

REDEVELOPMENT AGENCY BOARD

SYNOPSIS

September 18, 2001

LINDA J. LEZOTTE
FORREST WILLIAMS
CINDY CHAVEZ
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES CHAIR

KEN YEAGER
GEORGE SHIRAKAWA, JR.
DAVID CORTESE
JOHN DIQUISTO
PAT DANDO

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT10



Welcome to the San Jose Redevelopment Agency's Board meeting. Our Board is composed of the ten City Councilmembers and the Mayor, who serve as our Boardmembers and Chairperson.

This Agenda contains both a Consent Calendar section for routine business items requiring Board approval, and general business items arranged to correspond to the Agency's Core Service Areas. The Core Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the Agency provides to the community and to the City. The four Core Service Areas are:

- ***Promote and Implement Neighborhood Improvement Strategies*** — Through collaboration, revitalize commercial and residential neighborhoods so they are livable, safe, diverse and economically sustainable.
- ***Enhance the Quality and Supply of the City's Housing Stock*** — Enhance the Quality and Supply of the City's Housing Stock
- ***Initiate and Facilitate Public Facilities and Spaces*** — To guide the creation of a fabric of public facilities and spaces that is useful, stable, inviting, delightful and instills pride in the community to foster the opportunity for other investments
- ***Initiate and Facilitate Private Development*** — Capitalize on market opportunities and facilitate private development in the fastest possible time with the highest quality customer service

You may speak to the Board about items on the agenda by submitting a Speaker's Card to the Agency's Clerk seated at the front table. If you wish to address the Board about an issue that is not on the Board agenda, you may speak during the "Open Forum" during the City Council's meeting. The Board is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act), items must first be noticed on the agenda before any discussion or action. Tips for speaking to the Board:

- **Please submit a Blue Speaker's Card before the meeting or before the item is heard.** This ensures that your name is called for item(s) you wish to address, and that the meeting runs smoothly for all participants.
- When the Board reaches your item on the agenda, the Chairperson will open the public hearing and call your name. Please address the Board from the large podium located to the left of the Clerk's table.
- Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Chairperson's discretion however, depending on the number of speakers and length of agenda.
- There are three lights to assist you with tracking your speaking time. They are located to the far right of the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and, the red light comes on when your speaking time is up.

If you have any questions, please direct them to Agency staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings. The Redevelopment Agency's Board meets on Tuesdays, following the City Council meeting at 1:30 p.m. Agendas of future meetings are posted immediately outside City Hall's main entrance and at: www.sjredevelopment.org.

CALL TO ORDER AND ROLL CALL

Mayor Ron Gonzales called the meeting to order at 4:30 p.m.

**PRESENT: GONZALES, CAMPOS, CHAVEZ, CORTESE, DANDO,
DIQUISTO, LEZOTTE, REED, SHIRAKAWA, JR.,
YEAGER, WILLIAMS.**

ORDERS OF THE DAY

Items 7.1 - 7.3 are to be considered in a joint Redevelopment Agency Board/City Council session.

See Item 10 on the City Council Agenda for description of any City Council agenda items relating to the Redevelopment Agency.

Orders of the Day Approved.

1 CEREMONIAL ITEMS

None.

2 CONSENT CALENDAR

2.1 Report of the Rules Committee – August 22, 2001

Vice Mayor Shirakawa, Jr., Chair

- (a) Review September 4, 2001 Draft Agenda.
- (b) Add New Items to the August 28, 2001 Amended Agenda.

Approved.

2.2 Report of the Rules Committee – August 29, 2001

Vice Mayor Shirakawa, Jr., Chair

- (a) Review September 11, 2001 Draft Agenda.
- (b) Approve cancellation of September 4, 2001 Meeting.

Approved.

END OF CONSENT CALENDAR

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

3.1 **Approval of an amendment with Mineweaser & Associates, in the amount of \$75,000, for a total contract amount of \$695,000, for services related to the relocation of historically significant houses in the Civic Center Area.**

Recommendation: Approval of the second amendment to the agreement with Mineweaser & Associates, in the amount of \$75,000, for a total contract amount not to exceed \$695,000, for services related to the relocation of historically significant houses in the Civic Center Redevelopment Area. CEQA: Resolution No. 68905.

Item 3.1 deferred to September 25, 2001.

4 HOUSING

None.

5 PUBLIC FACILITIES AND SPACES

5.1 **Approval of an amendment to the Development Agreement with the San Jose Repertory Theater.**

Recommendation: Approval of an amendment to the Third Amended and Restated Development Agreement between the Agency and San Jose Repertory Theatre providing for reduction of the Repertory Theatre repayment of the Agency's advance for certain improvements by \$350,000, the amount of costs the Theatre incurred during completion of the Theatre. CEQA: Resolution No. 56434. **Approved.**

Board Member Yeager left the meeting at 4:40 p.m.

6 PRIVATE DEVELOPMENT

6.1 Approval of an amendment to the agreement with Paul, Hastings, Janofsky & Walker LLP, adding the amount of \$300,000, for legal services.

Recommendation:

- (a) Approval of the first amendment to the agreement with Paul, Hastings, Janofsky & Walker LLP, in the amount of \$300,000, for a total amount not to exceed \$475,000, for legal services in connection with possible downtown development projects.

Approved. Absent: Yeager.

- (b) Adoption of a resolution approving the add of \$200,000 to the Adopted FY 2001-2002 Capital Budget Downtown Mixed Use project line in the Merged Project Area from the Capital Reserve.

Agency Board Resolution No. 5202 adopted. Absent: Yeager.

- (c) Adoption of a resolution amending the FY 2001-2002 Agency appropriations resolution.

Agency Board Resolution No. 5203 adopted. Absent: Yeager.

7 JOINT REDEVELOPMENT AGENCY/COUNCIL

7.1 Approval of the DDA with CIM California Urban Real Estate Fund L.P., for the development of the Twohy Building, including approximately 32 residential live-work units, with ground floor retail use, and acceptance of the 33433 Summary Report and Re-Use Appraisal.

Recommendation: Adoption of resolutions:

- (a) By the City Council approving the disposition of the Twohy Building located at 210 S. First Street, between San Fernando and San Carlos Streets, to CIM California Urban Real Estate Fund L.P., accepting the 33433 Summary Report and Re-Use Appraisal, and finding that the disposition of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the San Antonio Plaza Redevelopment Project Area and that the consideration for the property is not less than the fair reuse value for the proposed use, with the covenants and conditions and development costs authorized by the Disposition and Development Agreement (DDA).

7 JOINT REDEVELOPMENT AGENCY/COUNCIL (Continued)

- (b) By the Agency Board approving the addition of \$1.8 million to the Adopted FY 2001-2002 Capital Budget Twohy Building DDA project line in the San Antonio Redevelopment Area and amending the FY 2001-2002 Agency appropriation resolution.
- (c) By the Agency Board approving the proposed FY 2001-02 Capital rebudget for the San Antonio Plaza, Twohy Building (DDA) project.
- (d) By the Agency Board approving the DDA and authorizing the Executive Director to execute ancillary documents contemplated by the DDA and to close escrow and convey the Property subject to compliance with the terms of the DDA, and to negotiate and execute amendments to the DDA substantially in conformance with the intent of the DDA as reasonably necessary to conform to lender requirements.

Item 7.1(a)-(d) dropped.

Boardmember Yeager returned to the meeting at 4:43 p.m.

7.2 Public Hearing and amendment of the Redevelopment Area Inclusionary Housing Policy.

Recommendation: Public Hearing, followed by adoption of resolutions by the City Council and Agency Board making findings that the aggregation of inclusionary housing units among all Redevelopment Project Areas will not cause or exacerbate segregation, and making certain modifications to the Redevelopment Area Inclusionary Housing Policy.

Public testimony received. Boardmembers Reed, Dando, and Williams requested a report back within a year on the success of the Policy, and on the number of additional affordable housing units generated and on how and who subsidized the building of the units. Agency Board Resolution No. 5204 adopted. City Council Resolution No. 70618 adopted.

7.3 Authorization by the City Council to negotiate and execute an agreements with the Redevelopment Agency and with Neighborhood Housing Services of Silicon Valley to assist with tenant improvements for the NHS office at Story and King Roads and related actions; and authorization by the Agency Board to negotiate and execute an agreement with the City to reimburse one-half of the costs.

Recommendation:

- (a) Adoption of a resolution by the City Council:
 - (1) Approving the expenditure of Rental Rehabilitation Program funds for one-half of the \$155,370 tenant-improvement costs for Neighborhood Housing Services of Silicon Valley (NHSSV); and,
 - (2) Authorizing the Director of Housing to negotiate and execute a cooperation agreement with the Redevelopment Agency for the Agency to reimburse the City for the other half of \$155,370 tenant-improvement costs for NHSSV; and,
 - (3) Authorizing the Director of Housing to negotiate and execute an agreement with NHSSV to partially fund tenant improvements, in an amount not to exceed \$155,370, for the 5,179 square-foot permanent NHSSV office at the corner of King and Story Roads.

City Council Resolution No. 70619 adopted.

- (b) Adoption of a resolution by the Agency Board, authorizing the Executive Director to negotiate and execute a cooperation agreement with the City to reimburse the Housing Department for one-half of the \$155,370 tenant-improvement costs for NHSSV.

Agency Board Resolution No. 5205 adopted.

CLOSED SESSION REPORT

None.

OPEN FORUM

None.

ADJOURNMENT

The meeting was adjourned at 4:59 p.m.