

Strategies to Enhance San Jose's Fiscal Health

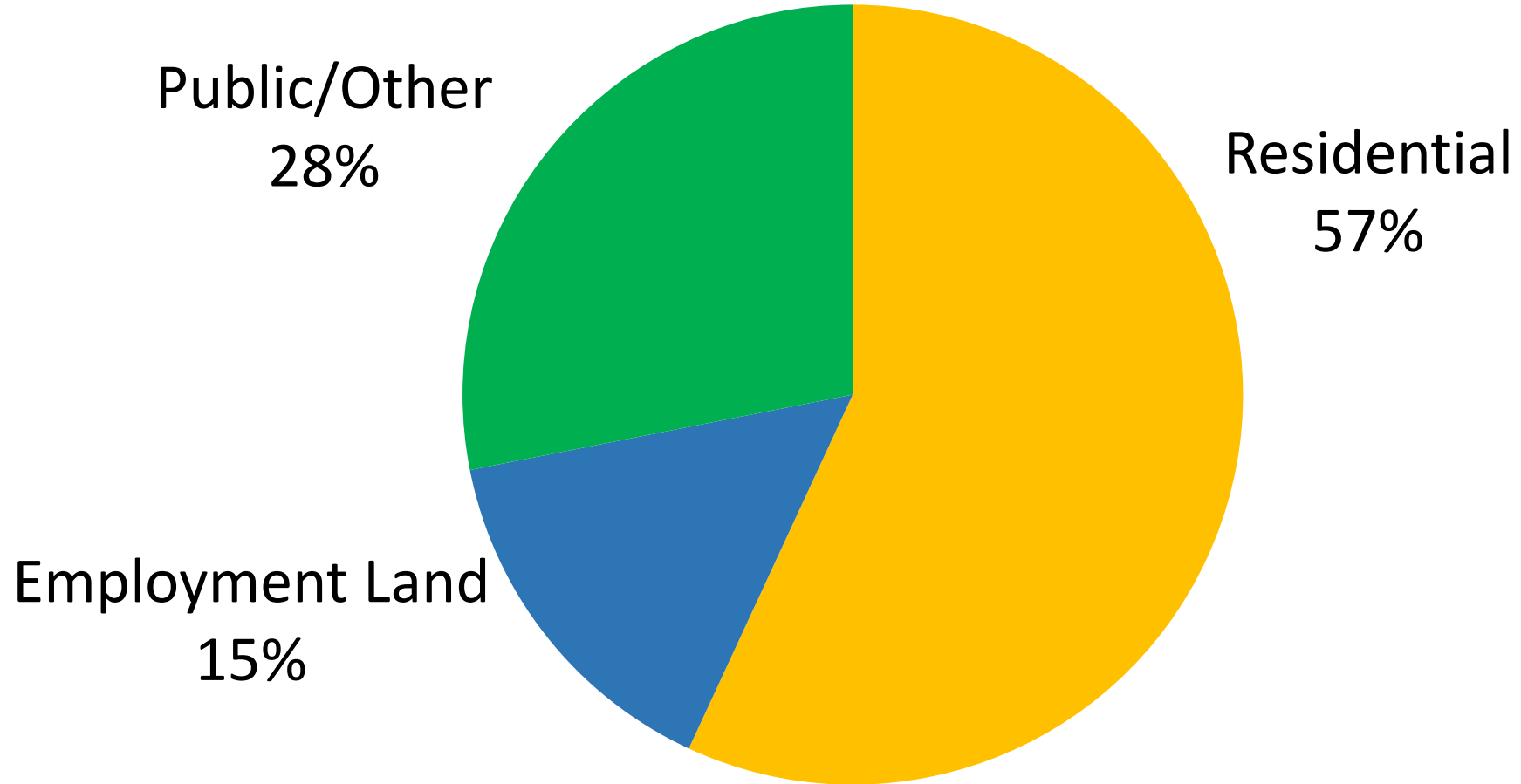
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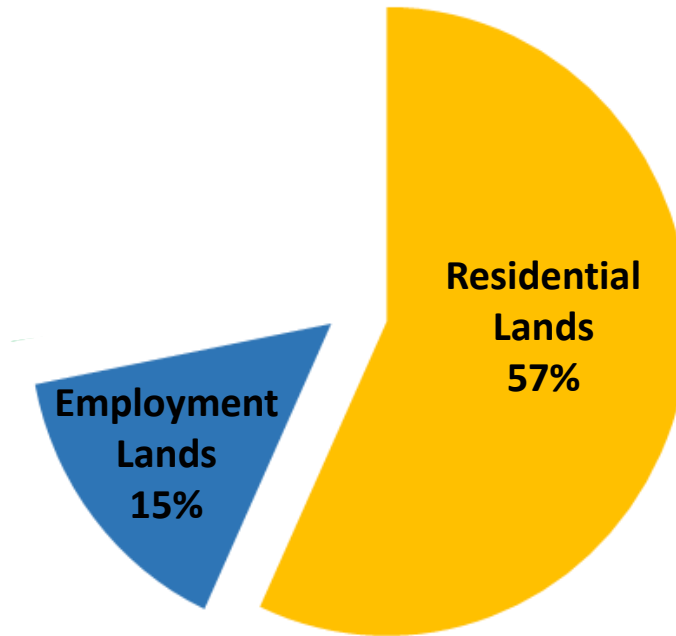


Envision San Jose 2040 4-Year Review
Task Force Meeting #3
January 28, 2016

Of Existing Lands, Only 15% are for Employment Uses



Employment Lands Provide Tax Base For Funding Resident Services



Employment Lands
Tax Revenue
- Service Costs

NET BUDGET IMPACT

+ \$124 million

Residential Lands
Tax Revenue
- Service Costs

NET BUDGET IMPACT

- \$110 million

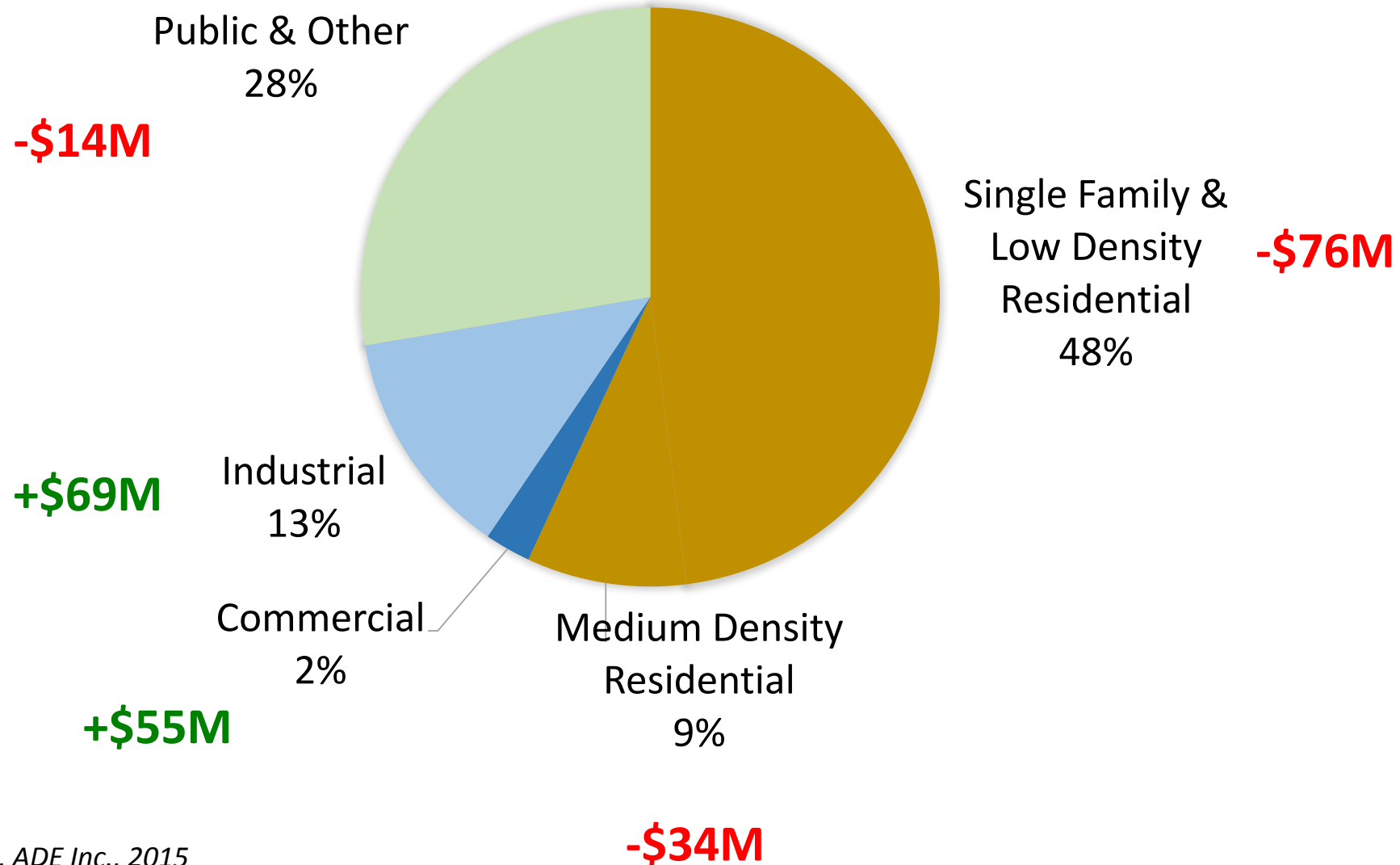
Fiscal Impacts of San Jose's Existing Land Uses

Employment Lands			Residential Lands		
Commercial	Industrial Park	Light/Heavy Industrial	Single Family	Low Density*	Medium Density*
\$1,064	\$1,321	\$58	(\$255)	(\$681)	(\$421)
<i>Net per 1000 sq.ft.</i>			<i>Net per dwelling unit</i>		

* Low Density is less than 12 du/acre, Medium Density is greater than 12 du/acre.

Note: The table above shows the fiscal impact of existing stock, not new development. New housing projects at densities greater than 40-45 du/acre are likely to be fiscally neutral or positive due to service efficiencies and current property values of \$400,000 or greater per unit.

San Jose's Land Uses by Area & Fiscal Impact



Strategies to Enhance Fiscal Health of the City

1. Maximize the share of the 120,000 planned new homes developed at densities of 40 du/acre and above

...to build new housing that has a neutral or positive fiscal impact

2. Maximize retail development of all types

...to generate sales tax revenue

3 Maximize leasing and development of entirely new office, R&D and industrial buildings

...to generate property and utility tax revenue

4. Retain industrial land, and maximize leasing and redevelopment of existing buildings

...to maximize potential for business-to-business sales tax revenue