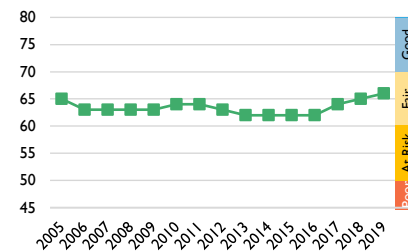
Source: Pavement Maintenance Conditions, Funding, and Program Delivery Strategy Report, 2020.

2019 Pavement Condition Index Selected Bay Area Comparisons*

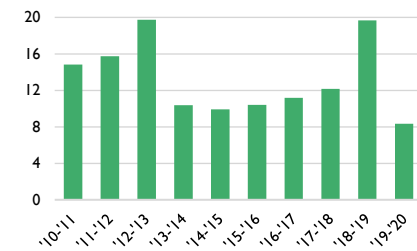


* 3-year moving average, calendar year basis. Source: Metropolitan Transportation Commission.

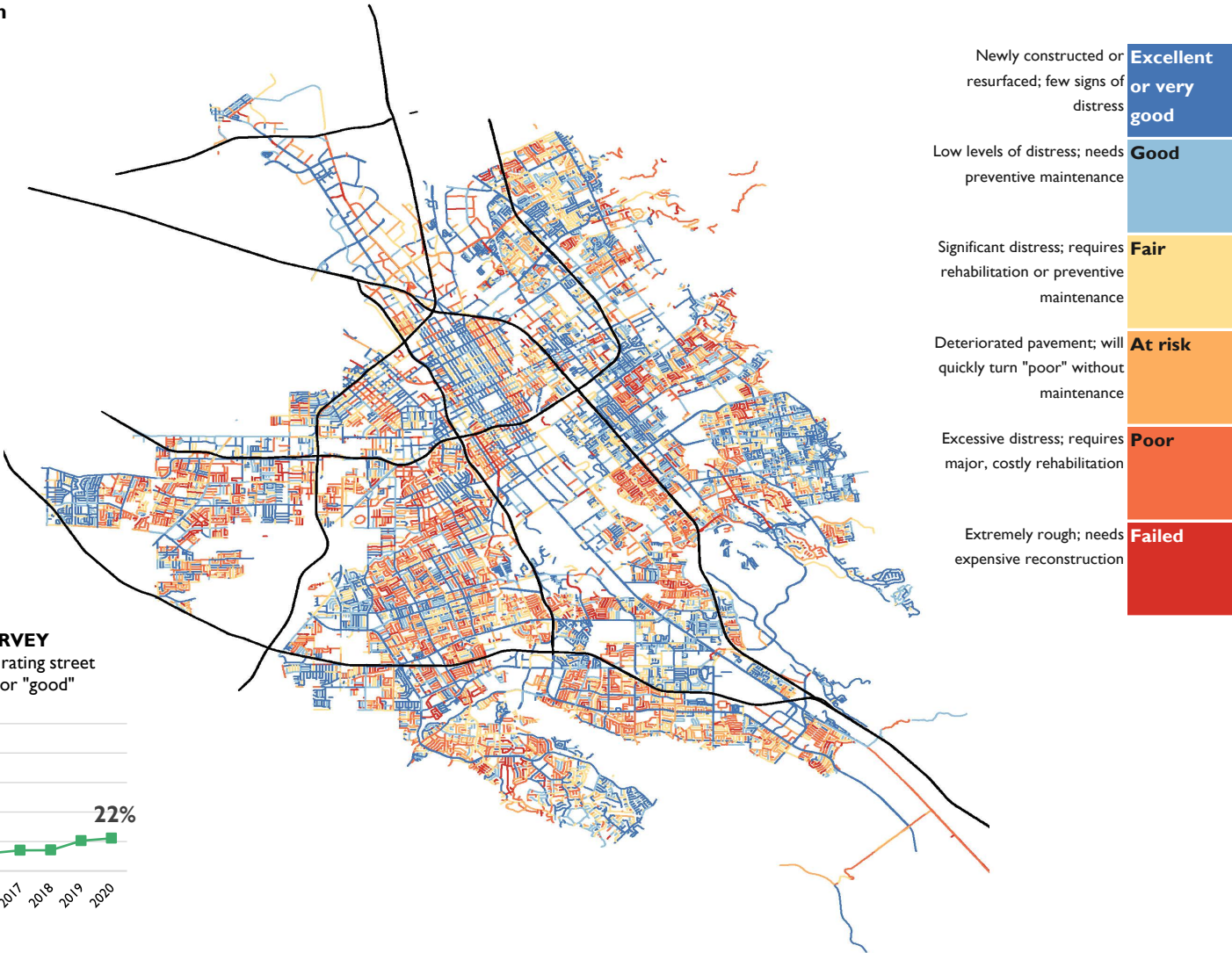
Pavement Condition Index San José*



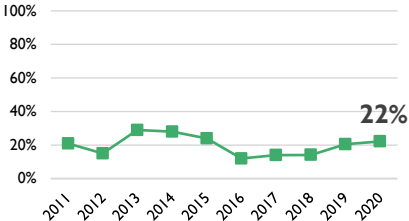
Number of Potholes Filled (thousands)



Map of Pavement Condition



RESIDENT SURVEY
% of San José residents rating street repair as "excellent" or "good"



Source: Department of Transportation StreetSaver data as of November 2020.

See the City's Pavement Condition Interactive Map [online!](#)

TRANSPORTATION

TRAFFIC MAINTENANCE

The Traffic Maintenance Division is responsible for maintaining the City's traffic signals, traffic signs, roadway markings, and streetlights. In 2019-20, DOT made almost 1,600 repairs to traffic signals. DOT responded to signal malfunctions within 30 minutes 23 percent of the time. DOT's target is 40 percent of traffic signal malfunctions responded to within 30 minutes.

DOT's response to traffic and street name sign service requests fell within established guidelines¹ 84 percent of the time in 2019-20, which fell below the prior year's rate of 100 percent and the target of 98 percent. DOT attributes this decrease to the impact of COVID-19 restrictions. Staff could only respond to emergency service request calls, which led to a longer response time for the other calls that were put on hold. Almost 4,000 signs were preventively maintained, a decrease by 28 percent due to COVID-19 restrictions that delayed the production, installation, and ordering of signs.

DOT crews completed roadway marking services within established priority guidelines² 97 percent of the time in 2019-20. Sixty-six percent of roadway markings met visibility and operational guidelines, surpassing the 64 percent target.

Ninety-eight percent of San José's estimated 64,400 streetlights³ were operational; 30 percent of reported malfunctions were repaired within seven days. DOT attributes the drop from the prior year's 49 percent to a more lengthy light fixture replacement process because of discontinued production of the necessary lamps; staff also had to temporarily pause operations due to COVID-19 restrictions. DOT repaired over 9,400 streetlights in 2019-20. As of 2019-20 the City has converted or installed about 32,400 LED streetlights, up from about 3,000 LED streetlights in 2013.

Traffic Signals

957 traffic signal intersections in San José

1,600 repairs and **550** preventive maintenance activities completed

23% of malfunctions responded to within 30 minutes (*Target: 40%*)

Traffic and Street Name Signs

122,000 traffic control and street name signs in San José (*estimate*)

810 repairs and **4,000** preventive maintenance activities completed

84% of sign repair requests completed within established guidelines¹ (*Target: 98%*)

80% of signs in good condition (*Target: 81%*)

1. 24 hours, 7 days, or 21 days—depending on the priority

Roadway Markings

5.7 million square feet of roadway markings

150 maintenance requests completed

97% of service requests completed within prioritized operational guidelines² (*Target: 100%*)

66% of markings met visibility and operational guidelines (*Target: 64%*)

2. 24 hours, 7 days, or 21 days—depending on the priority

Streetlights

64,400 streetlights³ in San José (*estimate*), including **32,400** LED streetlights

9,400 repairs completed

98% of streetlights in operational condition (*Target: 98%*)

3. includes other types of street lighting, not just streetlights

Number of Traffic Signal Maintenance Activities

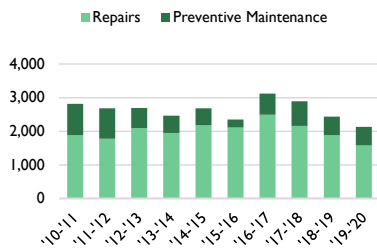


Photo source: Department of Transportation

Percent of Roadway Markings Meeting Visibility and Operational Guidelines

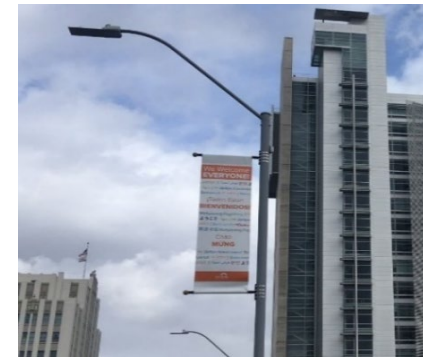
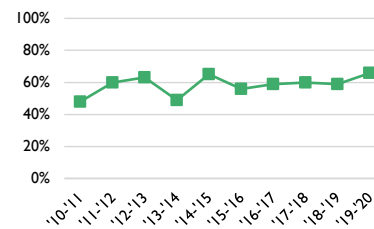


Photo source: Auditor

SANITARY SEWERS

DOT maintains more than 2,000 miles of sanitary sewers and 17 sewer pump stations. DOT is responsible for maintaining uninterrupted sewer flow to the San José-Santa Clara Regional Wastewater Facility. (The Facility is operated by the Environmental Services Department (ESD). For more information see the ESD chapter.)

DOT conducts proactive cleaning to reduce sanitary sewer stoppages and overflows. Almost 800 miles were cleaned in 2019-20, a reduction of 17 percent from the prior year due to COVID-19 social distancing requirements for crews, which impacted their capacity. Over 600 sewer repairs were completed. DOT responded to 31 sewer overflows in 2019-20, 11 less than last year. The number of main line stoppages that needed to be cleared was about 210 in 2019-20. DOT estimates 50 percent of sanitary sewer problems were responded to within 30 minutes.

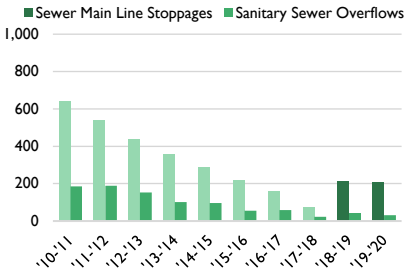
STORM DRAINAGE

DOT and ESD ensure that all of the City’s streets are swept of roadway particulate and debris that may collect in gutters. DOT’s street sweepers clean the downtown area, major streets, and bike routes; the City contracts residential street sweeping.

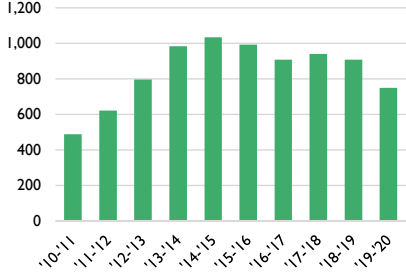
DOT annually cleans over 30,000 storm drain inlets so that rain and storm water runoff flow unimpeded through storm drains into the San Francisco Bay. Proactive cleaning of storm drain inlets prevents harmful pollutants, trash, and debris from entering the Bay and reduces the potential for blockages and flooding during heavy rains.

In 2019-20, DOT reports that there were five declared storm days and about 780 storm call responses. The number of stoppages and calls varies depending on the severity of rainfall. DOT also maintained 30 storm water pump stations and cleans wet-wells during summer months. A new pump station was put in service in 2020-21.

Sewer Stoppages and Overflows Cleared

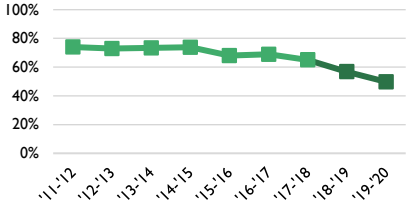


Sewer Miles Cleaned



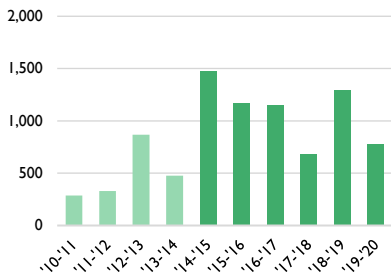
Note: DOT changed its methodology starting in 2018-19 to include both the preventive and reactive stoppages cleared. Before, DOT was only capturing reactive stoppages cleared in this measure.

Percentage of Sanitary Sewer Problems Responded to within 30 Minutes*



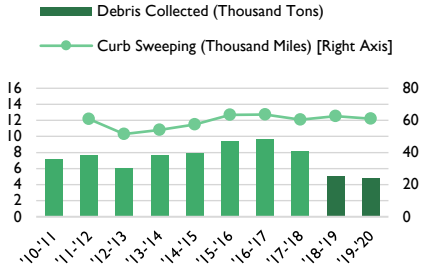
* DOT changed its methodology starting in 2018-19 to exclude work assignments without a start time. Due to incomplete data, 2017-18 data is an estimate based on a subset of work assignments.

Storm Calls



Note: Prior to 2014-15, storm calls counted only storm drain inlet stoppages.

Street Sweeping



Note: Previously, debris numbers were reported with the assumption that sweepers were 100 percent full. Starting in 2018-19, DOT based reporting on the approximate percent sweepers were full.

TRANSPORTATION

STREET LANDSCAPE MAINTENANCE

DOT's Landscape Services Division maintains median islands and undeveloped rights-of-way, and ensures the repair of sidewalks and the maintenance of street trees. For the past three years (2017-18 to 2019-20), the City Council allocated additional funding to increase the frequency of street landscape maintenance through contracted services as part of the [BeautifySJ](#) program. DOT maintenance staff continues to provide basic cleaning and maintenance activities. Through these combined efforts, the improvements in the overall condition of City landscapes stayed steady in 2019-20, with an estimated 86 percent of street landscapes in good condition.

San José has an estimated 267,000 street trees.* DOT responded to over 1,500 emergencies for street tree maintenance in 2019-20. The City and property owners completed more than 6,400 sidewalk repairs in 2019-20.

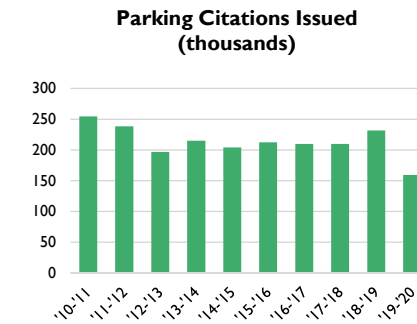
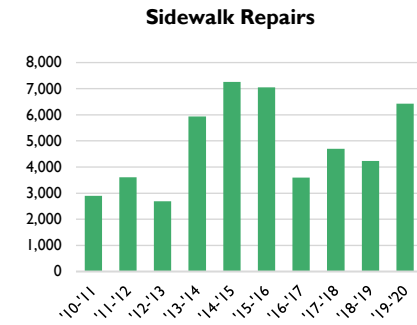
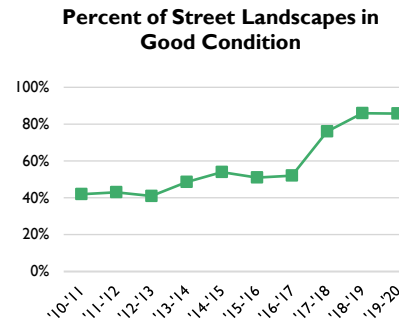
** Property owners are typically responsible for maintaining street trees and repairing adjacent sidewalks. The City maintains trees that are located within the arterial medians and roadside landscaped areas owned by the City. In July 2020, the City expanded its Tree Maintenance and Sidewalk Repair Financial Hardship Assistance Program to account for higher costs of living in the area and increase program accessibility.*

PARKING

Parking Services is responsible for managing on-street and off-street parking, implementing parking policies and regulations, and supporting street sweeping, construction, and maintenance activities. All parking services were suspended from March through the end of the fiscal year because of COVID-19. As a result, monthly parking was down 35 percent compared to the prior year with 68,500 monthly customers. Approximately 940,000 visitors used City parking facilities, down from the 1.7 million visitors in the prior year.

The Department issued over 159,000 parking citations in 2019-20. This was down from the over 231,000 issued in 2018-19 as parking citation issuance was suspended mid-March to June 2020 due to COVID-19. Parking Services is also responsible for investigating service requests to abate abandoned vehicles. In 2019-20, DOT responded to almost 53,600 service requests to abate abandoned vehicles. Vehicle abatement is a service that the City performs in accordance with state and local laws to remove vehicles from public streets that are inoperable, abandoned, or have been stored for long periods of time. Prior to the onset of the COVID-19 pandemic, the average time to complete a service request was 11 days. Except for critical actions, vehicle abatement activities were also suspended beginning mid-March to the end of the fiscal year.

For more information, see our August 2018 [Audit of Vehicle Abatement](#).



NOTES

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