

## CITY SERVICE AREA

### COMMUNITY AND ECONOMIC DEVELOPMENT



### MISSION

*Facilitate the equitable and focused evolution of the City to foster strong communities and a diverse economy with shared prosperity for all*

#### Primary Partners

Economic Development and Cultural Affairs

Fire

Housing

Planning, Building and Code Enforcement

Public Works

#### CSA OUTCOMES

- Thriving, inclusive, and attractive communities and vibrant public spaces
- Strong, responsive, and equitable economy
- Accessible and diverse range of housing and business opportunities

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### SERVICE DELIVERY FRAMEWORK

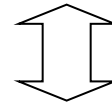
**CITY SERVICE AREA**  
A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

**MISSION STATEMENT**  
Why the CSA exists

## Community & Economic Development CSA

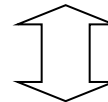
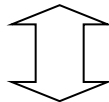
*Mission:*  
Facilitate the equitable and focused evolution of the City to foster strong communities and a diverse economy with shared prosperity for all.

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



*Outcomes:*

- Thriving, inclusive, and attractive communities and vibrant public spaces
- Strong, responsive, and equitable economy
- Accessible and diverse range of housing and business opportunities



**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

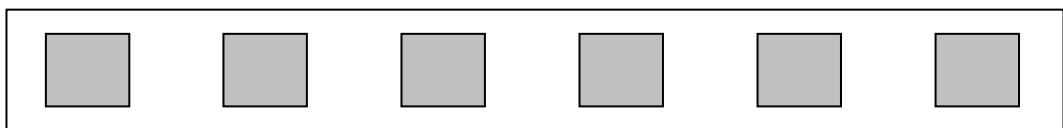
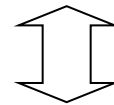
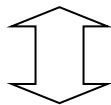
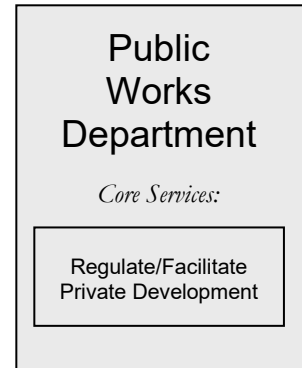
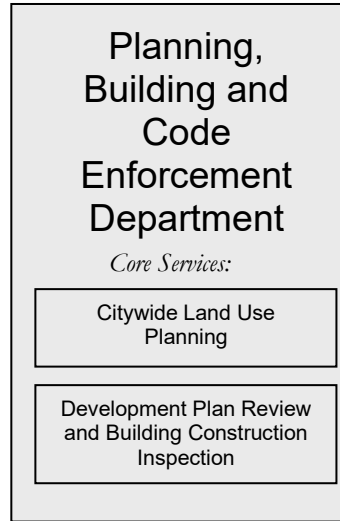
### SERVICE DELIVERY FRAMEWORK

**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

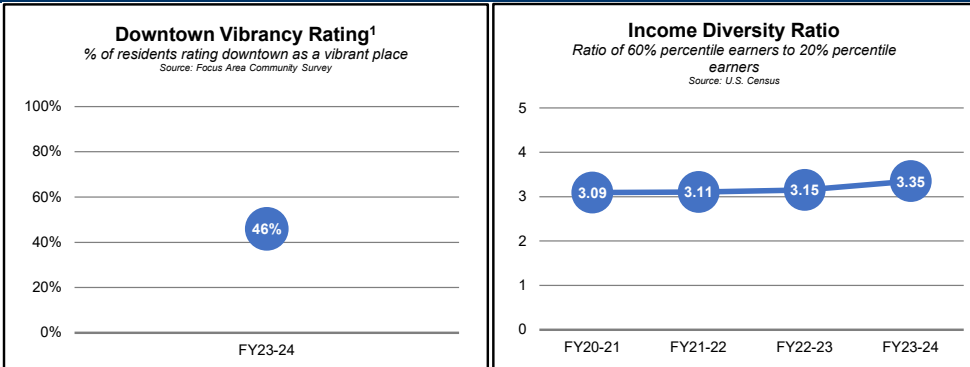


# CITY SERVICE AREA

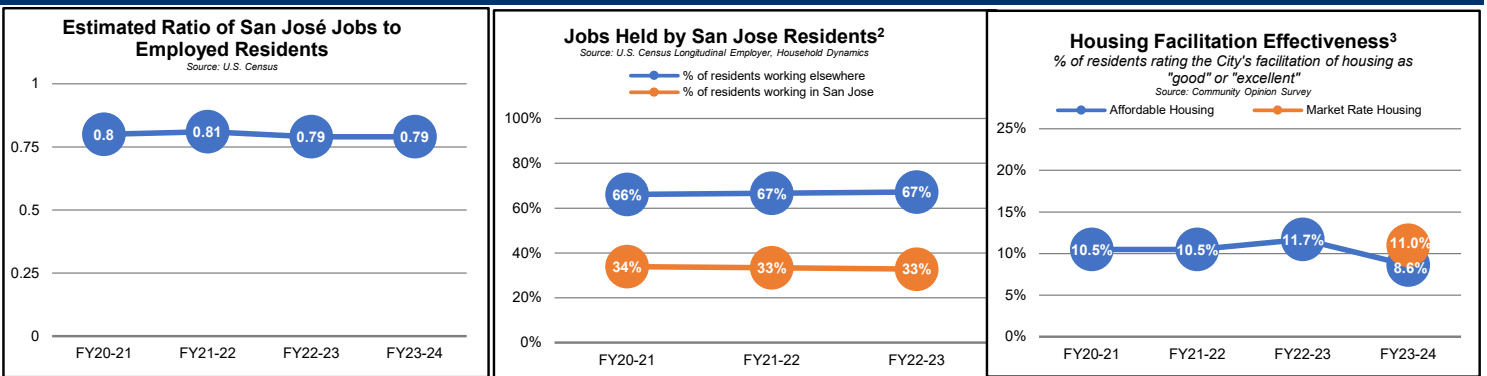
## COMMUNITY AND ECONOMIC DEVELOPMENT

### COMMUNITY INDICATORS DASHBOARD

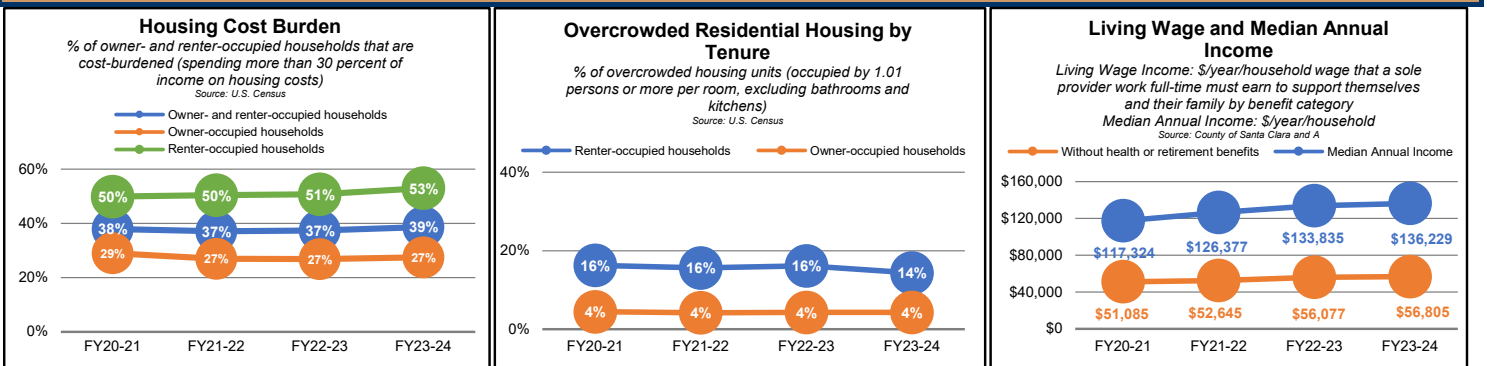
#### OUTCOME 1: THRIVING, INCLUSIVE, AND ATTRACTIVE COMMUNITIES AND VIBRANT PUBLIC SPACES



#### OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY



#### OUTCOME 3: ACCESSIBLE AND DIVERSE RANGE OF HOUSING AND BUSINESS OPPORTUNITIES



<sup>1</sup> This is a new measure for 2025-2026 and historical data are not available.

<sup>2</sup> Latest data available is for 2022-2023. Data source is U.S. Census: <https://onthemap.ces.census.gov>.

<sup>3</sup> Historical data is not available because "Market Rate Housing" is a new Community Opinion Survey question as of 2024.

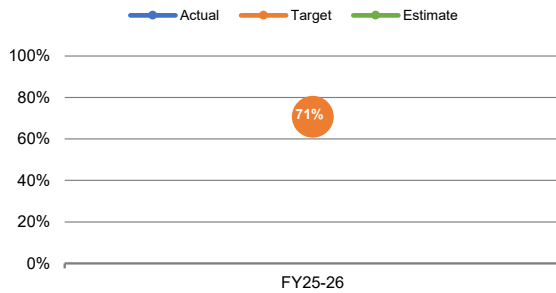
# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### PERFORMANCE MEASURE DASHBOARD

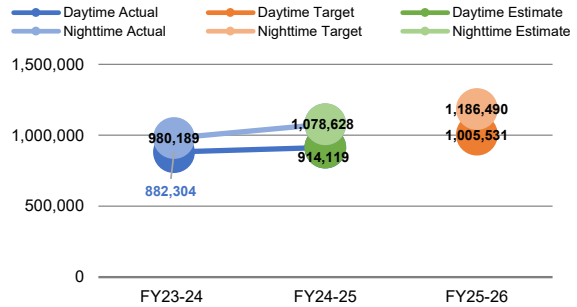
#### Retain, Expand, or Attract Jobs<sup>1, 2</sup>

*% of retained, expanded, or attracted jobs<sup>3</sup> from businesses receiving Business Development assistance toward the 10,000-job growth goal for FY25-26 and FY26-27 (OEDCA)*



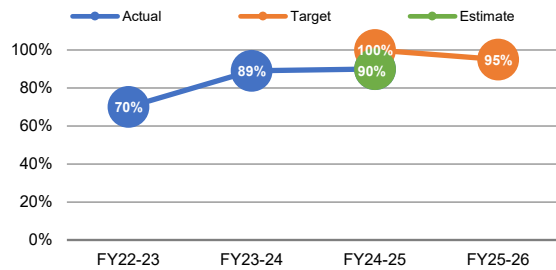
#### Average Daytime and Nighttime Downtown Foot Traffic

*Average Downtown Foot Traffic per Month<sup>3,4,9</sup> (OEDCA)*



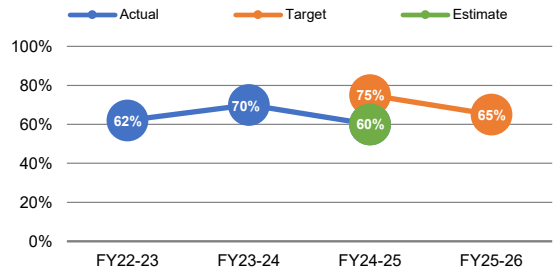
#### Development Project On-Time Reviews for Planning Permit Process

*% of development projects completed within published timelines for first review<sup>5</sup> (PBCE)*



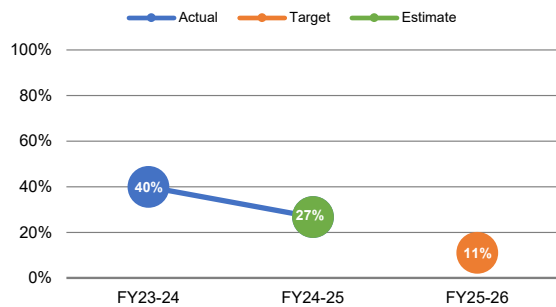
#### Development Project On-Time Reviews for Construction Process

*% of development projects completed within published timelines for first review (PBCE)*



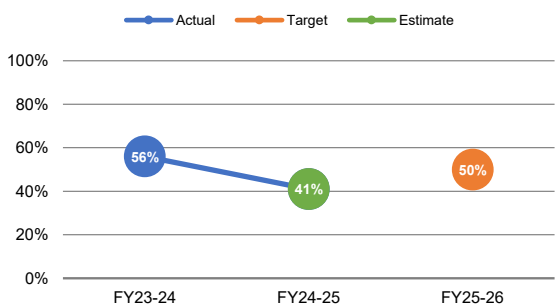
#### Housing Production Rates<sup>3</sup>

*% of San José housing production compared to yearly target for regional fair share number (RHNA)<sup>6</sup> target<sup>7</sup> for total cycle units<sup>8,9</sup> (PBCE)*



#### Rent Stabilization Rates

*% of rent stabilized units under the Apartment Rent Ordinance that did not have a rent increase in the past year (Housing)*



<sup>1</sup> This is a new performance measure for 2025-2026 with no prior Targets. The Target of cumulative 10,000 retained, expanded, or attracted jobs is to be completed over 2025-2026 and 2026-2027.  
<sup>2</sup> Jobs are for medium and large companies with more than 35 employees.  
<sup>3</sup> City staff are facilitators of these metrics which are reliant on private market investment. Without private market investment, large performance improvements may not be possible.  
<sup>4</sup> Target based on 10% YoY increase goal (still pulling CityData.ai). Daytime is defined as 6 am to 5 pm. Nighttime is defined as 5 pm to 6 am.  
<sup>5</sup> The City is mandated to determine the completeness of a development project application within 30 calendar days of its submission and notify the applicant in writing under the State's Permit Streamlining Act.  
<sup>6</sup> Regional Housing Needs Allocation or RHNA is the part of the Housing Element process used to determine how many housing units each local government must plan for in its Housing Element. The current RHNA target for San José is 62,200 new housing units produced for the period from 2023 to 2031, which includes 34,486 overall for affordable housing units and 27,714 overall for market-rate housing units.  
<sup>7</sup> Data is provided for the calendar year, instead of fiscal year, to align with Housing Element reporting requirements. For reference, data provided for 2024-2025 covers the timeframe of January through December 2024, and targets provided for 2025-2026 cover the timeframe of January through December 2025. The target represents reaching the annual goal of producing 12.5% of the total 62,200 new housing units for the eight-year period from 2023 to 2031.  
<sup>8</sup> The City uses building permit issued as the standard for unit production.  
<sup>9</sup> The City staff are facilitators of these metrics which are reliant on private market investment. Without private market investment, large performance improvements may not be possible.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### CSA Priorities/Expected 2025-2026 Service Delivery

- Implement the Economic Strategy Workplan approved by the City Council to retain/grow jobs and revenue; foster small business reliance and create thriving business districts; accelerate a thriving downtown; activate San José as the South Bay's hub for sports, arts, and entertainment; and prepare residents to successfully participate in the local economy.
- Implement the 2026 Sporting Events Strategy.
- Revise Inclusionary Housing Ordinance Regulations.
- Initiate General Plan Four-Year Review.
- Issue Affordable Housing Notices of Funding Availability.
- Streamline and improve the California Environmental Quality Act process, permit fees, and project tracking.
- Implement and publicize Development Services process improvements.
- Utilities permitting and coordination.

#### 2025-2026 Key Budget Actions

- Adds one-time non-personal/equipment funding of \$280,000, supported by the respective Development Fee Program Funds, to upgrade the ProjectDox electronic file submission, review, and processing software used in multi-departmental development permitting processes.
- As directed in the Mayor's March Budget Message for Fiscal Year 2025-2026, as approved by the City Council, adds one-time funding of \$250,000 for consultant services and temporarily shifts funding for 1.0 Planner IV and 1.0 Principal Office Specialist positions from the Planning Development Fee Program Fund to the General Fund to prioritize California Environmental Quality Act reform.
- As directed in the Mayor's March Budget Message for Fiscal Year 2025-2026, as approved by the City Council, adds 6.0 positions through June 30, 2030 – 1.0 Assistant to the City Manager, 1.0 Senior Executive Analyst, 1.0 Associate Engineer, 1.0 Senior Engineering Technician, 1.0 Senior Construction Inspector, and 1.0 Associate Construction Inspector to an interdepartmental Energy Customer Development Team to focus on accelerating the development and delivery of large electrical load projects in San José.
- As directed in the Mayor's March Budget Message for Fiscal Year 2025-2026, as approved by the City Council, continues 2.0 Senior Executive Analyst positions and 1.0 Executive Analyst position, through June 20, 2026, for business outreach and development.
- As directed in the Mayor's March Budget Message for Fiscal Year 2025-2026, as approved by the City Council, adds one-time funding of \$250,000 to develop a conceptual plan for a sports and entertainment district within walking distance of the SAP Center.
- Adds ongoing funding of \$350,000 in the General Fund within City-Wide Expenses to continue and make permanent the Storefront Activation Grants program.
- As directed in the Mayor's March Budget Message for Fiscal Year 2025-2026, as approved by the City Council, adds one-time funding of \$120,000 in the General Fund within City-Wide Expenses for legal support for small businesses facing Americans with Disabilities Act lawsuits and other legal actions.
- As directed in the Mayor's March Budget Message for Fiscal Year 2025-2026, as approved by the City Council, adds one-time funding of \$1.5 million in the General Fund within City-Wide Expenses to maximize both the short-term and long-term economic gains associated with the arrival of significant sporting events in the South Bay in 2026, including the Super Bowl and World Cup.
- Adds one-time funding of \$100,000 for arts and cultural grants administered by the Office of Economic Development and Cultural Affairs, supplementing allocations from Transient Occupancy Tax revenue for 2025-2026 of \$6.4 million to bring the total amount of funding available for Cultural Grants and Programs to \$6.5 million, which is equivalent to the level included in the 2024-2025 Adopted Operating Budget.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

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

	2023-2024 Actuals **	2024-2025 Adopted	2025-2026 Forecast	2025-2026 Proposed
<b>Dollars by Core Service *</b>				
<i>City Manager - Office of Economic Development and Cultural Affairs</i>				
Arts and Cultural Development	26,229,361	40,261,138	39,027,060	39,327,060
Business Development and Economic Strategy	14,664,699	11,408,024	8,678,585	10,193,866
Real Estate Services	2,904,361	3,119,396	3,181,214	3,431,214
Regional Workforce Development	10,249,392	10,605,980	9,525,233	9,035,233
Strategic Support - Community & Economic Development	2,741,389	2,648,452	2,491,170	2,491,170
Strategic Support - Other - Community & Economic Development	2,728,046	6,294,424	626,196	2,141,665
<i>Fire Department</i>				
Fire Safety Code Compliance	8,206,728	8,734,866	8,637,496	8,427,073
Strategic Support - Community & Economic Development	694,657	0	0	0
Strategic Support - Other - Community & Economic Development	273,379	0	0	0
<i>Housing Department</i>				
Affordable Housing Portfolio Management	3,066,247	4,670,045	2,968,429	2,968,429
Housing Production and Preservation	78,797,249	74,624,609	21,414,838	20,842,015
Neighborhood Investments	9,532,327	16,444,993	9,505,589	10,011,039
Rent Stabilization and Tenant Protections	3,163,505	4,867,080	3,767,674	3,767,674
Strategic Support - Community & Economic Development	15,681,305	6,343,423	5,726,421	5,880,713
Strategic Support - Other - Community & Economic Development	25,020,129	4,385,979	2,719,620	2,750,251
<i>Planning, Building and Code Enforcement Department</i>				
Citywide Land Use Planning	8,027,632	8,541,199	6,828,222	7,028,985
Development Plan Review and Building Construction Inspection	42,215,215	42,528,016	45,061,993	44,633,964
Strategic Support - Community & Economic Development	3,225,830	2,883,736	3,368,381	3,265,278
Strategic Support - Other - Community & Economic Development	1,640,291	7,976,261	7,072,099	6,893,938
<i>Public Works Department</i>				
Regulate/Facilitate Private Development	15,921,758	18,984,630	19,568,271	19,521,398
Strategic Support - Other - Community & Economic Development	675,101	1,558,118	623,400	623,400
<b>Total CSA</b>	<b>\$275,658,601</b>	<b>\$276,880,369</b>	<b>\$200,791,891</b>	<b>\$203,234,365</b>
 <b>Authorized Positions</b>	 <b>483.14</b>	 <b>483.14</b>	 <b>479.32</b>	 <b>481.77</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 2023-2024 Actuals column reflect those included in the 2023-2024 Adopted Budget. 2023-2024 Actuals may not subtotal due to rounding.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### Development Services Budget Summary

**2025-2026 Proposed Operating Budget  
Development Fee Program Summary**

	Revenue	Cost	% Cost Recovery*	Positions	Ending Fund Balance/Works-in- Progress Funding**
<b>2024-2025 Modified</b>					
Building	\$ 36,604,300	\$ 43,867,813	83.4%	159.86	\$ 28,599,615
Fire	9,570,000	10,508,391	91.1%	33.43	1,216,317
Planning	7,700,657	9,291,570	82.9%	39.02	2,440,212
Public Works	16,720,500	19,589,633	85.4%	74.62	3,221,186
<b>Total</b>	<b>\$ 70,595,457</b>	<b>\$ 83,257,407</b>	<b>84.8%</b>	<b>306.93</b>	<b>\$ 35,477,330</b>
<b>2025-2026 Proposed Operating Budget</b>					
Building	\$ 39,631,127	\$ 47,009,627	84.3%	162.09	\$ 23,569,471
Fire	10,513,000	10,513,000	100.0%	32.77	549,189
Planning	8,462,827	9,028,891	93.7%	35.26	1,579,981
Public Works	19,581,000	20,511,460	95.5%	76.43	2,264,283
<b>Total</b>	<b>\$ 78,187,954</b>	<b>\$ 87,062,978</b>	<b>89.8%</b>	<b>306.55</b>	<b>\$ 27,962,924</b>

\* In 2024-2025 and in 2025-2026, 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 2025-2026 are the estimated levels and will be tried up once 2024-2025 revenues and expenditures are reconciled and 2024-2025 balancing actions are included.

Development Services is a \$87.1 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). 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: THRIVING, INCLUSIVE, AND ATTRACTIVE COMMUNITIES AND VIBRANT PUBLIC SPACES

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
SG 1.1 Support inclusive policy and decisions to shape healthy, thriving, and attractive neighborhoods with access to community opportunities and resources	<b>City Growth and Development Management.</b> % of residents rating the City's management of growth and development as "good" or "excellent."  <i>PM 1.1.1</i>	23%	30%	N/A <sup>1</sup>	45%	45%
	<i>PM 1.2.1</i> <b>Quality and Diversity of Arts and Cultural Activities.</b> % of residents surveyed rating the availability and variety of arts and cultural offerings as "good" or "excellent."	41%	40%	N/A <sup>1</sup>	40%	40%
	<i>PM 1.2.2</i> <b>Outdoor Special Events Availability and Variety.</b> % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as "good" or "excellent."	34%	40%	N/A <sup>1</sup>	50%	50%
	SG 1.2 Support diverse private and public art, cultural assets, and public entertainment offerings <i>PM 1.2.3</i> <b>Downtown Attractiveness and Viability.</b> % of residents rating the City's efforts to make downtown attractive and viable as "good" or "excellent."	25%	50%	N/A <sup>1</sup>	50%	50%
	<i>PM 1.2.4</i> <b>San José as a Shopping and Dining Destination.</b> % of residents rating San José as a place to shop and dine as "good" or "excellent."	54%	70%	N/A <sup>1</sup>	75%	75%
<i>PM 1.2.5</i> <b>Average Daytime and Nighttime Downtown Foot Traffic.</b> Average Downtown Foot Traffic per Month: (OEDCA)	- Daytime - Nighttime	882,304 980,189	N/A <sup>2</sup> N/A <sup>2</sup>	914,119 1,078,628	1,005,531 <sup>3</sup> 1,186,490 <sup>3</sup>	1,216,692 1,305,139

<sup>1</sup> Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget document; data will not be available in time. However, 2024-2025 community survey data will be reported in the City Auditor's Annual Report on City Services for 2024-2025 and as 2024-2025 Actuals in the 2026-2027 Proposed Budget. The next community survey will be conducted in late summer 2025.

<sup>2</sup> New 2025-2026 Performance Measure with Targets identified for 2025-2026 onward.

<sup>3</sup> Target based on goal of 10% year-over-year increase. Daytime is defined as 6 am to 5 pm. Nighttime is defined as 5 pm to 6 am.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### Budget Dollars at Work: Performance Goals

#### OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal	
<b>SG 2.1:</b> Cultivate and support a diverse business ecosystem and workforce.	<b>Workforce Innovation and Opportunity Act Clients.</b> % of work2future adult and youth clients served who are low income or have a significant barrier to employment.	83%	85%	85%	85%	85%	
	<b>Business Development Assistance Tax Changes.</b> Estimated % change in sales and business tax revenue from businesses receiving Business Development assistance:	- Taxes from attracted or expanded companies <sup>1</sup>	(26%)	10%	(54%)	150%	10%
	- Taxes from retained companies <sup>1</sup>	37%	10%	59%	30%	10%	
	<b>Specialized Building Project Reviews.</b> % of total Building projects that utilize specialized application and permit review programs:	- Streamlined Restaurant Program (SRP)	N/A <sup>2</sup>	75%	N/A <sup>3</sup>	75%	90%
	- Streamlined Tenant Alteration Review (STAR)	N/A <sup>2</sup>	75%	40%	75%	90%	
	- Mall Thursday	N/A <sup>2</sup>	75%	N/A <sup>3</sup>	75%	90%	
	<b>Attracting Businesses and Good Paying Jobs.</b> % of residents rating the City's efforts at attracting businesses and good paying jobs as "good" or "excellent."	PM 2.1.4	31%	40%	N/A <sup>4</sup>	50%	50%

<sup>1</sup> The measures represent the year-over-year change. Numbers can be positive if tax revenue was or is expected to be higher than the prior year, and conversely, negative if revenue was or is expected to be lower than the prior year.

<sup>2</sup> New performance measure for 2024-2025.

<sup>3</sup> Source for data still needs to be developed.

<sup>4</sup> Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget document; data will not be available in time. However, 2024-2025 community survey data will be reported in the City Auditor's Annual Report on City Services for 2024-2025 and as 2024-2025 Actuals in the 2026-2027 Proposed Budget. The next community survey will be conducted in late summer 2025.

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### BUDGET OVERVIEW

#### OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
SG 2.2: Ensure the safety and welfare of the built environment through reliable and solutions-oriented regulatory compliance and inspections.	<b>Consistent Staff Feedback.</b> % of projects that receive consistent staff feedback throughout project review <sup>1</sup> :					
	- Entitlement Process:					
	o Planning Review	80%	80%	80%	80%	80%
	o Public Works Review	66%	75%	N/A <sup>1</sup>	75%	80%
	o Fire Review	57%	84%	N/A <sup>1</sup>	84%	90%
	- Construction Process:					
	o Building Plan Check	80%	80%	80%	90%	90%
	o Building Inspectors Consistent with Building Plan Check	80%	80%	80%	90%	90%
	o Building Inspectors Consistent among Multiple Inspectors	80%	80%	80%	90%	90%
	o Fire Plan Check	82%	85%	N/A <sup>1</sup>	85%	85%
	o Public Works Improvement Permit	68%	75%	N/A <sup>1</sup>	75%	80%
	<b>Development Project On-Time Reviews.</b> % of development projects completed within published timelines for first review:					
	- Planning Permit Process:					
	o Planning Review (30 calendar days) <sup>2</sup>	89%	100%	90%	100%	100%
o Building Review (19 business days)	69%	80%	85%	90%	100%	
o Public Works Review (15-20 business days)	89%	85%	85%	85%	85%	
o Fire Review (19 business days)	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	
- Construction Process:						
o Planning Review of Building Permits (10-40 days)	61%	80%	75%	75%	80%	
o Building Plan Check (10-40 days)	70%	75%	60%	80%	85%	
o Building Inspection Scheduling within 24 hours	85%	85%	88%	90%	90%	
o Building Inspection Scheduling within 48 hours	87%	95%	90%	95%	95%	
o Fire Plan Check (10-40 days)	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	
o Public Works Plan Review (5-30 business days)	93%	85%	85%	85%	85%	

<sup>1</sup> The data will be available for these measures and will be included in the 2025-2026 Adopted Operating Budget once the Development Services Partners Customer Survey is completed.

<sup>2</sup> The City is mandated to determine the completeness of a development project application within 30 calendar days of its submission and notify the applicant in writing under the State's Permit Streamlining Act.

<sup>3</sup> This is a new performance measure. Data was not previously tracked and/or reported for the 2023-2024 Budget and targets are anticipated to be re-evaluated for relevance and could be recommended for deletion in 2026-2027.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
	<b>Development Services Customer Service Satisfaction.</b> % of customers surveyed who:					
	- Discretionary Projects <sup>1</sup> :					
	o Rated service as "good" or better	75%	75%	80%	80%	80%
PM 2.2.3	o "strongly agree" or "somewhat agree" the City improved service in the past 12 months	70%	70%	75%	75%	75%
	- Ministerial Projects <sup>2</sup> :					
	o Rated service as "good" or better	80%	75%	80%	80%	80%
	o "strongly agree" or somewhat agree" the City improved customer service in the past 12 months	80%	75%	80%	80%	80%
	<b>Resident Perception of Building and Safety Code Compliance.</b> % of residents rating the City's efforts of ensuring new construction follows codes as "good" or "excellent"					
PM 2.2.4		36%	39%	N/A <sup>3</sup>	45%	45%

<sup>1</sup> Discretionary projects are those that require a public hearing (e.g., zoning change, General Plan amendment).

<sup>2</sup> Ministerial projects are administrative in nature and do not require a public hearing (e.g., water heater replacements).

<sup>3</sup> Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget document; data will not be available in time. However, 2024-2025 community survey data will be reported in the City Auditor's Annual Report on City Services for 2024-2025 and as 2024-2025 Actuals in the 2026-2027 Proposed Budget. The next community survey will be conducted in late summer 2025.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### Budget Dollars at Work: Performance Goals

#### OUTCOME 3: ACCESSIBLE AND DIVERSE RANGE OF HOUSING AND BUSINESS OPPORTUNITIES

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
SG 3.1 Steward the production and preservation of a mix of housing types, tenure, and affordability	<b>Extremely Low-Income Household Funding Rates.</b> % of Housing Department funds committed to extremely low-income households <i>PM 3.1.1</i>	40%	56%	54%	43%	45%
	<b>Housing Production Rates.</b> % of San José housing production compared to yearly target for regional fair share number (RHNA) <sup>1</sup> target <sup>2</sup> for total cycle units <sup>3</sup> : <i>PM 3.1.2</i>					
	- Planning Permit Issued	42% <sup>2</sup>	100% <sup>4</sup>	60%	100%	62.5%
	- Building Permit Issued	26% <sup>2</sup>	100% <sup>4</sup>	11%	100%	62.5%
	- Certificate of Occupancy Issued	19% <sup>2</sup>	100% <sup>4</sup>	17%	100%	62.5%
	<b>Affordable Housing Units Receiving Subsidies.</b> Average \$ of City subsidy per affordable housing unit <i>PM 3.1.3</i>	\$157,000	N/A <sup>5</sup>	\$159,000	\$200,000	\$225,000
SG 3.2: Strengthen and stabilize our community through neighborhood investment and displacement prevention.	<b>Businesses in Neighborhood Business Districts.</b> Ratio of sales tax to number of small businesses (with a sales tax license): <i>PM 3.2.1</i>	N/A <sup>6</sup>	N/A <sup>6</sup>	N/A <sup>6</sup>	N/A <sup>6</sup>	N/A <sup>6</sup>
	- With City investment					
	- City Wide					
	<b>Rent Stabilization Rates.</b> % of rent stabilized units under the Apartment Rent Ordinance that did not have a rent increase in the past year <i>PM 3.2.2</i>	56%	N/A <sup>5</sup>	41%	50%	50%
<b>Retain, Expand, or Attract Jobs.</b> % of retained, expanded, or attracted jobs <sup>7</sup> from businesses receiving Business Development assistance toward the 10,000-job growth goal for FY25-26 and FY26-27 <sup>10</sup> <i>PM 3.2.3</i>	N/A <sup>8</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>	71%	100% <sup>9</sup>	

<sup>1</sup> Regional Housing Needs Allocation or RHNA is the part of the Housing Element process used to determine how many housing units each local government must plan for in its Housing Element. The current RHNA target for San José is 62,200 new housing units produced for the period from 2023 to 2031, which includes 34,486 overall for affordable housing units and 27,714 overall for market-rate housing units.

<sup>2</sup> Data is provided for the calendar year, instead of fiscal year, to align with Housing Element reporting requirements. For reference, data provided for 2024-2025 covers the timeframe of January through December 2024, and targets provided for 2025-2026 cover the timeframe of January through December 2025. The target represents reaching the annual goal of producing 12.5% of the total 62,200 new housing units for the eight-year period from 2023 to 2031.

<sup>3</sup> The City uses building permit issued as the standard for unit production.

<sup>4</sup> The 2024-2025 Target is restated from what was published in the 2024-2025 Adopted Budget to better align the Performance Measure with Housing Element reporting requirements. In the 2024-2025 Adopted Budget, the 2024-2025 Target for Planning Permit Issued, Building Permit Issued, and Certificate of Occupancy Issued was recorded as 12.5%.

<sup>5</sup> New performance measure for 2025-2026 with no prior Target established.

<sup>6</sup> This is a new performance measure for 2024-2025 and further analysis is needed to establish targets.

<sup>7</sup> Jobs are for medium and large companies with more than 35 employees.

<sup>8</sup> This is a new performance measure for 2025-2026 with no prior Target established. The Target of cumulative 10,000 retained, expanded, or attracted jobs is to be completed over 2025-2026 and 2026-2027. The Target number is the percent of jobs attained toward the goal of 10,000.

<sup>9</sup> The goal of 10,000 retained, expanded, or attracted jobs is a 2-year goal based on the approval of the Economic Development and Cultural Affairs strategic plan. The goal is to achieve 10,000 retained, expanded, or attracted jobs at the end of the two-year period.

<sup>10</sup> City staff are facilitators of these metrics which are reliant on private market investment. Without private market investment, large performance improvements may not be possible.

# CITY SERVICE AREA

## COMMUNITY AND ECONOMIC DEVELOPMENT

### BUDGET OVERVIEW

#### CED CSA-Level Data Sources

Identifier	Data Source
PM 1.1.1	City of San José Community Opinion Survey Summary Report
PM 1.2.1	City of San José Community Opinion Survey Summary Report
PM 1.2.2	City of San José Community Opinion Survey Summary Report
PM 1.2.3	City of San José Community Opinion Survey Summary Report
PM 1.2.4	City of San José Community Opinion Survey Summary Report
PM 1.2.5	CityData.ai foot traffic data compiled by staff
PM 2.1.1	work2future internal tracking report (Based on intake, client interviews, case management)
PM 2.1.2	Business Development Team Tracking, Sales Tax Data, and City Business License Data
PM 2.1.3	AMANDA Yellowfin report
PM 2.1.4	City of San José Community Opinion Survey Summary Report
PM 2.2.1	Development Services Partners Customer Survey
PM 2.2.2	AMANDA Analytics report
PM 2.2.3	Development Services Partners Customer Survey
PM 2.2.4	City of San José Community Opinion Survey Summary Report
PM 3.1.1	Project pipeline, Project description, Salesforce data
PM 3.1.2	Housing Element Annual Performance Report
PM 3.1.3	Project Tracker, City Council Memos
PM 3.2.1	Business Development Team Tracking,.
PM 3.2.2	Rent Registry, Salesforce Data Project Tracker, Affordability Restrictions
PM 3.2.3	Business Development Team Tracking

## 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>			
• Business Outreach and Development Staffing	3.00	525,084	525,084
• Energy Customer Development Team	2.00	520,197	520,197
• Sports and Entertainment District Preliminary Development		250,000	250,000
• Public Art Staffing	1.00	0	0
• Reallocation of Real Estate Services Staffing	0.00	0	(118,486)
<i>Subtotal</i>	6.00	1,295,281	1,176,795
<b>FIRE</b>			
• Non-Development Fee Program Realignment	(1.00)	(210,423)	0
<i>Subtotal</i>	(1.00)	(210,423)	0
<b>HOUSING</b>			
• Housing Grants Program Management Staffing	1.90	310,454	0
• Contracts Monitoring and Compliance Staffing	1.20	238,096	0
• Procurement Staffing	0.80	154,292	0
• Property Management Staffing	(2.55)	(572,823)	0
<i>Subtotal</i>	1.35	130,019	0
<b>PLANNING, BUILDING AND CODE ENFORCEMENT</b>			
• ProjectDox Software Upgrade		280,000	0
• CEQA Process Improvement		250,000	531,752
• Planning Staffing	(1.00)	(335,185)	(140,777)
• Administration and Fiscal Oversight Staffing	(1.90)	(326,852)	(42,465)
• Permit Center - Supervision Staffing	(1.00)	(238,556)	0
<i>Subtotal</i>	(3.90)	(370,593)	348,510
<b>PUBLIC WORKS</b>			
• Energy Customer Development Team	4.00	662,189	0
• Public Works Department Staffing Plan - Development Fee Program	(4.00)	(709,062)	(145,503)
<i>Subtotal</i>	0.00	(46,873)	(145,503)
<b>Subtotal Departments</b>	<b>2.45</b>	<b>797,411</b>	<b>1,379,802</b>
<b>CITY-WIDE EXPENSES</b>			
• 2026 Sporting Events		1,500,000	1,500,000
• Storefront Activation Grant Program		350,000	350,000
• Santa Clara County Public Art Services		200,000	200,000
• Small Business ADA Legal Support Grants		120,000	120,000
• Supplemental Arts and Cultural Funding		100,000	100,000
• San José Works - Youth Jobs Initiative		(490,000)	(490,000)

**CITY SERVICE AREA**

**COMMUNITY AND ECONOMIC DEVELOPMENT**

**PROPOSED BUDGET CHANGES**

<b>Proposed Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>General Fund Capital, Transfers, and Reserves</b>			
• Earmarked Reserves: Code Enforcement Re-Engineering Implementation Reserve		400,000	400,000
<b>Subtotal Other Changes</b>	<b>0.00</b>	<b>2,180,000</b>	<b>2,180,000</b>
<b>Total Proposed Budget Changes</b>	<b>2.45</b>	<b>2,977,411</b>	<b>3,559,802</b>