Larry Stone, Santa Clara County Assessor, sits comfortably in a spacious office overlooking a sea of rooftops. Each one represents a source of income for Santa Clara County, but that’s of no import to one of Silicon Valley’s 100 most powerful leaders.

“In this role,” he said, “I am not concerned with funding constitutional responsibilities, (despite what I may feel strongly about personally) but to provide accurate assessment values on real property.”

It is Mr. Stone’s laser-like focus on providing accurate assessments, along with a keen mind for efficiencies and customer service that has kept him in office for sixteen years. The County Assessor oversees a $300 billion assessment roll and a staff of 243 – a number that has remained consistent during this recent downturn. Prior to becoming County Assessor, Mr. Stone was a City Council member and Mayor of Sunnyvale. He also worked on Wall Street, and later was a co-founder of a successful real estate development firm. He currently has an interest in two affordable housing projects totaling 500 units in San Jose.

A good indication of his focus is in the composition of his staff. Of the over two-hundred employees of the assessor’s office, there is exactly one administrative assistant. Everyone else has a job description that directly relates to assessing and getting the mission of the office completed.

Mr. Stone said, “My job is to ensure that we do our job as efficiently as possible. As assessor I am independent of the politicians that spend the money that this office generates, and I covet that independence.”

This distinction is important because during the recent downturn, 124,000 properties were reassessed to reflect the decline in values—a whopping $26 billion dollars in value reduction. Mr. Stone laughingly said, “You have to be strong politically, and in yourself to pull that off. My loyalty in this job is to the tax payer and giving them a fair property valuation.”

Longtime San Jose Mercury columnist Scott Herhold called Mr. Stone, “the third most powerful elected official (in San Jose).” Mr. Stone’s power position was clearly earned. When he took office in 1996, he was struck by the inefficiencies in the organization and immediately started to review and develop processes to make the office more efficient, something he had very successfully accomplished as Mayor of Sunnyvale. He noted, in his new position, that staff members waited in line to use fax machines, waited further to print documents, and that computers were few and far between. He immediately set about remedying this situation.

“One can’t ask people to work more productively and not give them the tools to do so,” he said.

With a backlog of 16,400 items, which represented $3 billion in delayed assessments, he persuaded the county board of supervisors to allocate funds to purchase the new equipment and furnishings for all county assessor offices. The only mandate involved was to clear the backlog in return. Mr. Stone set a goal to use technology to streamline processes. He ordered new computers and training for every staff member, and standard-ized the offices with new cubicles laid out more efficiently to maximize the space.

These changes ultimately resulted in the creation of one of the more technologically advanced assessor’s offices in the country. The Santa Clara county assessor’s office is now almost paperless. An online system allows tax payers to essentially perform most tasks without having to leave the comfort of their homes or offices. The assessor’s office mails out 465,000 post cards to property owners every year giving them advance notice of their property assessments before they are finalized. This provides an efficient way to communicate any changes, and more importantly the opportunity to dispute the assessment. Additionally, the assessor’s office now provides a pin number to each property owner that provides access to the comparables used online. With an insight into the logic behind the assessment, property owners are more accepting of their assessment. This transparency has eliminated a lot of work for the assessor’s office and provided consumers with a tool that the Silicon Valley technologically savvy residents love. Mr. Stone spent a lot of money and resources to drive people online and it is working. Complaints are down and more property owners are satisfied. Interestingly, the majority of the 4,000,000 hits the assessor’s website receives each year are after work hours.

One of the lessons Mr. Stone has learned from his lengthy tenure as County Assessor is that “many real estate investors made money, gave it back, made it again, and gave it back.” The biggest problem with this current
Downturn in his opinion is that it impacted all real estate classes, and was more widespread than anyone could have anticipated. He frankly shared that financial fraud was perpetrated.

“Developers have a tendency to over-develop and banks used very little judgment or discretion in why and who they gave financing to.”

One thing he suggested that developers could benefit from was truthful and straight information from the Planning Commission, City officials and Mayor’s office in terms of their projects. As a developer himself for many years he learned this lesson. “If I can’t support a developer I tell them that and why. At least with a truthful conversation the developer knows what he has to do. I don’t want anyone to spend time spinning their wheels -- that does not serve any of us well in government or the private sector.”

What is his viewpoint of the state of real estate in Silicon Valley? The apartment market is particularly strong right now, as are rents. Mr. Stone shared this story. A large commercial developer who had a practically empty building for two years, recently went on a cruise. When the developer returned, he found his building was 90% occupied with large, well financed top-tier companies.

Mr. Stone contemplated the view from his window. “We are rising from the depths of the worst economic decline in my lifetime.”

The Google effect, the Apple phenomenon, Hewlett Packard, Facebook, and Microsoft to mention a few are causing an economic uptick in Silicon Valley and the assessor’s tax role is upward bound judging from the most recent tax roles for 2011, at least that’s the view from the assessor’s seat.