

PROGRESS REPORT ON THE STRONG NEIGHBORHOODS INITIATIVE FIVE-YEAR IMPLEMENTATION PLAN

I. INTRODUCTION

California Redevelopment reform legislation of 1994 required Redevelopment Agencies to adopt Five-Year Implementation Plans for all Project Areas. Each Implementation Plan must describe specific goals and objectives of the redevelopment agency, the specific projects proposed, and a program of actions and expenditures proposed to be made within a five-year time period. Additionally, the Implementation Plan must describe how these programs will improve or alleviate the blighted conditions of the project areas.

Section 33490 of California Redevelopment Law requires review and evaluation at a public hearing of the progress of redevelopment activities described in each Implementation Plan mid-way through the five-year term of the Implementation Plan. This report provides the Redevelopment Agency Board with a status update of proposed programs and projects for the Strong Neighborhoods Initiative Project Area and facilitates the mid-term review and evaluation of the Implementation Plan.

As part of this status update, the Redevelopment Agency is incorporating into the status report on the Implementation Plan its commitment to not use its powers of eminent domain over single-family attached or detached owner-occupied residential properties in the Strong Neighborhoods Initiative Areas.

The Strong Neighborhoods Initiative Redevelopment Project Area consists of twenty distinct areas in six non-contiguous geographic regions. Of the twenty identifiable areas, nineteen consist of neighborhoods with both residential and commercial development. One small non-contiguous area, Union/Curtner, contains only commercial land uses. For purposes of this report the neighborhoods in which specific projects are implemented are referenced in parentheses at the end of each project description.

II. PROGRAM SUMMARIES AND STATUS

A summary of the Implementation Plan programs and status of the programs for each section are discussed below.

1. **Facade Improvement Program**

Summary of Program

The Facade Improvement Program provides funding to commercial property owners for the purposes of storefront improvements and facade treatments. This program provides assistance to property and business owners in Redevelopment Project Areas to encourage the restoration, modernization and improvement of facades of commercial structures that will enhance the attractiveness and visibility of the area. Typical improvements include paint, signage, lighting, awnings, window and door replacement, limited parapet additions, finishes and decorative features designed to highlight building characteristics, as well as landscaping and fencing to the frontage of properties.

Status of Current and Future Projects

Since adoption of the Implementation Plan, 22 facade improvement projects have been completed throughout the Project Area with an additional 19 facade improvements expected to be completed in the next year.

Completed Facade Improvements:

- 3123 Williamsburg Drive (Winchester).
- Santa Clara Appliance (Five Wounds/Brookwood Terrace)
- Discount Furniture (Five Wounds/Brookwood Terrace)
- Alum Rock Counseling Center (Five Wounds/Brookwood Terrace)
- Delfin Restaurant (Five Wounds/Brookwood Terrace)
- Nick's Pizza (University)
- Westside Billiards (Burbank/Del Monte)
- 310 Keyes Street (Spartan/Keyes)
- 1098 S. 3rd Street (Spartan/Keyes)
- Taqueria Lorena's (13th Street)
- Rollo's Donuts (13th Street)
- Jerry's Barber Shop (13th Street)
- Giovanni's Pizza (13th Street)
- Cesar's Flowers (13th Street)
- Cox and Sprague (13th Street)
- Williams/Boynnton Shopping Center (Blackford)
- Grewel Shopping Center (Five Wounds/Brookwood Terrace)
- Two buildings at the southwest corner of Union and Curtner (Union/Curtner)
- Kowloon Auto (Spartan Keyes)

- High Tech Auto (Spartan Keyes)
- Bud's Brake and Wheel (Spartan Keyes)
- Portuguese Organization for Social Services and Opportunities (Five Wounds/Brookwood Terrace)

Facade Improvements to be completed:

- 1535 S. Winchester Boulevard (Winchester).
- Dawn Market (Greater Gardner)
- Starbrite Market (Greater Gardner)
- Ralph's Smokehouse and Deli (Greater Gardner)
- Two buildings in the Spartan/Keyes project area
- Three buildings in the 13th Street project area
- Three buildings located on the corner of Union at Bascom (Union/Curtner).
- Three buildings in the Washington project area
- Four buildings in University project area

2. Public/Private Development

Summary of Program

Public/private coordination occurs when the Redevelopment Agency participates in significant private development projects. Through an Owner Participation Agreement or Disposition and Development Agreement, the Redevelopment Agency may provide assistance for new commercial development or for the expansion of existing commercial facilities. This program typically funds construction, landscaping, facade upgrades, parking lot improvements and the City of San Jose development requirements (e.g., fire hydrants; infrastructure improvements, or traffic mitigation projects)

Status of Future Projects

- An Owner Participation Agreement has been executed with the owners of the Anne Darling Shopping Center (a supermarket located on the corner of 33rd Street and McKee Road) and the surrounding buildings. Work is expected to begin in Spring 2006 (Five Wounds/Brookwood Terrace)
- The San Jose Redevelopment Agency is facilitating discussions with a national retailer that is interested in purchasing land and locating one of its retail outlets to an adjacent parcel in the Anne Darling Shopping Center (Five Wounds/Brookwood Terrace).

3. Community Centers, School Enhancement, Park and Open Space Projects

Summary of Program

Community-based projects focus on the need for new or improved community facilities such as parks, community centers, libraries, public schools, community gardens, open space, and cultural facilities. Projects anticipated for development rely on Redevelopment Agency and/or other funds from the City, State and Federal governments. These projects are intended to encourage further investment in the neighborhoods and make neighborhoods a more desirable place to live.

Status of Current Projects:

- Completed construction of the Edenvale Roundtable Community Association (ERCA) Neighborhood Center (Edenvale/Great Oaks).
- Completed construction of Fuller Park (Greater Gardner).
- Completed construction of the Great Oaks Neighborhood Association (GONA) Neighborhood Center (Edenvale/Great Oaks).
- Completed construction of the Great Oaks Skatepark (Edenvale/Great Oaks).
- Completed construction and expansion of Selma Olinder Park (Five Wounds/Brookwood Terrace).
- Completed construction of O'Donnell's Gardens Park (University).
- Completed construction of Parque de Padre Mateo Sheedy (Washington).
- Completed construction of the Plata Arroyo Skatepark (Gateway East).
- Completed feasibility study for Coyote Creek trail (Five Wounds/Brookwood Terrace, University, 13th Street, and Spartan/Keys).
- Completed construction of the Buena Vista tot lot (Burbank/Del Monte).
- Completed improvements at Cahill Park, which were done by the developer (Burbank/Del Monte).
- Renovated the interior and facade of the Boys & Girls Club building on 2195 Cunningham Avenue (KONA).
- Completed improvements at Meadowfair Park including a basketball half court, paved walkways and security lighting. (West Evergreen).
- Constructed a trail along Barberry Lane, which links Coyote Creek and Thompson Creek trails (West Evergreen).
- Acquired land along Scott and Clifton streets for the development of a park (Burbank/Del Monte).
- Acquired land for Nisich Park (Tully/Senter)

- Completed renovation and construction of the West San Jose Community Center (Blackford).
- Provided matching funds for a joint-use playground at Anne Darling Elementary School (Five Wounds/Brookwood Terrace)

Status of Future Projects:

- Construction of Starbird Teen Center to be completed in December 2006 (Blackford).
- Construction of Zolezzi Park improvements scheduled for completion by the end of 2006 (Gateway East).
- Final environmental review of Discovery Community Garden to be completed in spring 2006 (Edenvale/Great Oaks).
- Development of a community garden on vacant property adjacent to Highway 101, between Alum Rock Avenue and East San Antonio Street (Gateway East).
- Master design process for Nisich Park improvements to begin in April 2006 (Tully/Senter).
- Construction improvements to Welch Park are expected to be completed in Fall 2006 (KONA).
- Construction of the Capital Park Neighborhood Center to be completed in August 2006 (East Valley/680)
- Master plan and construction documents for the Coyote Creek Trail extension from Story Road to Hwy 101 to begin in August 2006 (Five Wounds/Brookwood Terrace, University, 13th Street, and Spartan/Keys).
- Construction of the Hoffman/Via-Monte Neighborhood Center to be completed early 2007 (Hoffman/Via-Monte)

4. Infrastructure Improvements

Summary of Program

Infrastructure improvements cover a variety of public works projects ranging from correcting utilities, traffic capacity projects, new streets, undergrounding overhead transmission lines, storm drainage and sanitary sewers, bridges, under or over crossings, flood control improvements, creek stabilization and enhancements, freeway noise walls, and many other capital projects.

Status of Current Projects

- Completed reconstruction of Delmas Avenue, including installation of new curbs and gutters, pavement, sewer laterals and street trees (Greater Gardner).
- Completed reconstruction of Minor Avenue. Project includes installation of new curbs and gutters, pavement, sewer laterals and street trees (Greater Gardner).
- Completed the reconstruction of Spencer Avenue between Willow Street and Atlanta Avenue. Project includes installation of new curbs and gutters, sidewalks and pavement (Greater Gardner).
- Completed the Washington Alleyways Reconstruction Project, which is located at West Virginia Street between Almaden Avenue, Vine Street, and Oak Street. Project included grading, paving, lighting, and minor fence replacement (Washington).
- Constructed a soundwall and decorative fencing on Tully Road along Highway 101 (Tully/Senter).
- Completed phase 1 of a sanitary sewer improvement project that included the installation of sanitary sewer clean outs on residential laterals (Gateway East).
- Completed phase 1 of a sanitary sewer improvement mainline project (Gateway East).

Status of Future Projects

- Construction of storm drain improvements on Sanborn Street in the Alma neighborhood, south of Alma Avenue and west of Monterey Road is expected to be completed in June 2006 (Washington).
- Reconstruction of W. Virginia, Prevost, Spencer and Brown streets (West Virginia to Minor) to be completed by June 2007 (Greater Gardner)
- Development of a plan to either close or reconstruct the Washington alley located between Oak, Willow, Almaden and Vine streets by the end of 2006 (Washington).
- Phase 2 construction of sanitary sewer cleanouts on residential laterals expected to be completed by summer 2006 (Gateway East).
- Phase 3 construction of a sanitary sewer mainline project to be completed by December 2006 (Gateway East)

5. Streetscape and Gateway Improvements

Summary of Program

The streetscape program includes constructing new curbs, gutters, and sidewalks where they do not exist or where broken curbs, gutters, and sidewalks require replacement; installing street trees and shrubs; constructing both decorative and handicapped accessible crosswalks; constructing new medians with landscaping; adding visual and safety improvements to existing medians; installing street furniture, such as trash receptacles and newspaper racks; and improving area lighting by increasing the number of luminaries, increasing the wattage of individual streetlights, or adding pedestrian streetlights.

Status of Current Projects

- Completed street and sidewalk improvements, including new trees and installation of pedestrian lighting (13th Street).
- Constructed sidewalks, driveways, curbs and gutters at Hedding, Berryessa and Jackson Streets (13th Street).
- Completed new landscaped medians on Old Oakland Road between Hedding and Hwy 101 (13th Street)
- Installed nine streetlights at Boynton between Williams and Payne and at the Blackford High tennis courts (Blackford).
- Completed Winchester Boulevard streetscape improvements, including construction of new landscaped median islands with turn lane reconfiguration and striping, decorative paving, irrigation, trees, shrubs, mulch and specialty pavers (Winchester).
- Completed street tree installation on Winchester Boulevard from Moorpark to Impala (Winchester)
- Installed five new lights and upgraded six lights in the Great Oaks neighborhood (Edenvale/Great Oaks).
- Completed streetscape and pedestrian enhancement improvements at McLaughlin Avenue and William Street. Project includes installation of sidewalks, a traffic turn signal at Melbourne, median islands, ADA ramps, street trees, embedded crosswalks adjacent to Olinder Elementary School, and pedestrian lighting (Five Wounds/Brookwood Terrace).
- Completed installation of pedestrian-scale lighting and crosswalks on W. Virginia Street and Delmas Avenue (Greater Gardner).
- Planted 80 trees and repaired sidewalks along Keyes Street, between Senter Road and First Street (Spartan/Keyes).

- Completed construction of pedestrian corridor enhancements at East Reed Street between S. 6th and S. 7th Streets. Project included the installation of curbs and gutters, sidewalks, paving, and irrigation and landscaping. Bulb-outs, an embossed crosswalk, and pedestrian scale lights were installed at the intersection of 6th and Reed Streets (University).
- Installed pedestrian scale acorn-style streetlights on William Street between South 6th and South 10th, and South 6th Streets from San Salvador to Reed Streets (University).
- Installed 55 upgrades and 70 new streetlights in the Washington neighborhood (Washington).
- Replaced and installed 34,574 sq. ft. of sidewalks, 6,904 sq. ft. of drive approaches, 1,500 linear ft. of curbs and gutters, 77 ADA ramps, and 5,628 sq. ft. of park strip replacements throughout the East Valley/680 Communities neighborhood (East Valley/680 Communities).
- Installed 60 new streetlights and upgraded 89 throughout the Mayfair neighborhood (Mayfair).
- Installed six ADA ramps at various locations in the KONA neighborhood and will install an additional 100 ADA ramps by December 2006 (KONA).
- Completed construction of pedestrian improvements on Aborn Road and Irwindale Road. Project included the installation of ADA ramps, crosswalk improvements, and street lights (West Evergreen).
- Completed installation of 1,800 linear feet of curbs and gutters in the Gateway East neighborhood (Gateway East).

Status of Future Projects

- Installation of pedestrian and bicycle safety improvements on Balbach Street and Almaden Boulevard is expected to be completed in May 2006. Project includes the installation of enhanced crosswalks and a bike loop detector (Market/Almaden).
- Installation of 77 new pedestrian lights along Reed Street, Almaden Avenue, and the west side of Market Street from I-280 to Balbach Street is expected to be completed in early 2006 (Market/Almaden).
- Installation of 68 ADA curb ramps throughout the West Evergreen neighborhood is expected to be completed in December 2006 (West Evergreen).
- Installation of 18 ADA ramps throughout the Mayfair neighborhood is expected to be completed in September 2006 (Mayfair)

- Construction of streetscape improvements on West San Carlos Street from Bird Avenue to Delmas Avenue is expected to be completed in early June 2006. Scope of work includes new concrete sidewalks, driveways, a pedestrian crosswalk, new landscaped median islands, pedestrian scale lighting and the installation of street trees (Delmas Park).
- Installation of seventeen pedestrian scale lights along the perimeter of Backesto Park and five lights at the intersection of 13th and Empires and 13th and Jackson by the fall 2006 (13th Street).
- Installation of 47 ADA ramps and \$80,000 worth of sidewalk replacement expected to be completed by the end of summer of 2006 (East Valley/680 Communities).
- Installation of high pressure sodium pedestrian scale lighting and street trees, ADA ramps, and sidewalk infill on Scott Street between Willard and Clifton streets starting summer 2006. (Burbank/Del Monte)
- Installation of high pressure sodium pedestrian scale lighting, street trees, sidewalk replacement, and ADA rams on Auzerais Street between Hannah and Bird avenues beginning in Summer 2006 (Burbank/Del Monte).
- Construct streetscape improvements along the southern side of Auzerais Street and along Minor, Willis, Josefa and Illinois Streets (south of Auzerais) to be completed by October 2006 (Delmas Park).
- Design for the installation of pedestrian lights along Keyes Street between First and 12th Streets to begin in summer 2006 (Spartan Keys)
- Design of pedestrian scale lighting and street tree infill for Eden Avenue (Winchester).

6. Traffic Calming, Transit and Parking Improvements

Summary of Program

Traffic calming projects generally involve the construction of roadway design features that are intended to reduce vehicular speeds or volume of traffic, particularly within residential neighborhoods and near schools.

There are two levels of traffic calming projects: Level 1 projects are intended to address pedestrian safety, speeding or other inappropriate driver behavior. Examples of such projects are traffic circles, road bumps, medians and chokers; and Level 2 projects, which are intended to redirect traffic in order to address excessive traffic volumes. Examples of such projects are full or partial street closures, traffic diversion islands and changing the direction of travel on a street.

Transit improvements include bus shelters and bus stops, park and ride lots, bicycle facilities, and transit center and corridor improvements. Parking improvements include providing additional parking lots/garages for businesses and apartment complexes and improving parking along public rights-of-way.

Status of Current Projects

- Converted 3rd and 4th Streets from one way to two-way traffic (13th Street).
- Installed embossed crosswalks at Boynton Avenue and Rhoda Drive and flashing lights at Williams Road and Oakmont Place (Blackford).
- Installed traffic calming improvements along Eden Avenue between Moorpark Avenue and Payne Avenue (Winchester).
- Installed two school radar display signs on Branham Lane in front of Caroline Davis Intermediate School (Edenvale/Great Oaks).
- Constructed traffic signal at 7th and Martha Streets (Spartan/Keyes).
- Constructed bulb-outs on 10th and 11th Streets at Martha Street (Spartan/Keyes).
- Installed road bumps on 8th and 9th Streets between Keyes and Martha Streets (Spartan/Keyes).
- Installed two stop signs, ADA ramps, new striping for crosswalks, signage, and a pathway through the triangular shaped median island at the intersection of Goodyear, Mastic and Sherman Streets (Washington).
- Constructed a median island at Lanai Avenue and Dixie Drive (KONA).
- Completed traffic improvements on McLaughlin Avenue, from Story Road to Tully Road. The project included installing concrete sidewalks and driveways, a traffic signal at Taper (Tully/Senter).
- Completed traffic signal modification at Melbourne (Five Wounds/Brookwood Terrace).
- Installed a new traffic signal, wheelchair ramps, pedestrian crosswalks, street lighting and pavement work on King Road at Wilshire Boulevard (Gateway East).
- Completed construction of two median islands at Clemence and Owsley and Audubon and McLaughlin; installation of two radar display signs at Lucretia Ave; and the installation of 10 ADA ramps (Tully/Senter)

Status of Future Projects

- Design of traffic and pedestrian improvements at Gardner Academy is expected to begin in June 2006 (Greater Gardner).
- Conversion of Julian and St. James streets is being designed to allow for two-way traffic (13th Street).

- Creation of a pedestrian corridor along Scott Street from Willard to Clifton Avenues and Auzerais Avenue from Los Gatos Creek Bridge to Bird Avenue is anticipated to occur in 2006. Project includes installation of street trees, pedestrian lighting, bicycle route signage, and sidewalk replacement (Burbank/Del Monte).
- Installation of seven pedestrian countdown signals at Martha/Oak and 1st, Martha and 3rd Street, Goodyear and 1st, Keys at 2nd, 3rd, and 7th streets, and 10th Street at highway 280 north and south connections to be completed by summer 2006 (Spartan Keyes).
- Lane reduction of 10th and 11th Streets between Highway 280 and Humboldt Street to be completed by fall 2006 (Spartan Keys).
- Traffic signal modification on Winchester at Williams to be designed and constructed by late 2007 (Winchester)
- Installation of seventy-four pedestrian countdown signal heads and seven textured crosswalks throughout the Mayfair neighborhood to be completed by the end of 2006 (Mayfair).
- Installation of a new traffic signal at San Antonio and Sunset Avenues to completed in early 2007 (Mayfair).

7. **Public Art**

Summary of Program

The purpose of the Public Art Program is to provide the residents of San Jose with an improved public environment by investing in creative works of high quality for public buildings and spaces, and by embracing the cultural vitality of its residents.

For all projects over \$500,000, San Jose Municipal Code 22.08.010 requires 2% of the total capital budget of a public project to be allocated towards public art. The Program achieves this by working closely with artists to develop a framework for public art that creates meaningful spaces, symbols, and a visual identity for the City. Many of the design elements achieved in the public art program include “way-finding” art, such as pocket parks, creative patterns in lighting, gateways, pathways and street paving and also include “functional” art, which take form in benches, tree guards and grates, manhole covers, clocks, light standards, and signage.

Status of Future Projects

- The Starbird Park Teen Center to include art in its final development when it opens in December 2006 (Blackford)
- The West San Jose Community Center opened in April 2006 and pending approval of the art design, it will include two pieces of art (Blackford)

- The Alum Rock Cultural History Project along Alum Rock Ave. is being discussed and potential partners are being identified (Gateway East, East Valley/680 Communities, and Mayfair)
- The Mayfair Community Center will be expanded to approximately a 20,000 sq. ft. facility. Community meetings are being held to gain input on the art installations that will be placed throughout the facility when it opens in late 2008 (Mayfair).

8. Historic Preservation

Summary of Program

Many portions of the SNI Project Area include significant historic buildings. City policy calls for preserving or rehabilitating these valuable resources. The Redevelopment Agency can assist in these efforts through the Facade Improvement Program, Unreinforced Masonry Grant program, and through other forms of Agency assistance.

Status of Current Programs

- Eighty-seven parcels roughly bounded by Almaden Ave, Balbach, Market, and Reed streets were designated as a Conservation District (Market/Almaden).

Status of Future Programs

- The City of San Jose's Planning Department is in the review and qualification phase for historic preservation designation of the University South area to be completed and approved by August 2006 (University).
- The Context Survey being conducted throughout the 13th Street project area to identify potential Conservation Areas is expected to be completed by fall 2006 with subsequent steps to formally approve the areas occurring thereafter (13th Street).
- The San Jose Planning Department retained a consultant for the Lakehouse District in the Delmas Park project area to assess the feasibility of designating this district as a historic preservation area. The results of the study are expected by summer 2006 with the necessary steps to approve the area taking place thereafter (Delmas Park).

9. Housing

Summary of Program

As required by State law, 20% of the gross tax increment funds received by the Agency must be deposited into a fund that assists in the preservation and production of affordable housing. Through a cooperation agreement with the Agency, the City's Housing Department is responsible for the administration of these funds. Although the Strong Neighborhoods Initiative Project Area does not generate tax increment, there are several affordable housing programs and projects located in the SNI areas. The following are programs implemented by the Housing Department with the assistance of the Agency.

a. First-Time Homebuyer's Program

The Housing Department administers several first-time homebuyer programs, providing second mortgage assistance to homebuyers on a project-based basis. Loans are structured in one of two ways: 1) 0% interest equity share repayment provisions or 2) 3% simple interest deferred. The repayment provisions are dictated by the source of funding. Many projects are located within SNI neighborhoods and provide homeownership opportunities in these areas.

Status of Program

From July 1, 2002 to June 30, 2005, 51 homebuyers, in four new developments, were assisted with down payment assistance.

b. Teacher Homebuyer Program

This program assists San Jose public school teachers with purchasing homes in San Jose. The City of San Jose Department of Housing provides loan assistance up to \$65,000. This loan is offered at 0% interest with equity share repayment provisions and the loan is not due and payable until transfer of title or in 30 years.

Status of Program

The Housing Department assisted 38 teachers with the purchase of homes in SNI areas from July 1, 2002 through June 30, 2005.

c. Affordable Housing Program

The tax increment funds the Agency sets aside are also used for programs to increase the supply of affordable housing primarily through the 20% Housing Program. The goals of these programs and the Agency's housing obligation for all redevelopment project areas are described in Section D, Agency's Housing Responsibility.

Status of Program

The Housing Department has made significant investments in SNI neighborhoods over the past three years. From July 1, 2002 to June 30, 2005, 1,480 new affordable housing units have been completed in SNI areas. The following chart summarizes these accomplishments:

Fiscal Year Complete	SNI Area	Development Name	*City Investment	Total Affordable Units
FY 2002-03	13th Street	Mabuhay Seniors	\$6,200,000	94
FY 2002-03	5 Wounds/Brookwood Terrace	Hidden Brooks	\$0	40
FY 2002-03	Burbank/Del Monte	Brooks House Seniors	\$3,325,000	62
FY 2002-03	Mayfair**	Villa de Guadalupe	\$0	100
FY 2002-03	Spartan/Keyes	Villa Torre II	\$5,646,000	87
FY 2002-03	Tully/Senter	Shiraz Seniors	\$4,876,600	60
FY 2002-03	West Evergreen	Valley Palms	\$0	352
FY 2002-03	Blackford	Roewill Drive	\$382,500	6
FY 2002-03	Tully/Senter	Villa Solera	\$14,000,000	100
FY 2003-04	Burbank/Del Monte	Trestles	\$8,625,000	71
FY 2003-04	5 Wounds/Brookwood Terrace	Hacienda Villa Seniors	\$7,349,300	79
FY 2003-04	Burbank/Del Monte	Midtown Plaza I	\$80,000	2
FY 2003-04	East Valley/680 Communities**	Capitol/Wilbur	\$50,000	1
FY 2003-04	East Valley/680 Communities**	Monte Vista Gdns Srs II	\$3,923,000	48
FY 2003-04	Tully/Senter	Oak Circle	\$7,123,100	99
FY 2003-04	Tully/Senter	Villa Solera	\$5,748,500	100
FY 2003-04	Washington	Little Orchard Houses	\$15,000	3
FY 2004-05	5 Wounds/Brookwood Terrace	Bonita Court	\$360,000	12
FY 2004-05	Burbank/Del Monte	Midtown Plaza II	\$1,215,000	27
FY 2004-05	Winchester	Turnleaf Apts	\$2,775,000	137
TOTAL			\$71,694,000	1,480

**Projects not receiving funding from the City received bond financing from other government sources thus resulting in affordable housing units.*

*** As part of their neighborhood plan, Mayfair and East Valley/680 have affordable housing as their number three priority to accomplish.*

Additionally, from July 1, 2002, to June 30, 2005, over \$31 million in financing, in the form of loans and grants, have been made to developers to create 483 new affordable housing units. These projects are in various pre-completion phases and the following chart demonstrates these commitments and their status:

Fiscal Year Committed	SNI Area	Development Name	City Investment	Total Affordable Units
FY 2003-04	Spartan/Keyes	Art Ark	\$7,971,900	146
FY 2003-04	Tully/Senter	Paseo Senter I	\$7,143,800	115
FY 2003-04	Tully/Senter	Paseo Senter II	\$5,939,550	99
FY 2003-04	Delmas Park	Delmas Park	\$10,006,605	123
TOTAL			\$31,061,855	483

d. Residential Rehabilitation Loan Program

The City of San Jose offers a number of low-interest loan and grant opportunities to assist lower- and moderate-income homeowners and owners of rental properties to make repairs to affordable housing units. Different programs are available to income-qualifying homeowners, mobile home owners, and owners of rental properties (single-family, duplex and larger) whose tenants are income-qualified. Additionally, grants are available to repaint the interior and exterior of owner-occupied single-family homes, mobile homes, and qualifying rental properties.

Status of Programs

From July 1, 2002 to June 30, 2005, the Housing Rehabilitation Program has completed over 700 paint or rehabilitation projects in SNI neighborhoods. The following chart provides additional information regarding these accomplishments:

Fiscal Year	Paint Projects Completed	Rehabilitation Projects Completed
FY 2002-03	127	81
FY 2003-04	213	99
FY 2004-05	66	117
TOTAL	406	297

e. SNI Demonstration Projects – Multi-family Housing Rehabilitation Program

With the introduction of the SNI Process in San Jose, a new multi-family housing program was developed – SNI Demonstration Projects – to meet the needs of tenants and landlords within these neighborhoods. The program provides improvements for multi-family housing units, including new roofs, exterior landscape, exterior paint, driveways, park strip improvements, and interior improvements such as plumbing. These projects are coordinated with the Departments of Parks, Recreation and Neighborhood Services and Planning Building and Code Enforcement; Property Owner Associations; Tenant Associations; Neighborhood Advisory Committees (NACs); and consultants selected by the NACs. The projects are funded in part by Redevelopment Agency funding (80% Funds), Housing Department funding (20% Funds) and private investment from the property owners.

Status of Program

The SNI Demonstration Projects have been very successful. From July 1, 2002 to June 30, 2006, construction was completed on approximately 400 rental units. Details on these projects are summarized below:

SNI	Project Name	City Funding	Property Owner Funding	Total Funding	# of Units
Blackford	Colonial Gardens	\$255,000	\$135,000	\$390,000	100
Blackford	Underwood Complex	\$306,000	\$97,500	\$403,500	84
Burbank Del Monte	Richmond Menker	\$320,000	\$225,005	\$610,005	120
Hoffman Via Monte	Project #1	\$410,000	\$125,000	\$535,000	60*
Winchester	Multi-Family	\$150,000	\$10,000	\$160,000	32
TOTALS		\$1,441,000	\$592,505	\$2,098,505	396

* *Forty-four (44) units are currently under construction.*

Staff is currently working with partners in the Hoffman/Via-Monte and the Jeanne - Forestdale neighborhood located in the Five Wounds/Brookwood Terrace project area to further plan the implementation of the Program in these neighborhoods over the next year.

10. Commercial Building Loan Program

Summary of Program

The Commercial Building Loan Program enables the Agency to offer financial assistance in the form of low interest or zero-interest participatory loans within Redevelopment Project Areas. The program is designed to assist property owners with rehabilitation of commercial properties to create and improve ground floor retail, and upper floor commercial and/or mixed-use spaces.

Status of Current and Future Programs

To date, the Agency has not offered any Commercial Building Loans in the SNI Project Area.

11. Land Assembly and Relocation

Summary

The issue of a redevelopment agency's authority to acquire property through eminent domain under certain circumstances is currently being debated in the State Legislature. The San Jose Redevelopment Agency is working with the legislature to ensure that a reasonable and balanced outcome is considered in their deliberations and in the final legislative bill.

As mentioned earlier in this report, the Redevelopment Agency reiterates its commitment to not use its powers of eminent domain over single-family attached or detached owner-occupied properties in the Strong Neighborhood Initiative Project Area. The Agency's efforts in assembling land, then, would be applied in selective cases. Since the adoption of the SNI Plan, The San Jose Redevelopment Agency has not acquired any parcels in the SNI Project Area (except as discussed below in connection with the area adjacent to the Diridon Train Station).

Status of Current Program

At the direction of the Agency's Board, staff began efforts to assemble 13 parcels on 13.5 acres from 10 owners in the Diridon/Arena area (located in the Burbank/Del Monte SNI Project Area bordered by the Delmas Park area) in May 2005. The site is generally bounded by Park Avenue, Autumn Street, West San Fernando Street and the railroad tracks. The site is to be assembled for transit-oriented mixed-use housing development, consistent with the Council-adopted Diridon/Arena Strategic Development Plan, and as analyzed in the Downtown Strategy 2000 Environmental Impact Report.

The site is also a potential location for a future major league baseball stadium, however, prior to the City Council making any decision as to a potential ballpark, voter approval would need to be obtained and an EIR would need to be completed.

III. AGENCY HOUSING RESPONSIBILITY

As required by Health and Safety Code Section 33490, the information provided in this section covers the Agency housing obligations for the Strong Neighborhoods Initiative Project Area.

The Housing Department administers the Citywide 20% Tax Increment Housing Program (“20% Housing Program”). The Planning Department, Redevelopment Agency, and the Housing Department work together to administer the Inclusionary Housing Program in the twenty Redevelopment Project Areas, as required by Section 33413.

The following information is provided on the Agency’s housing obligations for the Strong Neighborhoods Initiative Redevelopment Project Area:

- Pursuant to Health and Safety Code Sections 33334.2, 33334.3, 33334.4 and 33334.6 the Redevelopment Agency deposits 20% of the gross tax increment it collects annually into the Low and Moderate Income Housing Fund (the “20% Fund”). Tax increment will not be collected from the Project Area. However, the Project Area is merged with the San Jose Merged Area Redevelopment Project (Merged Area).
- As required by Section 33490 of the Health and Safety Code, the following information is provided in connection with the Agency’s housing obligations for the Strong Neighborhoods Initiative Redevelopment Project Area:

1. The following lists the actual and estimated amounts of money deposited in the 20% Fund during each of the five years:

FY 2002-2003:	\$ 39,704,757*
FY 2003-2004:	\$ 34,147,232*
FY 2004-2005:	\$ 29,945,042*
FY 2005-2006:	30,088,373
FY 2006-2007:	31,932,234

**Indicates actual dollar amounts*

This includes amounts collected from the entire Merged Area. In accordance with State Law, the City Housing Department's administrative costs over the term of this Plan will be approximately 6% of the total budget, which the City Council has found to be an appropriate use of 20% funds.

2. Estimates of the number of new, rehabilitated, or price-restricted units to be assisted within a five year period (FY 2002-03 to FY 2006-07) by the City of San Jose and estimates of the expenditures of monies from the 20% Fund during each of the next five years.

The Housing Department estimates the number of new, rehabilitated, and price-restricted affordable housing units financed using 20% funds, 80% funds, State and federal funds that will be completed during the Five Year Implementation Plan, as described below.

Year	New Construction	Acquisition Rehabilitation	Rehabilitation Program	Homebuyer Programs
FY 2002-03*	897	607	403	128
FY 2003-04*	1,017	207	410	112
FY 2004-05*	427	174	522	104
FY 2005-06	690	100	300	100
FY 2006-07	669	100	300	100

**Indicates actual units completed to date*

The Housing Department estimates citywide expenditures of money from the 20% Fund during each of the five years, as follows:

FY 2002-03, \$110,634,293*
 FY 2003-04, \$ 83,962,312*
 FY 2004-05, \$ 52,844,427*
 FY 2005-06, \$ 43,000,000
 FY 2006-07, \$ 45,000,000

**Indicates actual dollar amounts*

3. Estimates of the number of new, substantially rehabilitated, or price-restricted residential units to be developed or purchased within the Project Area, over the life of the plan and during the next 10 years:

As stated above in the Housing Section, the Housing Department has made significant investments in SNI neighborhoods over the past three years in addition to the 1,480 units already completed. From July 1, 2002 to June

30, 2005, over \$40 million in financing – loans and grants – were made to developers to create 361 new affordable housing units in the next few years, all of which are currently under construction.

Additionally, the Housing Department plans to commit funds to eight affordable housing projects within SNI areas over the next two or three fiscal years. The Department plans to invest over \$26 million in the creation of new affordable housing units. This significant investment will result in 529 new affordable housing units.

4. Estimates of the number of units of very low, low, and moderate-income households required to be developed within the Project Area, over the life of plan and during the next 10 years:

Pursuant to Health and Safety Code Section 33413 (b) (4), the Redevelopment Agency must adopt a plan for each redevelopment area to comply with the inclusionary affordable housing requirements as specified in Section 33413. From July 1, 2002 to June 30, 2005, 1,741 new housing units have been built in SNI areas.

Inclusionary Requirement Compliance Status Report

The following table demonstrates the required number of affordable units and the actual number of units financed to meet the goal:

	Goal		Actual	
	Percent	Number	Percent	Number
Very Low-Income	6%	105	46%	797
Low/Moderate-Income	9%	157	39%	683
Total Affordable Units	15%	262	85%	1,480*

** Includes 921 acquisition-rehabilitation units*

Based on this information, the Agency is in compliance with Section 33413.

Future Plan for Meeting Inclusionary Requirement

The inclusionary housing requirement for SNI areas will be met on a ten-year timeline. This conclusion is based on the assumption that the majority of all anticipated housing development in the SNI Areas will contain at least 20% income-restricted units, in addition to the City’s current efforts of

financing new affordable housing. Based on estimates from the Housing Department, an additional 529 new affordable units are currently in the early stages of the planning process.

5. The number of units of very low, low, and moderate-income households which have been developed within the Project Area:

As stated above in the Housing Section, over 1,480 new affordable housing units have been completed in SNI areas from July 1, 2002 to June 30, 2005.

6. Estimates of the number of Agency developed residential units within the Project Area, which will be developed during the next 5 years:

There are no anticipated Redevelopment Agency-developed residential units within a redevelopment project area which will be developed during the next five years, as the Redevelopment Agency does not independently develop housing.

7. Estimates of the number of Agency developed units for very low, low, and moderate-income households which will be developed by the Agency during the next 5 years:

There are no anticipated Redevelopment Agency-developed residential units within a redevelopment project area which will be developed during the next five years, as the Redevelopment Agency does not independently develop housing.

8. If the Implementation Plan contains a project that will result in the destruction or removal of dwelling units that will have to be replaced pursuant to subdivision (a) of Section 33413, the implementation plan shall identify proposed locations suitable for replacement dwelling units:

Historically, the Redevelopment Agency has complied with Health and Safety Code Section 33413 (a) by providing replacement units for any destroyed units related to Redevelopment Agency projects. There is no shortfall of replacement units at this time.

There is one project financed by the Housing Department that has the responsibility for replaced units. The dwelling units that were displaced will be replaced in accordance with Section 33413. The project, Casa Feliz, is located in the University neighborhood. The current number of units is 65 and will be replaced with a new structure with 59 affordable units. The remaining six units will be replaced in the Hester Avenue project – an eight-unit project developed by InnVision located at 1759 Hester Ave.