

## CITY SERVICE AREA

### COMMUNITY AND ECONOMIC DEVELOPMENT



### MISSION

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

#### Primary Partners

Economic Development and Cultural Affairs

Fire

Housing

Planning, Building and Code Enforcement

Public Works

#### CSA OUTCOMES

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

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### SERVICE DELIVERY FRAMEWORK

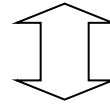
**CITY SERVICE AREA**  
A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**MISSION STATEMENT**  
Why the CSA exists

## Community & Economic Development CSA

*Mission:*

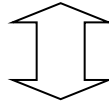
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**CSA OUTCOMES**  
The high-level results of service delivery sought by the CSA partners

*Outcomes:*

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



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

**CORE SERVICES**  
Primary deliverables of the organization

### City Manager - Office of Economic Development and Cultural Affairs

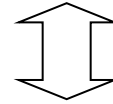
*Core Services:*

Arts and Cultural Development

Business Development and Economic Strategy

Real Estate Services

Regional Workforce Development



### Fire Department

*Core Services:*

Fire Safety Code Compliance

# CITY SERVICE AREA

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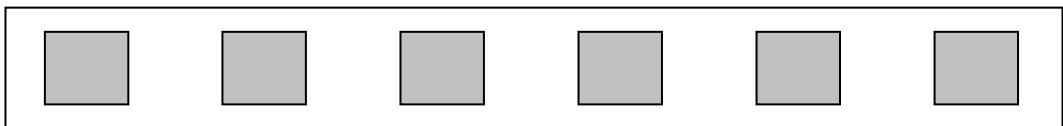
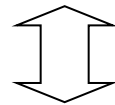
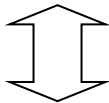
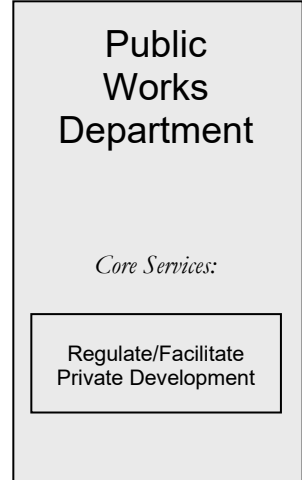
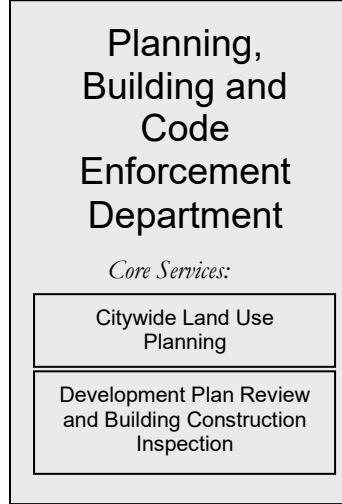
### SERVICE DELIVERY FRAMEWORK

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

**CORE SERVICES**  
Primary deliverables of the organization

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

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



# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### DASHBOARD



<sup>1</sup> The Customer Satisfaction Survey was not completed in 2020-2021 and 2021-2022. A request for proposal for a consultant was in progress in 2020-2021 but did not conclude in time for the consultant to complete a survey. It is anticipated that the performance measure data will be available for inclusion in the 2023-2024 Proposed Budget.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

#### Expected 2022-2023 Service Delivery

- The Office of Economic Development and Cultural Affairs (OEDCA) will preserve current staff and new staff to address the growing needs for economic and cultural development services, business communications, and economic and cultural policy support that will arise as the City continues to recover from the pandemic-induced recession. The OEDCA Business Development Unit will plan and launch new small-business support programs and services utilizing funding from the American Rescue Plan Act.
- The Housing Department will implement a spending plan for the \$65 million of Measure E funds consistent with the Council-approved spending priorities and monitor the over \$100 million in state and federal funds for COVID-19 related emergency shelter operations, homeless youth and family assistance, emergency interim housing, emergency hotel/motel vouchers, and the new Services Assistance Outreach and Resources (SOAR) program at encampments, as well as oversee the implementation of the Housing Plan for the relocation of the people living in Guadalupe Gardens.
- The Planning, Building, and Code Enforcement (PBCE) Department will commence implementation of the Council-approved Amended Diridon Station Area Plan and Downtown West Mixed-Use Development.
- Digitally transform the Development Services operations with an upgraded portal to allow customers to start their applications online, integrated electronic plan submission and review for the building permits, improve permit fee payment process, and provide additional self-administered permits on the public portal.

#### 2022-2023 Key Budget Actions

- Adds 1.0 Senior Executive Analyst position in OEDCA to support the Housing Catalyst Team to facilitate affordable housing development by guiding developers through the permitting process to start construction following entitlement, complementing the dedicated Planner position in PBCE for Affordable Housing funded through a grant from Destination: Home SV that oversees affordable housing entitlements.
- In OEDCA, adds 1.0 Senior Executive Analyst position and deletes 1.0 Supervising Accountant position to address the increasing workload and complexity of work2future's external funding sources, as well as adds 2.0 Analyst I/II positions and deletes 1.0 Economic Development Officer position to address the increased workload and complexity of work2future program administration, and to provide critical support to ensure compliance with federal and state regulations/standards.
- Adds \$40.0 million of one-time funding from the General Fund (\$21.5 million) and the American Rescue Plan Fund (\$18.5 million) to kick-start the development of additional Emergency Interim Housing sites and seed funding for their future operations and maintenance costs, with the goal of having 1,000 pandemic-era housing beds under development by the end of the calendar year.
- Adds 1.0 Development Officer position and 1.0 Senior Analyst position, funded by Measure E 5% Program Administration City-Wide Expenses appropriation, to provide financial and technical assistance for the development of new affordable housing for low-income households, and to additional support for human resources, budget monitoring and reporting.
- Realigns PBCE staff resources by adding 13.0 permanent positions and continuing 3.0 temporary positions through June 30, 2023 to maintain the department's ability to support critical functions such as Environmental Review of Private Development or Public Projects, Accessory Dwelling Unit (ADU) Ally Program, and various key service delivery expectations throughout the department.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

#### City Service Area Budget Summary\*\*

	2020-2021 Actuals **	2021-2022 Adopted	2022-2023 Forecast	2022-2023 Adopted
<b>Dollars by Core Service *</b>				
<i>City Manager - Office of Economic Development and Cultural Affairs</i>				
Strategic Support - Other - Community & Economic Development	3,978,146	2,476,970	458,155	17,213,056
Strategic Support - Community & Economic Development	20,912,892	29,185,576	3,158,081	12,603,581
Arts and Cultural Development	23,017,534	24,292,042	29,752,972	33,335,595
Business Development and Economic Strategy	4,797,932	7,030,369	6,958,117	8,329,337
Regional Workforce Development	7,298,672	13,059,746	12,239,334	12,448,861
Real Estate Services	2,971,493	2,893,332	2,909,886	2,914,886
<i>Fire Department</i>				
Fire Safety Code Compliance	8,210,027	7,715,562	7,923,020	8,118,957
Strategic Support - Other - Community & Economic Development	749,472	0	0	0
Strategic Support - Community & Economic Development	597,539	31,900	28,900	28,900
<i>Housing Department</i>				
Strategic Support - Other - Community & Economic Development	12,998,813	6,272,743	6,964,577	34,076,053
Strategic Support - Community & Economic Development	64,423,947	44,947,966	25,962,443	43,184,451
Rent Stabilization and Tenant Protection	2,197,313	3,633,783	3,214,854	3,214,854
Neighborhood Capital Investment and Public Services	18,264,735	59,228,630	29,022,937	39,052,511
Affordable Housing Portfolio Management	2,562,624	3,559,202	3,660,529	5,272,017
Homelessness Interventions and Solutions	27,052,079	33,802,844	50,899,743	77,676,368
Affordable Housing Production and Preservation	34,811,957	76,511,843	29,941,176	31,216,176
<i>Planning, Building and Code Enforcement Department</i>				
Strategic Support - Other - Community & Economic Development	8,012,124	6,990,173	7,397,841	9,953,664
Strategic Support - Community & Economic Development	3,395,959	2,447,797	2,348,456	2,665,537
Development Plan Review and Building Construction Inspection	34,716,822	36,329,416	37,648,643	39,289,367
Citywide Land Use Planning	6,176,318	8,055,331	6,508,440	8,901,908
<i>Public Works Department</i>				
Strategic Support - Other - Community & Economic Development	19,243	630,000	593,950	1,993,950
Strategic Support - Community & Economic Development	1,789	0	0	0
Regulate/Facilitate Private Development	17,139,900	17,893,320	18,537,619	17,143,064
<b>Total CSA</b>	<b>\$304,307,330</b>	<b>\$386,988,545</b>	<b>\$286,129,673</b>	<b>\$408,633,093</b>
<b>Authorized Positions</b>	<b>522.19</b>	<b>508.44</b>	<b>502.19</b>	<b>527.01</b>

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

\*\* The positions displayed in the 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget. 2020-2021 Actuals may not subtotal due to rounding.



# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

#### Service Delivery Accomplishments

- OEDCA maintained a multi-pronged small-business-support program to facilitate, inform, fund resources, and technical assistance, including the launch of an Economic Development Administration grant.
- OEDCA's Business Development team's small business support activities included conducting 15 business walks, making contact with roughly 300 businesses, and hosting 10 webinars which reached at least 473 attendees on a variety of subjects including access to capital, crime prevention, and preventing eviction. In addition, the team conducted 276 business meetings, including 64 permit facilitations and 212 engagements focused on business retention, expansion or attraction.
- Delivered a multi-pronged cultural development recovery strategy through the OEDCA's Office of Cultural Affairs' suite of programs and services including: 107 arts and culture grants; coordination of 99 outdoor special events over 366 event days; production of CityDance; Cornerstone of the Arts, Make Music San Jose, and #WeCreate408 virtual festival; public art, artist support, capacity building and trainings for the arts sector, and stewardship of City-owned cultural facilities.
- OEDCA's work2future, in partnership with Facebook, supported 30 at-risk, older youth in securing digital marketing training and paid work experiences opportunities with a small business or arts and culture nonprofit organization. Most of the small businesses were located in low resource census tracts.
- The Housing and Public Works Department initiated construction of a new Emergency Interim Housing site near the San José Police Department headquarters, operated temporary shelters in response to COVID-19, and expanded rental assistance programs. A Notice of Funding Availability for \$150 million for development of affordable housing was issued by the Housing Department in December 2021, with nearly half of these funds supplied by Measure E revenues. After receiving a strong response from developers, staff is recommending moving forward with awards for 11 developments totaling 1,288 new affordable housing units in May 2022 that are anticipated to be brought forward to the City Council for formal funding commitments over the next year.
- The Development Review team processed over 300 applications with 100 land use entitlements for residential, commercial, industrial, and mixed-use projects. The Citywide Planning team completed the Berryessa BART and the North First Street Urban Village planning process, the Four-Year Review of General Plan process, and the process to establish Mixed Use and Urban Village zoning districts and an urgency ordinance to implement SB 9.
- Successful digital improvements to the customer experience and staff processes including: 1) launched minor kitchen and bathroom permits to be self-administered online, 2) implemented new online rapid intake process, 3) deployed new Planning permit type on SJePlans review platform, and 4) expanded online appointment scheduling and virtual meetings to Fire Prevention, Public Works, Planning and Finance.

#### Service Delivery Environment

- Workforce Development: work2future will provide a wide range of training and employment services to youth and adults, primarily located in low resource census tracts, and will outreach to the community through the Mayor and Council offices, libraries, community centers, non-profits, community colleges, and adult education centers. The focus of these training and employment services will support work2future clients in securing jobs with high wages, high growth demand occupations related to information technology, advanced manufacturing, health care, and business and finance. In addition, work2future has recently moved to the East Side on Las Plumas Avenue where it is offering an array of work readiness and entrepreneurship workshops, job counseling, trainings, and job fairs.

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## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

#### Service Delivery Environment

- Rental Market: San José rents are on the rise again, climbing beyond pre-pandemic levels. Market rents in San José continue to remain among the highest in the nation and unaffordable to lower-income residents. According to CoStar, rents in San Jose stand at \$2,471 for a one-bedroom apartment and \$3,043 for a two-bedroom in the second quarter of 2022, representing an 11.7% increase over the prior year. Class A apartments have higher vacancy rates (6.8%) than the overall market whose vacancy stands at 3.9% in the second quarter of 2022. Assuming that no more than 30% of income is spent on housing costs, a household would need to earn \$98,840 annually to afford a one-bedroom apartment and \$121,720 to afford a two-bedroom apartment in San José.
- Housing Affordability: San José's for-sale market remains strong but has been affected by high interest rates. According to the Santa Clara County Association of Realtors, the median sales price of a single-family home in San José as of July 2022 was \$1,562,500, an increase of 5.6% year over year. Home prices have dropped 9.6% from Q1 2022. Assuming buyers spend a reasonable 30% of their income on housing costs, a household would need to earn an income of \$341,814 to afford a median-priced single-family home in San José. As of the second quarter 2022, only 11% of San José's households could afford to buy a median-priced home, compared to the national average rate of 43%.
- Business Development: Businesses struggled with the economic side-effects of the pandemic, including a labor shortage, supply chain issues, and inflation. At the same time, consumer spending recovered much of its momentum during the fiscal year, though some sectors (such as hospitality and restaurants) still lagged behind. Major federal sources of emergency funding relief ended, creating a vacuum for those businesses that are still in need of financial assistance. While the office sector experienced lackluster occupancy, rental rates stabilized, and the industrial sector continued to experience strong demand.

#### CSA Priorities/Key Services

- Complete significant housing policy initiatives including the 2023-2031 Housing Element, the Assessment of Fair Housing Plan, the Affordable Housing Siting Policy, the Housing Emergency Annex Plan, the Moderate-Income Housing Strategy, and begin the Diridon Affordable Housing Implementation Plan.
- Continue to provide high quality land-use development and permitting services for all customers.
- Ensure that the City speaks with "one voice" on development issues while improving the speed, consistency, and predictability of the development review process.
- Support art organizations and artists and their resiliency and sustainability.
- Engage and assist businesses that can create jobs and expand the City's tax base, with a focus on small businesses recovery and resiliency, anchor employers, and revenue-generators. Facilitate development projects that can generate property tax and sales tax revenue.
- Continue to provide timely real estate transaction services in support of all City Departments and manage the City's real estate assets with a focus on revenue generation and cost minimization.



# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

#### Development Services Budget Summary

	Revenue	Cost	% Cost Recovery*	Positions	Ending Fund Balance/Works-in-Progress Funding**
<b>2021-2022 Modified</b>					
Building	\$ 34,178,325	\$ 39,112,638	87.4%	158.16	\$ 27,944,610
Fire	7,536,534	9,826,413	76.7%	37.49	3,288,621
Planning	7,707,655	7,729,690	99.7%	34.40	3,381,080
Public Works	13,000,000	15,250,674	85.2%	66.23	4,967,853
<b>Total</b>	<b>\$ 62,422,514</b>	<b>\$ 71,919,415</b>	<b>86.8%</b>	<b>296.28</b>	<b>\$ 39,582,164</b>
<b>2022-2023 Adopted</b>					
Building	\$ 33,626,338	\$ 43,124,874	78.0%	165.48	\$ 21,610,509
Fire	7,817,700	10,174,954	76.8%	37.60	465,651
Planning	8,310,858	8,240,412	100.9%	38.44	4,115,923
Public Works	13,750,000	15,116,102	91.0%	67.10	4,701,216
<b>Total</b>	<b>\$ 63,504,896</b>	<b>\$ 76,656,342</b>	<b>82.8%</b>	<b>308.62</b>	<b>\$ 30,893,299</b>

\* In 2021-2022 and in 2022-2023, all programs reach 100% cost recovery once the use of Ending Fund Balance/ Works-in-Progress funding are incorporated.

\*\* The Ending Fund Balance/Works-in-Progress Funding for 2022-2023 are the estimated levels and will be trued up once 2021-2022 revenues and expenditures are reconciled and 2021-2022 balancing actions are included.

Development Services is a \$76.7 million business for the City of San José, providing integrated technical plan review and inspection services across Planning, Building, Public Works, and Fire (Development Services Partners). Businesses, homeowners, and other customers use Development Services when remodeling, building new structures, or making other investments to their properties. These investments bring tax revenue, jobs, and other direct benefits to the City. Development Services are provided in an efficient, thorough, and quality-driven manner. While each partner’s budget is discussed within their Department section, all partners are committed to working closely together to provide “one voice” to Development Services customers.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

#### Budget Dollars at Work: Performance Goals

#### OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2020-2021 Actuals	2021-2022 Target	2021-2022 Estimate	2022-2023 Target	5-Year Goal
Facilitate Major Corporate Development	1. Estimated jobs generated/retained by companies that received OEDCA assistance by:					
	Type of Company:					
	- Industrial	2,646	3,000	3,486	3,000	4,000
	- Commercial/Retail	2,764	500	534	1,000	1,500
	Type of Job:					
- New	2,309	1,000	3,088	2,500	2,000	
- Retained	3,101	2,500	932	1,500	3,500	
Stimulate Revenue for City Services	1. Economic Impact of Convention Center (attendance by visitor type)					
	- Local/Social <sup>1</sup>	0	268,187	503,010	500,000	2,496,688
	- Out of Town <sup>1</sup>	0	9,973	18,166	28,000	129,948
	- Exhibitors <sup>1</sup>	0	2,504	3,572	3,900	18,100
	2. Estimated increases in sales and business taxes from attracted or expanding businesses which previously received assistance from the City (excludes property and utility taxes):					
	- Taxes from new companies	\$1.5M	\$1.0M	\$1.1M	\$1.0M	\$2.0M
	- Taxes from retained companies	\$2.0M	\$2.0M	\$0.8M	\$2.0M	\$2.0M
<b>Total</b>	<b>\$3.5M</b>	<b>\$3.0M</b>	<b>\$1.9M</b>	<b>\$3.0M</b>	<b>\$4.0M</b>	

<sup>1</sup> Attendance was impacted as a result of the COVID-19 pandemic, and the 2022-2023 Target assumes the continued impact.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

#### Budget Dollars at Work: Performance Goals

#### OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2020-2021 Actual	2021-2022 Target	2021-2022 Estimate	2022-2023 Target	5-Year Goal
Retain Industrial Jobs, Suppliers and Industrial Land Uses	1. Jobs gained/(lost) in areas with "heavy" and "light" Industrial General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	0 jobs (0 acres)	0 jobs <sup>1</sup> (0 acres)	0 jobs (0 acres)	0 jobs (0 acres)
	2. Jobs gained/(lost) in areas with "Industrial Park" and "Campus Industrial," and other R&D General Plan land designation (acres converted in parenthesis)	0 jobs (0 acres)	0 jobs (0 acres)	0 jobs (-1,251 acres) <sup>2</sup>	0 jobs (0 acres)	0 jobs (0 acres)
	3. Estimated ratio of San José jobs to employed residents	0.81	0.84	0.81	0.85	1.00
Facilitate Small Business Expansion	1. # of Business Owner Space participants receiving assistance, access to capital, technical or human resources support or information	13,600	13,000	10,100 <sup>3</sup>	13,000	12,000
Be Active Partner in Developing a Skilled Workforce	1. Number of work2future clients receiving discrete services (counseling, job placement, and occupational training)	1,144	1,150	950 <sup>4</sup>	950	N/A <sup>5</sup>
	- Adults	564	450	550	450	N/A <sup>5</sup>
	- Dislocated Workers	328	300	300	300	N/A <sup>5</sup>
	- Youth	252	200	100	200	N/A <sup>5</sup>
	2. Estimated % of clients placed in jobs					N/A <sup>5</sup>
	- Adults	68.7%	62.0%	62.0%	TBD <sup>6</sup>	N/A <sup>5</sup>
	(% of target met)	(110.9%)	(100%)	(100%)	TBD <sup>6</sup>	
	- Dislocated Workers	70.3%	65%	65%	TBD <sup>6</sup>	N/A <sup>5</sup>
	(% of target met)	(108.1%)	(100%)	(100%)	TBD <sup>6</sup>	
	- Youth	67.1%	67.5%	67.51%	TBD <sup>6</sup>	N/A <sup>5</sup>
(% of target met)	(100.0%)	(100%)	(100%)	TBD <sup>6</sup>		
3. Estimated % of clients employed 12 months after initial placement					N/A <sup>5</sup>	
- Adults	64.1%	61%	61%	TBD <sup>6</sup>	N/A <sup>5</sup>	
(% of target met)	(105.1%)	(100%)	(100%)	TBD <sup>6</sup>	N/A <sup>5</sup>	
- Dislocated Workers	65.2%	67%	67%	TBD <sup>6</sup>	N/A <sup>5</sup>	
(% of target met)	(97.3%)	(100%)	(100%)	TBD <sup>6</sup>	N/A <sup>5</sup>	

<sup>1</sup> No heavy or light industrial land was converted, consistent with the General Plan's goals and policies to preserve industrial land or planned to be converted. No industrial land was added in this reporting period either.

<sup>2</sup> As part of the Four-Year Review of the General Plan, the City Council approved changing the land use designation of North Coyote Valley from Industrial Park to Agriculture or Open Space. This change resulted in the removal of 1,251 acres of employment land from the General Plan. There was no development and jobs on this land and therefore no actual jobs were lost through this conversion. The capacity of 35,000 jobs that had existed in North Coyote Valley was moved to Downtown/Diridon as part of the approval of the Diridon Station Area Plan and the Downtown West project.

<sup>3</sup> The decline in 2021-2022 partly reflects a shift away from pandemic-era grant-related technical support (such as PPP, EIDL, etc.), which boosted 2020-2021.

<sup>4</sup> The number of clients served does not include the clients served with the American Rescue Plan (ARP) Fund and the San Jose Works Program.

<sup>5</sup> There is no 5-Year Goal for this measure. The goal is set by the Employment Development Department yearly.

<sup>6</sup> Goals set annually by the State of California, with numbers available by Fall 2022.

# CITY SERVICE AREA

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#### Budget Dollars at Work: Performance Goals

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

Strategic Goals	CSA Performance Measures	2020-2021 Actual	2021-2022 Target	2021-2022 Estimate	2022-2023 Target	5-Year Goal	
Quality Living and Working Environment	1. % of residents surveyed who rate the quality of architecture and landscaping design/maintenance in new development in their neighborhood as good or better	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	70%	
Increase the City's Housing Unit Capacity	1. # of dwelling units added to the General Plan holding capacity annually	0 <sup>2</sup>	0 <sup>2</sup>	0 <sup>2</sup>	0 <sup>2</sup>	0 <sup>2</sup>	
	2. San José housing production compared to regional fair share number target (in parenthesis)	1,954 units (4,385)	1,900 units (4,385)	1,700 units (4,385)	1,900 units (4,385)	11,400 units (21,925)	
	3. % of units receiving development permit approval compared to target (actuals in parenthesis)	45% (1,975 units)	43% (1,900 units)	26% (1,150 units)	43% (1,900 units)	52% (11,400 units)	
Provide Seamless and Effective Development Review Including Implementation of Environmental Regulations, in a Customer Friendly Fashion	1. % of projects receiving consistent feedback from staff throughout the course of the project review:	- Planning Permit Plan Review	N/A <sup>6</sup>	85%	N/A <sup>6</sup>	80%	80%
		- Public Works Permit Plan Review	N/A <sup>6</sup>	79%	N/A <sup>6</sup>	79%	85%
		- Building Permit Plan Check	N/A <sup>6</sup>	80%	N/A <sup>6</sup>	80%	85%
		- Fire Permit Plan Check	N/A <sup>6</sup>	84%	N/A <sup>6</sup>	84%	90%
	2. Ratio of current year fee revenue to fee program cost (includes use of reserves)	3. Development projects completed within processing time targets:	100%	100%	100%	100%	100%
		- Entitlement Process	62%	85%	66%	85%	85%
		- Construction Process:					
		- Plan Check	70% <sup>3</sup>	88%	71% <sup>3</sup>	85%	88%
		- Inspections in 24 hours	67% <sup>3</sup>	85%	64% <sup>3</sup>	70%	85%
		- Inspections in 48 hours	71% <sup>3</sup>	95%	67% <sup>3</sup>	90%	95%
	4. % of development services walk-in customers served in less than 30 minutes (wait time)		N/A	80%	78%	80%	80%
		5. % of customers surveyed rating service as good or better					
		- Discretionary <sup>4</sup>	N/A <sup>6</sup>	75%	N/A <sup>6</sup>	75%	80%
	- Ministerial <sup>5</sup>	N/A <sup>6</sup>	80%	N/A <sup>6</sup>	80%	80%	
6. % of customers surveyed who indicate the City has improved customer service in the past 12 months							
	- Discretionary <sup>4</sup>	N/A <sup>6</sup>	70%	N/A <sup>6</sup>	70%	80%	
	- Ministerial <sup>5</sup>	N/A <sup>6</sup>	80%	N/A <sup>6</sup>	80%	80%	

<sup>1</sup> Staffing vacancies have reduced capacity for soliciting feedback on new development projects.

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

<sup>3</sup> The Expedited Plan Review team have not been operating in person and have seen decreased efficiency in 2020-2021 and 2021-2022 due to plans needing to be routed to the 2<sup>nd</sup> floor Plan Review team instead of on-the-spot expedited review. The 2020-2021 Inspection targets were met because there was a lower volume of inspections which resulted in faster completion times. The lower volume of inspections was due to the impacts of the COVID-19 pandemic protocols coupled with supply chain issues that affected construction sites. Many were left waiting for materials to arrive and others reduced their inspection days.

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

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

<sup>6</sup> A Request for Proposal for a consultant for the Development Survey was in progress in 2020-2021 but did not conclude in time for the consultant to complete a survey. It is anticipated that the performance measure data will be available for inclusion in the 2023-2024 Proposed Budget.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### OVERVIEW

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

5 Year Strategic Goals	CSA Performance Measures	2020-2021 Actual	2021-2022 Target	2021-2022 Estimate	2022-2023 Target	5-Year Goal
Increase the Supply of Affordable Housing	1. % of target achieved for completion of affordable housing (housing units)	77% (216)	100% (301)	77% (216)	100% (211)	15% (1,500)
	2. % of City's 10,000 unit affordable target with funding commitment (pending construction)	3% (275)	6% (553)	3% (275)	64% (1,288)	20% (2,000)
	3. % of City's 10,000 unit affordable target under construction	4% (433)	3% (256)	4% (433)	14% (275)	20% (2,000)
	4. % of City's 10,000 unit affordable target completed	2% (216)	3% (301)	2% (216)	14% (211)	15% (1,500)
Direct Significant Affordable Housing Resources to Lower-Income Households	1. % of Housing Department funds reserved by income levels over 5 years <sup>1</sup> :					
	- Extremely Low (<=30% of median)	39%	45%	39%	45%	45%
	- Very Low (31-50% of median)	33%	N/A% <sup>2</sup>	33%	N/A% <sup>2</sup>	N/A% <sup>2</sup>
	- Low (51-80% of median)	28%	N/A% <sup>2</sup>	28%	N/A% <sup>2</sup>	N/A% <sup>2</sup>
	- Moderate (81-120% of median)	0%	N/A% <sup>2</sup>	0% <sup>2</sup>	N/A% <sup>2</sup>	N/A% <sup>2</sup>

<sup>1</sup> On September 24, 2019, the City Council approved a new policy stating that 45% of all Housing funds be spent on extremely low-income households. This measure reflects this updated policy, which focuses on a goal for one income category.

<sup>2</sup> This measure was expanded in 2021-2022 to include additional income levels. Targets for 2022-2023 and 5-year Goals have not yet been established for all of the income levels as those reflect the estimated allocations as of FY22, and projects are still being determined.

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

5 Year Strategic Goals	CSA Performance Measures	2020-2021 Actual	2021-2022 Target	2021-2022 Estimate	2022-2023 Target	5-Year Goal
Provide a diverse range of arts and cultural offerings for residents and visitors	1. % of residents rating the availability of a diverse range of quality arts and cultural activities in their local neighborhood City as good or excellent	29% <sup>1</sup>	50%	34%	34%	40%
Encourage a full range of outdoor special events that serve diverse communities and visitors	1. % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	30% <sup>2</sup>	40%	N/A <sup>3</sup>	35%	40%

<sup>1</sup> This question on the survey was recently revised to ask for a rating on the quality of arts and cultural activities in people's neighborhoods, rather than the City in general.

<sup>2</sup> The number of events were affected by COVID-19 State mandates on outdoor events.

<sup>3</sup> Data for this measure is collected through the annual City-Wide Community Survey. The survey is issued late summer, which is after the publication of the budget document; data will not be available in time. However, 2021-2022 community survey data will be reported as part of the City Auditor's Annual Report on City Services for 2021-2022 and as 2021-2022 Actuals in the 2023-2024 Proposed Budget. The next community survey will be conducted in late summer 2022.

**CITY SERVICE AREA**  
**COMMUNITY AND ECONOMIC CHANGES**

**ADOPTED BUDGET CHANGES**

<b>Adopted Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>CITY MANAGER - OFFICE OF ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS</b>			
• East San José Small Business Corridor Support Manager	1.00	172,727	172,727
• Housing Catalyst Team Staffing (Affordable Housing Navigator)	1.00	143,937	0
• work2future Analytical Support Staffing	1.00	96,720	0
• Cinequest		75,000	75,000
• Latina Coalition Economic Advancement Program		75,000	75,000
• City Lights Theater Company		50,000	50,000
• work2future Fiscal Management Staffing	0.00	37,807	0
• History San José		30,000	30,000
• Sister Cities International and Mayors' Community Summit		15,000	15,000
• Calle Willow Banner Replacement		7,000	7,000
<i>Subtotal</i>	3.00	703,191	424,727
<b>FIRE</b>			
• Employee Services Workforce Enhancement Staffing	0.08	21,119	0
<i>Subtotal</i>	0.08	21,119	0
<b>HOUSING</b>			
• Grants Management Staffing	5.00	746,911	0
• Underwriting and Financial Consulting for Affordable Housing Project		250,000	0
• Property Management Team Staffing	2.00	227,802	0
• Homeless Response Team and BeautifySJ Coordination Staffing	1.00	207,439	0
• Housing Preservation and Production Staffing	1.00	207,439	0
• Policy and Planning Studies Consulting Services		195,000	0
• Commercial Linkage Fee Staffing	1.00	130,325	0
• Good Karma Bikes		50,000	50,000
• West Valley Community Services		50,000	0
• Measure E - 5% Program Administration	3.00	0	0
• Emergency Housing - Emergency Housing Construction and Operation	0.00	(281,872)	0
• Rebudgets		830,000	5,000
<i>Subtotal</i>	13.00	2,613,044	55,000
<b>PLANNING, BUILDING AND CODE ENFORCEMENT</b>			
• Permit Center Staffing	5.00	630,626	0
• Coyote Valley Monterey Corridor Study		575,000	575,000
• Housing and Environmental Services Project Staffing	3.00	517,029	0
• Expedited Housing Development		400,000	0
• Urban Village Planning		400,000	0
• Accessory Dwelling Unit (ADU) Ally Program Staffing	2.00	312,150	312,150
• Planning Relations Coordinator	1.00	213,000	0
• Racial Equity Staffing	1.00	180,000	180,000
• Planning Development Fee Program CEQA Review Staffing	1.00	140,192	0
• Building Permit Technology Improvements		137,000	0
• Planning Intake Staffing	1.00	100,956	0
• Building Code and Reference Updates (2022 California Building Code)		100,000	0
• Fiscal Oversight Staffing	0.87	81,120	14,729
• Administrative Services Staffing	0.87	71,647	12,986
• Alviso Historic Survey Grant		70,000	70,000
• Destination: Home Silicon Valley Staffing	1.00	0	0
• Citywide Planning Staffing	0.00	(2,956)	0
• Rebudgets		362,100	193,000
<i>Subtotal</i>	16.74	4,287,864	1,357,865



**CITY SERVICE AREA**  
**COMMUNITY AND ECONOMIC CHANGES**

**ADOPTED BUDGET CHANGES**

**PUBLIC WORKS**

• Public Works Department Staffing Plan - Capital Improvement Program	(8.00)	(1,394,555)	0
<i>Subtotal</i>	(8.00)	(1,394,555)	0
<b><i>Subtotal Departments</i></b>	<b>24.82</b>	<b>6,230,663</b>	<b>1,837,592</b>

**CITY-WIDE EXPENSES**

• 4th of July Celebration	270,000	270,000
• Art and Mural Beautification	250,000	250,000
• Billy DeFrank Center Mural	3,000	3,000
• CaliforniansForAll Youth Workforce Program - Administration	75,973	75,973
• Cannabis Equity Assistance Program	667,091	667,091
• Cannabis Equity Program	500,000	500,000
• Cesar Chavez Home	500,000	500,000
• Children's Discovery Museum	175,500	175,500
• City of San José Disparity Study	(50,000)	(50,000)
• CreaTV - Business and Entertainment Districts	21,000	21,000
• CreaTV - Hybrid Event Space	100,000	100,000
• Destination: Home SV Grant	178,820	178,820
• Diridon Station Area Development Planning	6,210,781	6,210,781
• Donor Wall	150,000	150,000
• Downtown Pedestrian Quality of Life	100,000	100,000
• Economic Development Pre-Development Activities	100,000	100,000
• Emergency Interim Housing Construction and Operation	21,500,000	21,500,000
• Google Community Benefits - Community Stabilization	(250,000)	(250,000)
• Keyla Salazar Mural	25,000	25,000
• Local Early Action Planning - Housing and Community Development Grant	366,272	366,272
• Measure E - African American Cultural Center	560,000	560,000
• Measure E - Guadalupe River Park Housing Support	580,000	580,000
• Measure E - Homeless Student Housing	115,000	115,000
• Mesa Redonda Street Vendor Trainings	60,000	60,000
• Mobile Home Park Protections	30,000	30,000
• Non-Profit Food Provider Permitting Costs	500,000	500,000
• Paseo de San Antonio Update	75,000	75,000
• Responsible Landlord Engagement Initiative	200,000	200,000
• San José Downtown Association	200,000	200,000
• School of Arts & Culture Expansion	1,000,000	1,000,000
• Senate Bill 2 - Housing and Community Development Grant	136,636	136,636
• Small Business Recovery - Supplemental Arts & Cultural Funding	2,000,000	2,000,000
• South Bay Community Land Trust	250,000	250,000
• Sports Authority	250,000	250,000
• Storefront Activation Grant Program	500,000	500,000
• Thang Do Memorial	25,000	25,000
• Vitality Grants for Small Businesses in Council District 8	150,000	150,000
• Winchester Business Association	50,000	50,000
• Yes in God's Backyard (YIGBY) Environmental Study	200,000	200,000
• Rebudgets	38,174,061	38,174,061

**CITY SERVICE AREA**  
**COMMUNITY AND ECONOMIC CHANGES**

**ADOPTED BUDGET CHANGES**

**GENERAL FUND CAPITAL, TRANSFERS AND RESERVES**

• Earmarked Reserves: 2023-2024 East San José Small Business Corridor Staffing Reserve	174,447	174,447
• Earmarked Reserves: Measure E - 10% Homelessness Prevention and Rental Assistance Reserve	(695,000)	(695,000)
• Earmarked Reserves: Measure E - 30% Low-Income Households Reserve	(560,000)	(560,000)
• Earmarked Reserves: Rebudgets	134,569,398	134,569,398
<b>Subtotal Other Changes</b>	<b>0.00</b>	<b>209,437,979</b>

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<b>Total Adopted Budget Changes</b>	<b>24.82</b>	<b>215,668,642</b>	<b>211,275,571</b>
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