

## 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

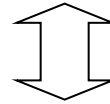
**CITY SERVICE AREA**  
A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**MISSION STATEMENT**  
Why the CSA exists

## Community & Economic Development CSA

*Mission:*

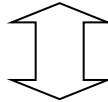
To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings



*Outcomes:*

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

- 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

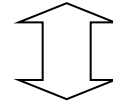
*Core Services:*

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

## COMMUNITY AND ECONOMIC DEVELOPMENT

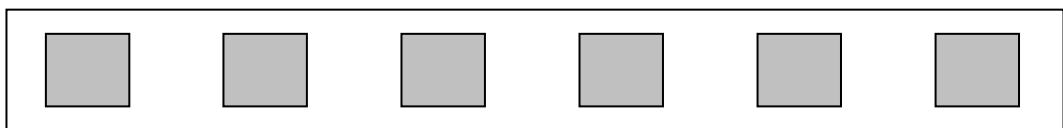
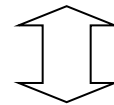
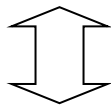
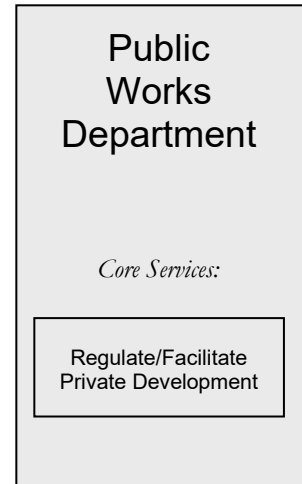
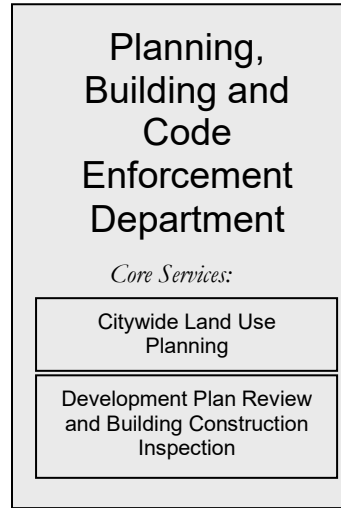
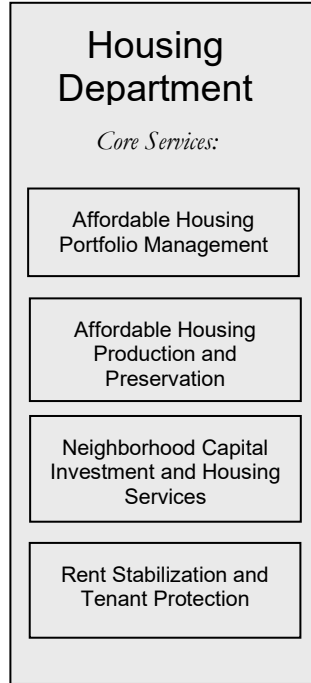
### SERVICE DELIVERY FRAMEWORK

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

**CORE SERVICES**  
Primary deliverables of the organization

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

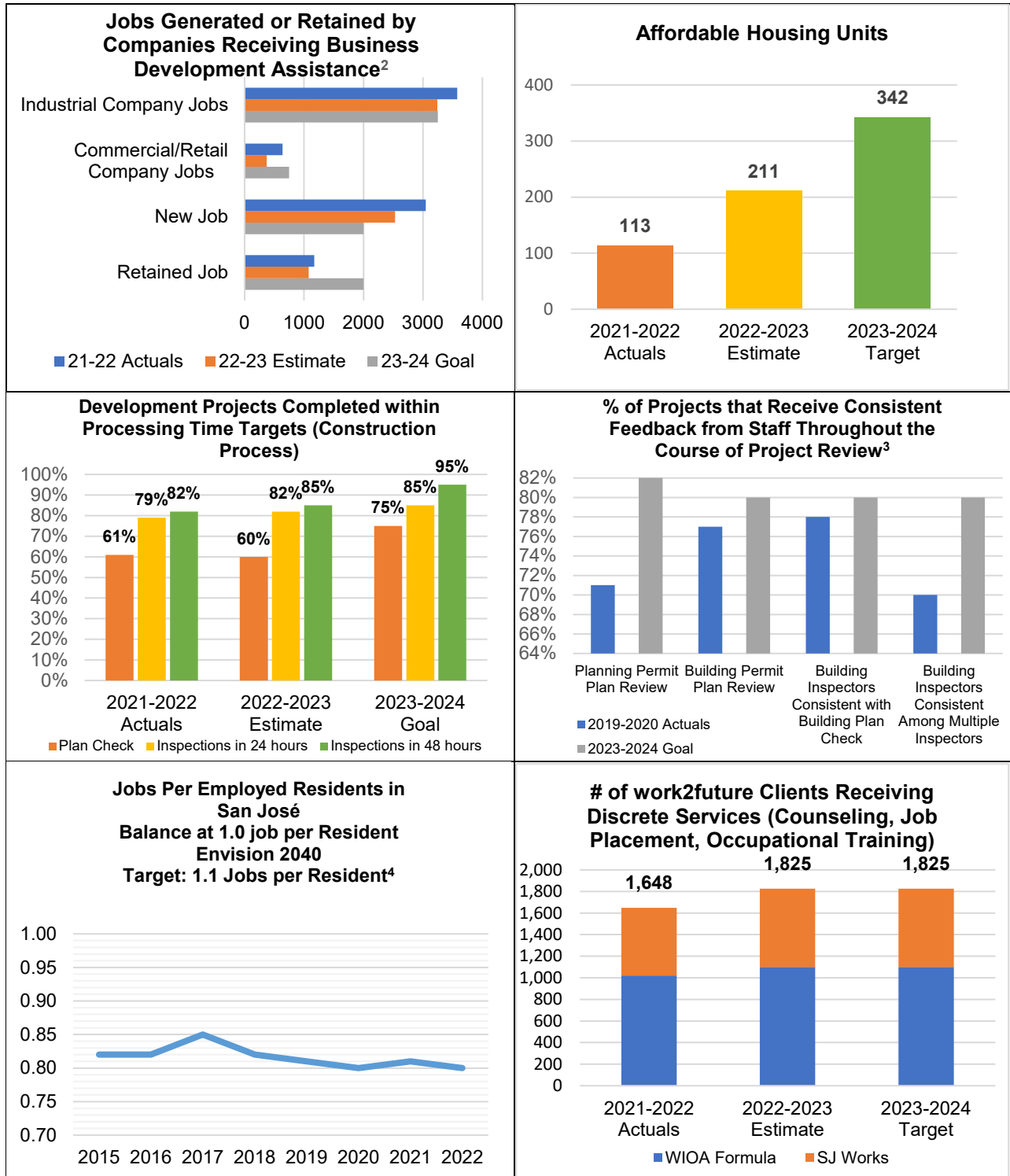
**STRATEGIC SUPPORT**  
Organization-wide guidance and support to enable direct service delivery



# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### DASHBOARD<sup>1</sup>



<sup>1</sup> Modernization of the performance measures for Housing Department's Homelessness Interventions and Solutions Core Service will be completed in 2023-2024. To access the Homelessness Program Dashboard, please visit [Homelessness Program Dashboard | City of San José \(sanjoseca.gov\)](https://sanjoseca.gov/homelessness-program-dashboard).

<sup>2</sup> The Goal for jobs attracted and retained in 2023-2024 is optimistic due to slowing growth in the tech industry.

<sup>3</sup> The Customer Satisfaction Survey was not completed in 2020-2021 and 2021-2022. It is anticipated that the performance measure data will be available for inclusion in the 2023-2024 Adopted Budget.

<sup>4</sup> Data for the jobs-to-employed-resident ratio comes from proprietary data purchased from the California Employment Development Department. This may differ from other data sources (including the American Community Survey which is utilized by the Office of the City Auditor for its annual City Services Report) but is considered a more accurate representation of the City's jobs base.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET SUMMARY

#### Expected 2023-2024 Service Delivery

- The Office of Economic Development and Cultural Affairs (OEDCA) will preserve current staff and add 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 certain important sectors of the city's economic and cultural fabric and its geography continue to recover from the impact of the pandemic. The OEDCA Business Development Unit will continue to build upon the small-business support programs, services and initiatives implemented with the allocation of funding from the American Rescue Plan Act.
- The Planning, Building, and Code Enforcement (PBCE) Department will complete General Plan amendments on all 55 mobile home parks in San Jose to a Mobile Home Park land use designation to further protect these parks from conversion to other uses.
- Co-create the first interdepartmental Housing Catalyst Work Plan on housing production, preservation and protections based on the approved 2023-2031 Housing Element and begin implementation on short-term strategies.
- Continue to digitally transform the Development Services operations with an upgraded portal to allow customers to start their applications online, integrate electronic plan submission and review for the building permits, improve permit fee payment process, and provide additional self-administered permits on the public portal.

#### 2023-2024 Key Budget Actions

- Adds 1.0 Senior Executive Analyst position, in OEDCA, through June 30, 2025, to focus on citywide business recruitment, engaging in active recruitment efforts with prospective businesses, evaluating permitting processes, related fees, and potential simplification for new entrants into Downtown as well as pop-ups that could easily open in vacant space.
- Realigns the Downtown Management Team in OEDCA, by converting 1.0 temporary Senior Executive Analyst position to permanent status. This staffing will comprise a team focused on San Jose's urban core, working across various City departments and with Downtown stakeholders by expanding Downtown marketing efforts, helping to coordinate responses to safety concerns, and otherwise facilitating a greater collective impact.
- In OEDCA, deletes 1.0 vacant Senior Executive Analyst position that was supporting the Airport Air Service Development Manager. The role subsequently transitioned to legislative affairs and strategic planning on behalf of the Airport Department. Duties have been reassigned through the addition of a Division Manager in 2021-2022, and broader reorganization within the Airport Department.
- In the Housing Department, adds 1.0 Senior Supervisor Administration to supervise, coordinate and oversee the performance of specialized clerical staff and manage the day-to-day operations; adds 1.0 Senior Development Officer to manage eviction prevention efforts and to continue implementation of the Rent Stabilization (RSP) Strategic Plan.
- Realigns PBCE staff resources by adding 11.0 permanent positions and continuing 1.0 temporary position through June 30, 2024, to maintain the department's ability to support critical functions such as Permit Center, Best Prepared Installer (Inspections) program, Best Prepared Designer (Plan Review) program, Community Outreach, Environmental Review of Private Development or Public Projects, and various key service delivery expectations throughout the department.
- In the Public Works Department, eliminates 5.0 positions in the Public Works Development Fee Program to realign staffing levels with anticipated workload and revenue collections.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET SUMMARY

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

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Proposed
<b>Dollars by Core Service *</b>				
<i>City Manager - Office of Economic Development and Cultural Affairs</i>				
Strategic Support - Other - Community & Economic Development	3,974,574	17,213,056	531,506	832,864
Strategic Support - Community & Economic Development	4,708,991	12,603,581	2,461,843	2,610,828
Arts and Cultural Development	21,715,472	33,335,595	36,011,736	37,011,736
Business Development and Economic Strategy	6,430,222	8,329,337	8,537,144	9,902,737
Regional Workforce Development	8,802,067	12,448,861	11,902,082	11,902,082
Real Estate Services	2,929,538	2,914,886	3,047,728	3,047,238
<i>Fire Department</i>				
Fire Safety Code Compliance	8,383,418	8,118,957	8,501,561	8,298,183
Strategic Support - Other - Community & Economic Development	802,640	0	0	0
Strategic Support - Community & Economic Development	608,186	28,900	100	100
<i>Housing Department</i>				
Strategic Support - Other - Community & Economic Development	10,053,768	34,076,053	4,810,117	4,955,935
Strategic Support - Community & Economic Development	56,987,513	43,184,451	9,103,606	9,630,407
Rent Stabilization and Tenant Protection	2,261,831	3,214,854	3,240,696	3,450,336
Neighborhood Capital Investment and Public Services	13,853,651	39,052,511	28,463,251	28,463,251
Affordable Housing Portfolio Management	3,397,081	5,272,017	4,395,550	4,199,441
Affordable Housing Production and Preservation	40,481,488	31,216,176	42,261,491	43,276,684
<i>Planning, Building and Code Enforcement Department</i>				
Strategic Support - Other - Community & Economic Development	7,383,066	9,924,979	7,308,021	8,041,194
Strategic Support - Community & Economic Development	5,254,960	2,665,537	2,627,433	2,840,045
Development Plan Review and Building Construction Inspection	32,678,249	39,289,367	38,732,132	40,029,278
Citywide Land Use Planning	5,741,363	8,901,908	7,305,388	7,722,598
<i>Public Works Department</i>				
Strategic Support - Other - Community & Economic Development	127,956	1,993,950	593,319	593,319
Strategic Support - Community & Economic Development	91,304	0	0	0
Regulate/Facilitate Private Development	16,825,107	17,143,064	17,933,404	16,556,999
<b>Total CSA</b>	<b>\$253,492,446</b>	<b>\$330,928,040</b>	<b>\$237,768,110</b>	<b>\$243,365,259</b>
 <b>Authorized Positions</b>	 <b>478.11</b>	 <b>514.01</b>	 <b>502.01</b>	 <b>513.67</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 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget. 2021-2022 Actuals may not subtotal due to rounding.

## CITY SERVICE AREA

### COMMUNITY AND ECONOMIC DEVELOPMENT

#### BUDGET OVERVIEW

##### Service Delivery Accomplishments

- OEDCA maintained a multi-pronged small-business-support program to facilitate economic resiliency, inform business owners of available resources, fund business organization capacity building, and provide technical assistance services, including the hiring of bi-lingual staff to communicate with business owners in Spanish, Vietnamese, and Mandarin. OEDCA's Business Development team's small-business-support activities included conducting 19 business walks, making contact with an estimated 380- businesses, and hosting 12 webinars which reached an estimated 600 attendees on a variety of subjects including accessibility, rent relief programs, marketing and promotions, access to capital, crime prevention, real estate and childcare. In addition, the team conducted roughly 540 business meetings, including approximately 60 permit facilitations and 300 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: 114 arts and culture grants; coordination of 121 outdoor special events over 378 event days; production of CityDance; Cornerstone of the Arts, Make Music San José, 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 program continues to provide work experience and training opportunities to its youth and adult clients in areas related to high wage, high growth careers, Examples include its successful Building Trades pre-apprenticeship program that enrolled over 90 individuals this past year, in addition work2future continues to provide digital media training to young adults, while providing paid internships for these individuals to work with a small business. Other on-going skill building initiatives include those related to careers in medical and dental assisting, phlebotomy electrocardiogram, coding and data analytics, cybersecurity and project management, Google Suite/Microsoft 365 and sales and customer service.
- 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 to be brought forward to the City Council for formal funding commitments.
- The Development Review team processed over 300 applications with 80 land use entitlements for residential, commercial, industrial, and mixed-use projects. This included 11 ministerial affordable housing permits. On December 6, 2022, the City Council approved the proposed parking and transportation demand management (TDM) ordinance in 2022 that removes the parking minimum requirements and establishes TDM requirements for new development citywide. In June 2023, the City Council will consider for adoption the updated Housing Element in the Envision San José 2040 General Plan.
- Successful digital improvements to the customer experience and staff processes including: 1) piloting the Best Prepared Installer program with the inspection team, 2) deployed new Planning permit type on SJePlans review platform, and 3) expanded online appointment scheduling and virtual meetings to Fire Prevention, Public Works, Planning and Finance.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### Service Delivery Environment

- **Workforce Development:** work2future will provide a wide range of training and employment services to youths 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. These programs include Career Pathways and Occupational Skills Training, in Health Care, short-term training Digital Literacy and Information Technology workshops leading to a nationally recognized certificate, state licensure, competency, or skill recognized by an employer. In addition, work2future has recently celebrated one year since moving 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. Work2future is also partnering with the Promotores Program to provide the most recent information regarding work2future services for the community.
- **Rental Market:** San José rents continue to rise, albeit at a lower rate. Market rents in San José remain among the highest in the nation and unaffordable to lower-income residents. According to CoStar, rents in San José stand at \$2,364 for a one-bedroom apartment and \$2,939 for a two-bedroom in the fourth quarter of 2022. Average rents increased 5% over the prior year. Class A apartments have higher vacancy rates (7.6%) than the overall market whose vacancy stands at 5.5% in the fourth quarter of 2022. Assuming that no more than 30% of income is spent on housing costs, a household would need to earn \$94,560 annually to afford a one-bedroom apartment and \$107,560 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 December 2022 was \$1,300,000, a decrease of 12% year over year. Home prices have dropped 10% from prior quarter. Assuming buyers spend a reasonable 30% of their income on housing costs, a household would need to earn an income of \$308,422 to afford a median-priced single-family home in San José. As of the third quarter 2022, only 12% of San José's households could afford to buy a median-priced home, compared to the national average rate of 42%.
- **Business Development:** Businesses continue to manage the economic side-effects of the pandemic, including a labor shortage, supply chain issues, and inflation. Consumer spending recovered its momentum during the fiscal year, though some sectors (such as hospitality and restaurants) were the slowest to recover. Sales tax generated in San José overall is now higher than pre-pandemic levels. Major federal sources of emergency funding relief ended, and loans have higher repayment terms, 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 recovery, economic resiliency and sustainability.
- Engage and assist businesses that can create jobs, promote increased prosperity for San Jose residents and expand the City's tax base, with a focus on small business recovery and resiliency, anchor employers and revenue-generators and continuing to strengthen the availability of opportunities for commercial/industrial investment and expansion in the City. 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

### BUDGET OVERVIEW

#### Development Services Budget Summary

	Revenue	Cost	% Cost Recovery*	Positions	Ending Fund Balance/Works-in-Progress Funding**
<b>2022-2023 Modified</b>					
Building	\$ 33,626,338	\$ 42,851,424	78.5%	165.48	\$ 25,141,456
Fire	7,817,700	10,169,938	76.9%	37.60	609,539
Planning	8,310,858	8,212,950	101.2%	38.44	4,464,157
Public Works	13,750,000	15,381,204	89.4%	67.10	5,217,779
<b>Total</b>	<b>\$ 63,504,896</b>	<b>\$ 76,615,516</b>	<b>82.9%</b>	<b>308.62</b>	<b>\$ 35,432,931</b>
<b>2023-2024 Proposed</b>					
Building	\$ 38,428,697	\$ 42,703,156	90.0%	173.34	\$ 29,179,737
Fire	8,940,600	10,471,522	85.4%	36.55	669,039
Planning	7,720,152	8,815,381	87.6%	39.82	2,978,157
Public Works	15,300,000	16,836,658	90.9%	71.26	3,996,780
<b>Total</b>	<b>\$ 70,389,449</b>	<b>\$ 78,826,717</b>	<b>89.3%</b>	<b>320.97</b>	<b>\$ 36,823,713</b>

\* In 2022-2023 and in 2023-2024, 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 2023-2024 are the estimated levels and will be tried up once 2022-2023 revenues and expenditures are reconciled and 2022-2023 balancing actions are included.

Development Services is a \$78.8 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

### BUDGET OVERVIEW

#### Budget Dollars at Work: Performance Goals

#### OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2021-2022 Actuals	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Facilitate Major Corporate Development	1. Estimated jobs generated/retained by companies that received OEDCA assistance by:					
	Type of Company:					
	- Industrial	3,577	3,000	3,241	3,250	4,000
	- Commercial/Retail	640	1,000	370	750	1,500
	Type of Job:					
	- New	3,046	2,500	2,531	2,000	2,000
	- Retained	1,171	1,500	1,080	2,000	3,500
Stimulate Revenue for City Services	1. Economic Impact of Convention Center (attendance by visitor type)					
	- Local/Social <sup>1</sup>	549,810	500,000	635,333	688,800	4,024,110
	- Out of Town <sup>1</sup>	18,986	28,000	32,162	38,260	277,770
	- Exhibitors <sup>1</sup>	3,748	3,900	4,691	5,020	31,470
	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) <sup>2</sup> :					
	- Taxes from new companies	\$1.0M	\$1.0M	\$0.66M	\$1.0M	\$2.0M
	- Taxes from retained companies	\$0.85M	\$2.0M	\$.94M	\$1.5M	\$2.0M
<b>Total</b>	<b>\$1.85M</b>	<b>\$3.0M</b>	<b>\$1.6M</b>	<b>\$2.5M</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.

<sup>2</sup> Revenue is expected to be lower than anticipated in 2022-2023 as several significant projects experienced delays in occupancy, pushing out tax generation capability until next year. In addition, Business Development's focus on small-business support resulted in less engagement with major revenue drivers; in 2023-2024, the department anticipates a renewed strategy to engage with major employers.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### Budget Dollars at Work: Performance Goals

#### OUTCOME 1: STRONG ECONOMIC BASE

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 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 <sup>1</sup>	0.85	0.81	0.90	1.00
Facilitate Small Business Expansion	1. # of Business Owner Space participants receiving assistance, access to capital, technical or human resources support or information	12,541	13,000	15,000	13,000	14,000
Be Active Partner in Developing a Skilled Workforce	1. Number of work2future clients receiving discrete services (counseling, job placement, and occupational training)	1,021	1,100 <sup>3</sup>	1,100	1,100	N/A <sup>4</sup>
	- Adults	570	600 <sup>3</sup>	700	600	N/A <sup>4</sup>
	- Dislocated Workers	304	300	200	300	N/A <sup>4</sup>
	- Youth	147	200	200	200	N/A <sup>4</sup>
	2. Estimated % of clients employed 6 months after initial placement					
	- Adults	62%	65%	65%	TBD <sup>5</sup>	N/A <sup>4</sup>
	(% of target met)	104%	100%	100%	TBD <sup>5</sup>	N/A <sup>4</sup>
	- Dislocated Workers	65%	68%	68%	TBD <sup>5</sup>	N/A <sup>4</sup>
	(% of target met)	95%	100%	100%	TBD <sup>5</sup>	N/A <sup>4</sup>
	- Youth	71%	71%	71%	TBD <sup>5</sup>	N/A <sup>4</sup>
(% of target met)	109%	100%	100%	TBD <sup>5</sup>	N/A <sup>4</sup>	
3. Estimated % of clients employed 12 months after initial placement						
- Adults	61%	62%	62%	TBD <sup>5</sup>	N/A <sup>4</sup>	
(% of target met)	119%	100%	100%	TBD <sup>5</sup>	N/A <sup>4</sup>	
- Dislocated Workers	67%	65%	67%	TBD <sup>5</sup>	N/A <sup>4</sup>	
(% of target met)	102%	100%	100%	TBD <sup>5</sup>	N/A <sup>4</sup>	
4. San Jose Works (work2future clients)	627	700	725	725	N/A <sup>4</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 2022-2023 Target is restated from what was published in the 2022-2023 Adopted Budget due to an inadvertent error. In the 2022-2023 Adopted Budget, the 2022-2023 Target for Number of work2future clients receiving discrete services was recorded as 950 and 450 for Adults.

<sup>4</sup> There is no 5-Year Goal for this measure. The goal is set by the Employment Development Department yearly.

<sup>5</sup> Goals set annually by the State of California, with numbers available by Fall 2023.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### Budget Dollars at Work: Performance Goals

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

Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 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)	1,887 units (4,385)	1,900 units (4,385)	1,800 units (4,385)	1,875 units (4,385)	12,200 units (21,925)
	3. % of units receiving development permit approval compared to target (actuals in parenthesis)	43% (1,887 units)	43% (1,900 units)	41% (1,800 units)	42% (1,875 units)	56% (12,200 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>	80%	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)	100%	100%	100%	100%	100%
	3. Development projects completed within processing time targets:					
	- Entitlement Process	62%	85%	66%	85%	85%
	- Construction Process:					
	- Plan Check	61% <sup>3</sup>	85%	60% <sup>3</sup>	85%	88%
	- Inspections in 24 hours	79% <sup>3</sup>	70%	82% <sup>3</sup>	70%	85%
	- Inspections in 48 hours	82% <sup>3</sup>	90%	85% <sup>3</sup>	90%	95%
	4. % of development services walk-in customers served in less than 30 minutes (wait time)	N/A	80%	N/A%	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 2023-2024 Target and the 5 Year goal are based on projections developed within the Development Activity Trends and Five Year(2024-2028) Forecast Report, prepared by the Planning Division and the Office of Economic Development.

<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 and did not conclude in time for a survey to be completed. It is anticipated that the performance measure data for 2022-2023 will be available for inclusion in the 2023-2024 Adopted Budget.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### Budget Dollars at Work: Performance Goals

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

5 Year Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 Target	5-Year Goal
Increase the Supply of Affordable Housing	1. % of target achieved for completion of affordable housing (housing units)	77% (133)	100% (211)	77% (503)	100% (342)	15% (1,500)
	2. % of City's 10,000 unit affordable target with funding commitment (pending construction)	3% (720)	64% (1,288)	3% (330)	64% (601)	20% (2,000)
	3. % of City's 10,000 unit affordable target under construction	4% (627)	14% (275)	4% (785)	14% (683)	20% (2,000)
	4. % of City's 10,000 unit affordable target completed	2% (133)	14% (211)	2% (576)	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)	51%	45%	45%	45%	45%
	- Very Low (31-50% of median)	28%	N/A <sup>1</sup>	37%	N/A <sup>1</sup>	N/A <sup>1</sup>
	- Low (51-80% of median)	18%	N/A <sup>1</sup>	17%	N/A <sup>1</sup>	N/A <sup>1</sup>
	- Moderate (81-120% of median)	3%	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>

<sup>1</sup> This measure was expanded in 2021-2022 to include additional income levels. Targets for 2022-2023 and 5-Year Goal have not yet been established for all of the income levels as those reflect the estimated allocations as of 2022-2023, and projects are still being determined.

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

5 Year Strategic Goals	CSA Performance Measures	2021-2022 Actual	2022-2023 Target	2022-2023 Estimate	2023-2024 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>	34%	34%	35%	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	40%	N/A <sup>2</sup>	N/A <sup>2</sup>	40%	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> Data for this measure is collected through the bi-annual Citywide Community Survey. The 2022-2023 Target is restated to N/A as 35% was originally published in the 2022-2023 Adopted Budget in anticipation of a 2023-2024 survey. Due to the Pandemic, the latest survey was conducted in 2022-2023, changing the regular bi-annual schedule, which means the next survey will not be conducted until 2024-2025 on track with the bi-annual schedule. Since the next expected survey will be conducted in 2024-2025, the 2022-2023 Estimate is not measured or stated in this 2023-2024 Proposed Budget.

## CITY SERVICE AREA

### COMMUNITY AND ECONOMIC DEVELOPMENT

#### PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
<b>CITY MANAGER - OFFICE OF ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS</b>			
• Downtown Management and Citywide Business Development Staffing	2.00	318,473	318,473
• Airport Strategic Growth Initiatives Staffing	(1.00)	(178,159)	0
• California Network and Telecommunications (CalNet) Program Savings		(4,384)	(4,384)
<i>Subtotal</i>	1.00	135,930	314,089
<b>FIRE</b>			
• Fire Development Fee Program Staffing Alignment	(1.00)	(198,179)	0
• Fire Accounts Payable/Receivable and Timekeeping Staffing Reorganization	(0.05)	(4,378)	0
• California Network and Telecommunications (CalNet) Program Savings		(821)	0
<i>Subtotal</i>	(1.05)	(203,377)	0
<b>HOUSING</b>			
• Housing Grants Management Staffing	5.00	766,862	0
• Housing Pre-Development Consultant Services		250,000	0
• Housing Policy and Procedures Staffing	1.00	209,640	0
• Rent Stabilization & Eviction Prevention Staffing	1.00	209,640	0
• Fiscal and Contractual Oversight Staffing (Grants and Homeless Programs)	1.00	165,371	0
• Administrative Services Program Staffing	1.00	152,616	0
• Property Management Staffing	(1.00)	(195,894)	0
• California Network and Telecommunications (CalNet) Program Savings		(2,710)	0
<i>Subtotal</i>	8.00	1,555,525	0
<b>PLANNING, BUILDING AND CODE ENFORCEMENT</b>			
• Market Ready Urban Villages (CEQA Pre-Clearance)		300,000	0
• Permit Center Team - Customer Services General Support Staffing	4.00	279,954	0
• Preapproved Vendors for Inspections (Best Prepared Installer) and Plan Review (Best Prepared Designer)	3.00	262,498	0
• SJ Permits (Smart Guide) Software Upgrade		192,000	10,000
• AMANDA - Geocortex Software Upgrade		150,000	21,000
• Permit Center - Supervision Staffing	1.00	145,338	0
• Policy Support Staffing	1.00	144,149	0
• Environmental Review - Capital Improvement Planning Staffing	1.00	141,443	0
• Re-Zone Land Use Streamline Resources		117,210	0
• Environmental Review Process Consultant Services		110,000	0

## CITY SERVICE AREA

### COMMUNITY AND ECONOMIC DEVELOPMENT

#### PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
• Planning, Building, and Code Enforcement Community Outreach Staffing	0.40	79,527	0
• City Planning Post-Secondary Fellowship Program		50,000	
• Destination: Home Silicon Valley Staffing	1.00	0	0
• Planning Review - Zoning Conformance Staffing	0.00	(24,085)	0
• California Network and Telecommunications (CalNet) Program Savings		(8,404)	(8,404)
<i>Subtotal</i>	11.40	1,939,628	22,596
<b>PUBLIC WORKS</b>			
• Workers' Compensation, Health and Safety Staffing	0.25	24,880	0
• Information Technology Services Support Staffing	0.16	16,994	0
• Administration Division Staffing	0.10	14,948	0
• Public Works Department Staffing Plan - Development Fee Program	(7.00)	(1,243,522)	0
• Public Works Department Staffing Plan - Capital Improvement Program	(1.20)	(189,705)	0
<i>Subtotal</i>	(7.69)	(1,376,406)	0
<b><i>Subtotal Departments</i></b>	<b>11.66</b>	<b>2,051,302</b>	<b>336,685</b>
<b>CITY-WIDE EXPENSES</b>			
• 4th of July Celebration		250,000	250,000
• Arena Peddler Mitigation Pilot Program		100,000	100,000
• CaliforniansForAll Youth Workforce Program – Administration		50,649	50,649
• Creating Helpful Incentives to Produce Semiconductors Act Facilitation		200,000	200,000
• Destination: Home Silicon Valley Staffing		180,000	180,000
• Economic Development Pre-Development Activities (Highway 237)		100,000	100,000
• Mobile Home Park Protection		240,000	240,000
• Regional Early Action Planning Grant		163,154	163,154
• San José State University/City Downtown Co-Branding Pilot Campaign		100,000	100,000
• Small Business Recovery - Supplemental Arts + Cultural Funding		1,000,000	1,000,000
• Sports Authority (2023-2024 U.S. Gymnastics Championships)		150,000	150,000
• Storefront Activation Grant Program		750,000	750,000

**CITY SERVICE AREA**

**COMMUNITY AND ECONOMIC DEVELOPMENT**

**PROPOSED BUDGET CHANGES**

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
<b>GENERAL FUND CAPITAL, TRANSFERS AND RESERVES</b>			
• Earmarked Reserves: 2024-2025 Citywide Business Development Staffing Reserve		173,712	173,712
• Measure E - 30% Low-Income Households Reserve		(14,250,000)	(14,250,000)
• Measure E - 40% Extremely Low-Income Households Reserve		(19,000,000)	(19,000,000)
• Measure E - 5% Moderate-Income Households Reserve		(2,375,000)	(2,375,000)
• Measure E - Homeless Prevention and Rental Assistance Reserve		4,750,000	4,750,000
• Measure E - Revenue Stabilization Reserve		15,102,956	15,102,956
<b>Subtotal Other Changes</b>	<b>0.00</b>	<b>(12,314,529)</b>	<b>(12,314,529)</b>
<b>Total Proposed Budget Changes</b>	<b>11.66</b>	<b>(10,263,228)</b>	<b>(11,977,843)</b>