

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: HONORABLE MAYOR, CITY COUNCIL, AND AGENCY BOARD	FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR
SUBJECT: SEE BELOW	DATE: JANUARY 31, 2011

SUBJECT: FY 2010-11 MID-YEAR BUDGET REVIEW REPORT

RECOMMENDATION

It is recommended that the Redevelopment Agency Board:

- (a) Approve the Redevelopment Agency's FY 2010-11 Mid-Year Budget Review Report.
- (b) Adopt a resolution approving an adjustment to the FY 2010-11 Capital Budget, for a reduction of \$2.5 million in the Supplemental Assessments line item and a reduction of \$500,000 in the 20% Housing Requirement line item, as detailed in Attachment E (Recommended Budget Adjustment) of the FY 2010-11 Mid-Year Budget Review Report.

OUTCOME

Approval of the proposed budget actions, including post close audit adjustments, will ensure that the Agency's Capital and Operating revenues and expenditures reflect the final available Fund Balance as reported in the Agency's FY 2009-10 Comprehensive Annual Financial Report. The Mid-Year Budget Review Report is designed to provide an understanding of the Agency's financial condition during the first six months of FY 2010-11 and a forecast of the balances for the remainder of the fiscal year. The adopted 2011-12 Capital Budget is \$41 million, of which \$23 million is spent or encumbered.

EXECUTIVE SUMMARY

During the past two years the Agency has seen its revenue track below its projections. The current tax increment is now at a level not seen since FY 2007-08. This decline has eliminated the Agency's near-term bonding capacity, causing a reduction in capital projects and operating costs. The capital and operating budgets are now at levels not seen in the past decade.

The current year property tax revenues are tracking below budgeted levels due to the absence of Supplemental Assessments. We had budgeted \$3 million. The ten-year historical average is \$5 million. We are now projecting just \$500,000 for the current year. Miscellaneous revenue is budgeted at \$16.9 million, which is tracking below the budget. However, the recent announced land sales will enable the Agency to exceed the budget by several million dollars at fiscal year end.

We are cautiously and conservatively managing our costs. The staff is projecting that the FY 2010-11 capital budget will have an unspent balance of \$5 million, which could be carried over to the next fiscal year. Of the \$18 million currently remaining unspent capital budget, approximately one-third is for City General Fund-related costs. The operating expenses are expected to track slightly less than the budget despite September layoffs' restructuring charges and the unbudgeted vacation sellback costs incurred in December. Approximately one-half of the remaining operating budget will be incurred for City General Fund-related costs. Without including the proposed sale of the parcels, we will finish the year with a \$12.9 million ending fund balance on top of the projected \$5 million of unspent capital, to help cushion the financial impact of the continued downturn.

BACKGROUND

In the Mayor's Budget Message that was approved by the Board on October 26, 2010, Agency staff was directed to report to the Agency Board a status of all projections, assumptions, and uncertainties at a February 2011 mid-year budget review. On November 2, 2010, the Agency Board adopted the Agency's FY 2010-11 Operating and Capital Budgets and a Three Year Spending Plan. The annual adopted budget is a financial plan predicated on the best information available at the time it is prepared. As with any budget, however, changing conditions create the need to modify the original plan.

As the Mayor directed in the budget message, mid-year is the appropriate time to perform a comprehensive review of the Agency's current budget, and a Mid-Year Budget Review is the appropriate vehicle for consideration of any revisions to the budget. This Mid-Year Budget Review Report contains a comprehensive review of the status of the Agency's FY 2010-11 Operating and Capital Budgets.

The Mid-Year Budget Review Report includes the following sections:

- **Source and Use Summary** - A review of the revenue and expenditures as adopted on November 2, 2010, compared to the actual. (Details in Attachment A)
- **Operating Budget Status Report** – A review of the Operating expenditures in comparison to the adopted budget. (Details in Attachment B)
- **Capital Budget Project and Program Status Report** – A review of the financial status of each Capital Budget project and program. (Details in Attachment C)
- **Cash Flow Status Report** – A review of revenue and expenditures on a cash basis. (Details in Attachment D)
- **Proposed Budget Adjustments and Clean-up Actions** – This section summarizes budget adjustments and clean-up actions for operating and capital appropriations. (Details in Attachment E)

ANALYSIS

Following is an overview of revenue assumptions; a discussion of Source and Use of Funds performance through December; a summary of Source and Use Funds budget revisions; a status of the Operating Budget; an overview of Capital Budget projects and programs; and the status of Cash Flow.

SOURCE AND USE FUND PERFORMANCE:

Total Revenue through December 2010 was \$97.8 million, or 44% of the budgeted estimate based on the current adopted budget.

Supplemental assessments occur when property changes ownership or when new construction is completed. Supplemental Assessment Revenue has been impacted significantly, with the Agency not receiving any payments through December 2010. During this same period last year, the Agency received \$1.7 million. The Agency recommends a \$2.5 million reduction to \$0.5 million in Supplemental Assessment revenue to reflect the current trend.

Expenditures and encumbrances through December 2010 totaled \$162 million, or 57% of the budgeted amounts. This represents a decrease of \$23 million, or 12%, from the December 2009 level of \$185 million. Encumbrances (Contractual Obligations) totaling \$14.9 million were \$20.4 million (58%) below the December 2009 level of \$35.3 million.

OPERATING BUDGET STATUS REPORT:

Operating expenditures and encumbrances through December 2010 totaled \$8.9 million, or 50% of the budgeted amount. This represents a decrease of \$2.0 million, or 18%, from the December 2009 level of \$10.9 million. Encumbrances totaling \$550,000 were down 5% below the December 2009 level of \$576,000.

Total operating expenditures in our budget includes three categories:

- (1) Total personal service costs through December 2010 were \$5.6 million. This represents a decrease of \$1.9 million, or 25%, from the December 2009 level of \$7.5 million.
- (2) Total non-personal costs through December 2010 were \$919,000, or 6% lower from the December 2009 total of \$975,000. The major non-personal expenditure is the rent payment to the City of San Jose, \$645,000 paid to date.
- (3) Total City Support Services expenditures consisting of Board, Office of Economic Development and City Overhead were \$1.77 million through December 2010, 4% lower than last year's level of \$1.84 million.

Overall, operating expenditures are within anticipated levels. Additional details are provided in Attachment B. Further reductions will be necessary as a result of reduced projects. Next year's budget reflects a 35% reduction in Agency personnel costs.

CAPITAL BUDGET PROJECT AND PROGRAM STATUS REPORT:

Capital expenditures and encumbrances through December 2010 totaled \$21.4 million or 52% of the budgeted. This represents a decrease of \$36.9 million, or 63%, from the December 2009 level of \$58.3 million. Total expenditures through December 2010 were \$7.0 million, a decrease of 70% from the December 2009 level of \$23.6 million. Encumbrances totaling \$14.4 million were \$20.3 million or 59% below the December 2009 level of \$34.7 million. Additional capital expenditure and encumbrance activity by project/program is provided in Attachment C.

For the period July 1 through December 31, 2010, the Agency executed 61 new contracts, including amendments, for a total amount of \$1.4 million. In comparison with the same reporting period in 2009, the Agency executed 78 new contracts, including amendments, for a total amount of \$3.3 million.

During the first six months of FY 2010-11, 51 contracts were partially or completely closed for a total encumbrance liquidation amount of \$1.2 million. In the same period last year, 82 contracts were partially or completely closed for a total of \$1.8 million.

CASH FLOW STATUS REPORT:

As reported in the Monthly Financial Report, the Agency's cash balance has been significantly lower this year than in the prior year. The monthly cash balance on December 31, 2010 totaled \$65 million.

Total Revenues received through December 2010 were \$97.5 million, or 40% of the budgeted estimate. Approximately \$72 million was spent during the period July 1 through December 31, 2010, or 23% of estimated budget. Expenditures during the first half of 2010-11 fiscal years have dropped 50% from \$145 million incurred in the same period last year. Details of the Agency's Cash Flow report are provided in Attachment D.

PROPOSED BUDGET REVISION AND CLEAN UP:

The proposed revisions to the Agency's Adopted FY 2010-11 Capital and Operating Budgets are detailed below.

SOURCE OF FUNDS

Beginning Fund Balance (-\$4,014,456) – As a result of post close audit adjustments that included a payment of \$2.5 million to Brocade Communications and \$1.5 million reduction caused by reclassifying current year payments as prior year expenses, the fund balance was reduced by \$4.0 million.

Supplemental Assessments (-2,500,000) – The Agency has not received any Supplemental Assessment payments through December 2010. As a result, the Agency is revising its budgeted forecast downward to \$0.5 million.

USE OF FUNDS

20% Housing Set Aside (-\$500,000) – As a result of the reduction in Supplemental Assessments Revenues forecast above: from \$600,000 to \$100,000.

Capital Expenditures (-\$1,693,215) – Net changes to the Adopted FY 2010-11 Capital Budget of \$1.6 million reflecting year-end audit adjustments and reductions in encumbrance balances. Details regarding proposed adjustments are provided in Attachment E.

FY 2011-12 REVENUE ASSUMPTIONS:

Revenue estimates are built on the County Assessor's data on assessed value for secured property. As of February 1, 2011, the assessed value has declined 4.19% since July 1, 2010. This report excludes personal property, which comprises 20 percent of the Agency's assessed value according to the Assessor's office. The 4.19% decline is a result of proactive reassessments by the Assessor. Information regarding the results of formal assessment appeals will not be available until May or June.

Signs of stability in the project areas are apparent. Major taxpayers are recovering from the deep recession. Cisco Systems, the largest taxpayer in the redevelopment area, has enjoyed growing revenues and profitability for the past two years. In the last two months of 2010, major home developers have pulled permits to construct 1,600 units in Rincon, led by Irvine and Fairfield. "Satisfaction Agreements" have been signed for the release of 3,246 units. Price Waterhouse Cooper plans to move into 200,000 square feet of the long vacant Oracle building on Almaden Boulevard in the coming months. In January 2011, the Board approved Agency assistance to Maxim and SunPower to aid their near term expansion in Rincon (adding employees to occupy more than 600,000 square feet of now vacant space). All of these developments will help to reverse the tide of assessment appeals, which have temporarily reduced \$1.8 billion in assessed value from the 2010-11 tax roll. While these signs are positive for the long term future of the Agency, our forecast is that FY 2011-12 tax increment will be approximately 5% below the FY 2010-11 increment.

PUBLIC OUTREACH/INTEREST

On September 30, 2010, the Agency conducted a Budget Study Session open to the public and a Public Hearing was held on the evening of October 5, 2010, to receive public input.

The Adopted Budget and Three-Year Spending Plan have been available on the Agency's website since November 2, 2010. This report will be posted on the Agency's website and made available for public review in the agency's public lobby area. The proposed action does not meet any of the criteria noted below for any added outreach efforts. The Rules and Open Government Committee approved a Sunshine Policy waiver for this memorandum at its January 26, 2011, meeting.

- Criterion 1:** Requires Agency action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new/revised policy that may have implications for the public health, safety, quality of life, or financial/economic vitality.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board, or community groups as requiring special outreach.

COORDINATION

This action has been coordinated with the Agency's General Counsel.

FISCAL IMPACT

The proposed mid-year revisions to the Agency's Adopted FY 2010-11 Capital and Operating Budgets will result in a decrease of \$4,321,241 to the Capital Reserve as detailed in Attachment E. The primary cause of this reduction is the Supplemental Assessments reduction and audit adjustments.



HARRY S. MAVROGENES
Executive Director

Attachments

ATTACHMENT A
SAN JOSE REDEVELOPMENT AGENCY
Source & Use Fund
FOR THE 6 MONTH ENDED DECEMBER 31, 2010

SOURCE OF FUNDS	Adopted FY10-11 Budget	YTD Budget Amendments	C/O Encumbrances	Revised FY10-11 Budget
Beginning Fund Balance	\$ 79,699,276		(4,014,456)	75,684,820
Tax Increment	184,328,000			184,328,000
Suppl. Assessments	3,000,000	(2,500,000)		500,000
SERAF Loan from City	13,000,000			13,000,000
Trust Account Interest	595,368			595,368
Redevelopment Fund Interest	983,574			983,574
City Parking Revenue Fund Reimb	3,400,000			3,400,000
Other/Miscellaneous	16,861,582			16,861,582
TOTAL SOURCE OF FUNDS	\$ 301,867,800	(2,500,000)	(4,014,456)	295,353,344
USE OF FUNDS				
Financing/Non-Project Costs:				
Debt Service	\$ 138,547,416			138,547,416
ERAF Loan Payment	4,497,184			4,497,184
20% Housing Requirement	37,465,600	(500,000)		36,965,600
SERAF Payment	12,800,000			12,800,000
AB1290 Pass-Through	3,160,716			3,160,716
CSJ Financing Authority (Parking Garage)	3,400,000			3,400,000
Convention Center Bond Payment	15,012,113			15,012,113
Total Financing/Non-Project Costs:	\$ 214,883,029	(500,000)	-	214,383,029
Capital Expenditures (w/encumbrance):	\$ 41,364,049	233,000	(1,926,215)	39,670,834
Operating Expenditures (w/encumbrance):	\$ 17,868,968			17,868,968
Obligated Payments:				
Fiscal Agent/LOC Fees	\$ 2,535,777			2,535,777
Line of Credit Liquidity Reserve	5,000,000			5,000,000
County Tax Collection Fees	2,128,657			2,128,657
Arena Pass-Through	355,000			355,000
County Agreement Payment	500,000			500,000
Total Obligated Payments	\$ 10,519,434	-	-	10,519,434
TOTAL USE OF FUNDS	\$ 284,635,480	(267,000)	(1,926,215)	282,442,265
Capital Reserves	\$ 17,232,320	(2,233,000)	(2,088,241)	12,911,079

Attachment B

**THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE
FY2010-2011 OPERATING COST REPORT
December 2010**

OBJ. CODE		2010-2011 Adopted Revised Budget	2010-2011 Carryover Encumbrance	Total Fund Available	December-10 Actual Expenditures	Total Year-To-Date Expenditures	Encumbrance Balance	Remaining Funds Available	% Budget Expended/ Encumbered	FY Elapsed 50.0% Variance
PERSONAL SERVICES										
Civil Service:		<u>FTE: 10.00</u>		<u>FTE: 10.00</u>	<u>FTE: 10.00</u>					
4005	Salaries-Civil Service	1,556,959	0	1,556,959	65,589	766,321	0	790,638	49.2%	0.8%
4011	Retirement - Civil Service	563,894	0	563,894	16,320	190,301	0	373,593	33.7%	16.3%
4012	Other Fringe Benefits-Civil Services	218,982	0	218,982	6,935	80,208	0	138,774	36.6%	13.4%
	Subtotal	2,339,835	0	2,339,835	88,844	1,036,830	0	1,303,005	44.3%	5.7%
Direct Agency:		<u>FTE: 53</u>		<u>FTE: 53.0</u>	<u>FTE: 53.0</u>					
4004	Salaries-Direct Agency	6,694,102	0	6,694,102	877,792	3,737,997	0	2,956,105	55.8%	-5.8%
4010	Retirement - Direct Agency	571,556	0	571,556	76,876	311,291	0	260,265	54.5%	-4.5%
4013	Other Benefits/Taxes-Direct Agency	703,833	0	703,833	43,997	295,979	0	407,854	42.1%	7.9%
4014	Health, Prof. Development	580,485	0	580,485	35,019	235,992	0	344,493	40.7%	9.3%
4015	Worker's Compensation	54,556	0	54,556	1,755	19,350	0	35,206	35.5%	14.5%
	Subtotal	8,604,532	0	8,604,532	1,035,439	4,600,609	0	4,003,923	53.5%	-3.5%
TOTAL PERSONAL SERVICES		10,944,367	0	10,944,367	1,124,283	5,637,439	0	5,306,928	51.5%	-1.5%
NON-PERSONAL										
4030	Supplies and Materials	91,500	38,260	129,760	4,564	23,997	24,240	81,523	37.2%	12.8%
4032	Communications	16,000	0	16,000	1,249	7,061	0	8,939	44.1%	5.9%
4033	Postage	10,000	0	10,000	0	10,000	0	0	100.0%	-50.0%
4034	Printing and Advertising	68,000	3,206	71,206	224	5,031	0	66,175	7.1%	42.9%
4037	Delivery	2,200	0	2,200	95	193	0	2,007	8.8%	41.2%
4038	Rent-Land and Building	1,290,875	0	1,290,875	107,573	645,438	0	645,437	50.0%	0.0%
4040	Rent-Machines and Equipment	45,000	6,258	51,258	3,984	16,229	14,451	20,578	59.9%	-9.9%
4041	Meeting Expenses	16,150	0	16,150	94	2,064	0	14,086	12.8%	37.2%
4042	Travel	12,000	0	12,000	1,481	4,904	0	7,096	40.9%	9.1%
4045	Training	5,000	0	5,000	104	1,769	0	3,231	35.4%	14.6%
4047	Education Reimbursement	0	0	0	0	0	0	0	0.0%	50.0%
4050	Dues and Subscriptions	50,000	0	50,000	4,363	35,188	0	14,812	70.4%	-20.4%
4051	Computer Data Processing	35,000	34,562	69,562	0	11,994	25,922	31,646	54.5%	-4.5%
4052	Contracted Professional	420,000	467,383	887,383	12,280	130,580	439,050	317,754	64.2%	-14.2%
4053	Professional Services	40,000	0	40,000	1,927	11,862	0	28,138	29.7%	20.3%
4054	Public Education & Outreach	20,000	0	20,000	708	2,870	0	17,130	14.4%	35.6%
4055	Maintenance and Repair	20,000	16,385	36,385	909	8,109	11,554	16,722	54.0%	-4.0%
4062	Insurance	0	0	0	0	0	0	0	0.0%	50.0%
4169	Misc./Petty Cash	13,475	0	13,475	261	1,408	0	12,067	10.5%	39.5%
TOTAL NON-PERSONAL		2,155,200	566,055	2,721,255	139,816	918,698	515,216	1,287,341	52.7%	-2.7%
CAPITAL/EQUIPMENT										
4082	Cap Outlay Equipment	0	35,034	35,034	0	0	35,034	0	100.0%	-50.0%
TOTAL CAPITAL/EQUIPMENT		0	35,034	35,034	0	0	35,034	0	100.0%	-50.0%
CITY PAYMENTS										
8502	Support Services	937,797	0	937,797	75,768	483,189	0	454,608	51.5%	-1.5%
8501	Mayor/Board Expenses	2,272,380	0	2,272,380	176,848	900,509	0	1,371,871	39.6%	10.4%
8503	Office of Econ Dev	958,136	0	958,136	66,197	387,345	0	570,791	40.4%	9.6%
TOTAL CITY PAYMENTS		4,168,313	0	4,168,313	318,813	1,771,043	0	2,397,270	42.5%	7.5%
TOTAL AGENCY		17,267,880	601,089	17,868,969	1,582,912	8,327,180	550,250	8,991,539	49.7%	0.3%

Attachment C

December, 2010 (FY10-11)

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

CAPITAL COST REPORT

REDEVELOPMENT AREA SUMMARY

Total Project Areas/Programs	(A)	(B)	(C)	(D)			
	Adopted Budget 2010-11	C/O Encumbrance 07/01/10	Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available
Century Center	10,823	73,177	84,000	0	1,117	14,036	68,847
Edenvale	1,762,008	173,992	1,936,000	32,935	522,542	330,542	1,082,916
Julian/Stockton	3,418,589	159,411	3,578,000	2,953	35,301	159,060	3,383,639
Market Gateway	0	49,469	49,469	0	49,469	0	0
Merged Area Impact Program	12,494,677	9,880,149	22,374,826	356,855	3,079,565	9,503,350	9,791,910
Neighborhood Investment Program	1,118,073	556,628	1,674,701	105,035	241,959	965,873	466,869
Strong Neighborhoods Initiative	2,856,721	934,018	3,790,739	215,266	601,178	626,781	2,562,780
Park Center Plaza	1,396,200	3,586,900	4,983,100	413,602	2,402,553	2,520,768	59,778
Rincon de los Esteros	800,000	0	800,000	0	0	0	800,000
San Antonio Plaza	396,465	3,535	400,000	13,366	34,649	268,886	96,465
Totals:	24,253,556	15,417,279	39,670,835	1,140,011	6,968,334	14,389,296	18,313,205

December, 2010 (FY10-11)

**CENTURY CENTER REDEVELOPMENT AREA
CAPITAL COST REPORT**

Agency Fund: 065

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appr. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)		
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year	
100,000	742,988	842,988	760,105	90%	1 Fountain Alley Parking Lot	0757	10,823	73,177	84,000	0	1,117	14,036	68,847	
TOTALS								10,823	73,177	84,000	0	1,117	14,036	68,847

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

**EDENVALE REDEVELOPMENT AREA
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)				
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year			
15,900,000	10,629,262	26,529,262	26,654,342	100%	1 Assessment District/Interchange Impvts.	0520	116,000	0	116,000	0	116,000	0	0			
176,400	771,600	948,000	948,000	100%	2 IDT Lease	0864	176,000	0	176,000	0	176,000	0	0			
2,200,000	677,003	2,877,003	2,631,003	91%	3 BioCenter: Equipment Acquisitions and Tenant Improvements	0865	246,000	0	246,000	0	0	0	246,000			
2,000,000	2,371,000	4,371,000	3,435,000	79%	4 Edenvale Emerging Technologies Fund	0892	836,000	100,000	936,000	0	0	100,000	836,000			
810,000	1,262,136	2,072,136	1,840,678	89%	5 BioCenter Lease	0914	388,008	73,992	462,000	32,935	230,542	230,542	916			
TOTALS										1,762,008	173,992	1,936,000	32,935	522,542	330,542	1,082,916

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

**JULIAN STOCKTON REDEVELOPMENT AREA
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)	
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
26,120,000	-878,726	25,241,274	21,698,575	86%	1 North San Pedro Proposed Housing/ Brandenburg	0756	3,418,589	159,411	3,578,000	2,953	35,301	159,060	3,383,639
TOTALS							3,418,589	159,411	3,578,000	2,953	35,301	159,060	3,383,639

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or an Owner Participation Agreement (OPA).

December, 2010 (FY10-11)

**MARKET GATEWAY REDEVELOPMENT AREA
CAPITAL COST REPORT**

Agency Fund: 069

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appr. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)		
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year	
38,457,048	44,450,581	82,907,629	82,907,629	100%	1 California Theatre	0078	0	49,469	49,469	0	49,469	0	0	
TOTALS								0	49,469	49,469	0	49,469	0	0

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

**MERGED AREA IMPACT PROGRAM
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appr. Number	(A)			(B)		(C)	(D)
							Adopted Budget 2010-11	C/O Encumbrance July 2010	Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
5,171,539	4,204,997	9,376,536	9,172,464	98%	1 San Jose Downtown Association	0087	495,000	0	495,000	0	290,928	204,072	0
9,047,924	2,786,905	11,834,829	11,198,317	95%	2 Façade Improvement Program	0089	420,375	278,625	699,000	0	62,488	210,040	426,472
390,659	3,078,442	3,469,101	3,133,711	90%	3 Misc. Public Improvement	0168	228,790	138,210	367,000	5,852	31,610	134,015	201,375
8,523,579	-2,031,440	6,492,139	6,049,542	93%	4 Automatic Public Toilets	0284	586,145	1,855	588,000	140,054	145,403	361,113	81,484
21,000,000	37,480,316	58,480,316	53,822,554	92%	5 City Improvements	0395	4,657,762	0	4,657,762	0	0	0	4,657,762
25,450,000	-17,211,344	8,238,656	8,125,458	99%	6 Retail Strategy	0506	0	136,000	136,000	5,495	22,802	88,225	24,974
1,329,520	7,132,852	8,462,372	8,343,704	99%	7 Blight Abatement and Public Property Mgmt	0676	122,441	0	122,441	192	3,773	0	118,668
4,666,866	5,330,194	9,997,060	9,491,286	95%	8 Assets Management	0677	517,538	72,462	590,000	7,038	84,226	98,387	407,387
345,000	18,311,684	18,656,684	17,216,251	92%	9 Downtown Mixed Use Projects	0729	0	1,440,433	1,440,433	0	0	1,440,433	0
5,000,000	-701,519	4,298,481	4,272,812	99%	10 Mixed Use Project Area Acquisitions	0792	32,573	0	32,573	0	6,904	19,862	5,807
2,000,000	451,670	2,451,670	2,185,788	89%	11 4th St. Prkg.Garage Marketing & Tenant Improvements	0793	0	265,882	265,882	0	0	263,118	2,764
100,000	660,716	760,716	702,222	92%	12 OEA Audit Services	0837	58,494	0	58,494	0	0	0	58,494
635,000	4,053,377	4,688,377	4,438,377	95%	13 Litigation Services/Reserve	0838	250,000	0	250,000	0	0	0	250,000
1,000,000	1,264,018	2,264,018	1,773,708	78%	14 Real Estate and Relocation Services	0839	274,182	240,818	515,000	12,890	24,690	194,281	296,029
15,208,484	-10,867,231	4,341,253	4,277,723	99%	15 Downtown Business Improvement Pool	0844	54,930	20,070	75,000	3,030	11,470	20,000	43,530
485,000	1,092,989	1,577,989	1,552,989	98%	16 Downtown Ice Rink	0851	155,000	0	155,000	0	130,000	25,000	0
16,230,000	13,036,841	29,266,841	27,344,975	93%	17 Land Banking for Future Development	0855	1,617,671	408,329	2,026,000	740	104,133	339,607	1,582,260
396,297	1,244,023	1,640,320	1,551,205	95%	18 City Planning Code Enforcement Services	0856	117,195	0	117,195	0	28,080	0	89,115
2,000,000	241,828	2,241,828	2,196,920	98%	19 Downtown Streetscape	0870	0	55,828	55,828	0	10,920	44,908	0
600,000	225,414	825,414	788,127	95%	20 Competitive Art Capital Fund	0879	103,429	7,571	111,000	6,000	73,713	36,892	395
800,000	-4,216	795,784	386,434	49%	21 Project Support Studies	0888	12,650	397,350	410,000	650	650	298,067	111,283

**MERGED AREA IMPACT PROGRAM
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)	
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
100,000	205,868	305,868	255,868	84%	22 City Auditor Services	0889	50,000	0	50,000	0	0	0	50,000
400,000	7,192,790	7,592,790	7,251,230	96%	23 Autumn Street Infrastructure Funding Plan	0898	91,867	308,133	400,000	0	58,440	332,883	8,678
200,000		200,000	30,000	15%	24 African-American Community Center Feasibility Study	0900	0	170,000	170,000	0	0	170,000	0
1,000,000	16,365,090	17,365,090	17,189,127	99%	25 Convention Ctr Expansion Phase I	0903	29,100	216,900	246,000	0	70,036	77,000	98,964
2,400,556	-541,964	1,858,592	1,803,592	97%	26 1st ACT Small Wonders	0910	50,000	5,000	55,000	0	0	5,000	50,000
3,305,183	3,781,487	7,086,670	6,959,508	98%	27 Industrial Work Program Implementation	0918	106,000	40,000	146,000	1,981	18,838	90,000	37,162
500,000	-103,491	396,509	296,509	75%	28 Public Education and Outreach	0936	50,000	50,000	100,000	0	0	50,000	50,000
150,000	204,799	354,799	300,335	85%	29 Arena Employee Parking	0937	150,000	0	150,000	5,800	95,536	29,413	25,050
2,500,000	-615,000	1,885,000	1,085,000	58%	30 Clean Tech Jobs Investment Fund	0939	0	800,000	800,000	0	0	800,000	0
1,500,000	-165,000	1,335,000	312,500	23%	31 Emerging Technologies Fund	0944	835,000	187,500	1,022,500	0	0	187,500	835,000
2,125,000	3,961,734	6,086,734	2,888,286	47%	32 San Pedro Square Urban Market	0947	68,525	4,483,418	4,551,943	0	1,353,495	3,129,923	68,525
500,000	20,971	520,971	228,976	44%	33 Plan Amendment Process	0948	210,066	97,934	308,000	9,060	16,005	289,604	2,391
600,000	375,097	975,097	613,452	63%	34 Municipal Stadium	0953	352,400	15,600	368,000	6,240	6,356	348,068	13,576
766,000	570,169	1,336,169	1,089,889	82%	35 San Jose Innovation Center - Lease	0957	504,769	42,231	547,000	72,795	300,720	215,940	30,339
292,775		292,775	128,350	44%	36 GCO Transitional Cost	0959	292,775	0	292,775	79,038	128,350		184,425
TOTALS							12,494,677	9,880,149	22,374,826	356,855	3,079,565	9,503,350	9,791,910

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

December, 2010 (FY10-11)

**NEIGHBORHOOD BUSINESS INVESTMENT PROGRAM
CAPITAL COST REPORT**

Agency Fund: 075

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)	
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
5,525,000	47,695,174	53,220,174	53,100,174	100%	1 Story Road: King and Story Implementation	0480	26,303	93,697	120,000	0	0	93,697	26,303
500,000	-365,704	134,296	113,049	84%	2 The Alameda: Parking Solutions	0925	46,200		46,200	3,209	24,953	19,804	1,443
50,000	2,428,717	2,478,717	2,103,101	85%	3 Japantown: Corporation Yard	0688	207,795	168,205	376,000	0	386	168,205	207,410
39,600	138,300	177,900	147,642	83%	4 Japantown: Parking Lot Lease	0905	55,300	200	55,500	3,606	25,242	18,230	12,028
208,336	2,150,336	2,358,672	2,281,657	97%	5 NBD - Program Operations	0691	79,787	33,213	113,000	5,588	35,985	76,096	919
743,000	10,360,441	11,103,441	10,408,831	94%	6 NBD - Facade Improvements	0477	632,245	173,755	806,000	91,985	111,390	546,285	148,324
150,000	531,657	681,657	617,660	91%	7 NBD - Landscape Improvement	0852	20,443	87,557	108,000	647	44,003	43,555	20,443
50,000	0	50,000	0	0%	8 NBD- Implementation & Opportunity Sites	0961	50,000	0	50,000	0	0		50,000
TOTALS							1,118,073	556,628	1,674,701	105,035	241,959	965,873	466,869

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

**STRONG NEIGHBORHOODS INITIATIVE AREAS
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appr. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A) Total Funds Available 2010-11	Current Month Expenditures December 2010	(B) Total Year-to-Date Expenditures	(C) Encumbrance Balance	(D) Remaining Funds Available Current Year
3,745,000	329,520	4,074,520	3,984,520	98%	1 SNI - Five Wounds/Brookwood Terrace	0798	90,000	0	90,000	0	0	0	90,000
2,360,000	-16,756	2,343,244	2,343,244	100%	2 SNI - Delmas Park	0799	0	100,000	100,000	0	100,000	0	0
2,080,000	-761,379	1,328,621	1,136,014	86%	3 SNI - East Valley/680 Communities	0800	214,000	0	214,000	16,062	21,394	77,494	115,113
990,000	18,406,206	19,396,206	18,950,653	98%	4 SNI - Edenvale/Great Oaks	0801	16,211	499,174	515,385	0	69,832	427,483	18,061
4,795,000	-660,572	4,134,428	4,134,428	100%	5 SNI - Greater Gardner	0802	0	111,400	111,400	0	111,400	0	0
1,880,000	1,558,274	3,438,274	3,438,274	100%	6 SNI - Hoffman/Via Monte	0803	0	22,500	22,500	20,475	22,500	0	0
4,920,000	-911,965	4,008,035	3,872,035	97%	7 SNI - Washington	0806	113,000	23,000	136,000	0	0	23,000	113,000
2,834,000	-453,015	1,880,985	1,790,635	95%	8 SNI - West Evergreen	0807	3,421	127,579	131,000	0	30,650	96,929	3,421
4,600,000	-1,130,386	3,469,614	3,469,614	100%	9 SNI - Winchester	0808	0	44,000	44,000	0	44,000	0	0
5,120,000	-3,067,707	8,187,707	7,576,552	93%	10 SNI - Attractive Neighborhoods	0809	611,155	0	611,155	0	0	0	611,155
1,155,000	-586,947	568,053	553,398	97%	11 SNI - Outreach and Training	0811	12,635	6,365	19,000	260	4,345	1,865	12,790
910,000	4,343,828	5,253,828	4,303,828	82%	12 SNI - Mayfair	0830	950,000		950,000	0	0		950,000
3,405,000	-640,957	2,764,043	2,748,632	99%	13 SNI - Spartan/Keyes	0831	34,000	0	34,000	0	18,589	0	15,411
1,026,853	5,368,251	6,395,104	5,869,330	92%	14 SNI - Team (CMD)	0853	704,243	0	704,243	178,469	178,469	0	525,774
376,894	1,543,814	1,920,708	1,812,652	94%	15 SNI - City Attorney Code Enforcement	0854	108,056	0	108,056	0	0	0	108,056
TOTALS							2,856,721	934,018	3,790,739	215,266	601,178	626,781	2,562,780

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

December, 2010 (FY10-11)

**PARK CENTER REDEVELOPMENT AREA
CAPITAL COST REPORT**

Agency Fund: 050

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2010-11	C/D Encumbrance July 2010	(A)	(B)	(C)	(D)	
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
38,624	370,885	409,509	321,740	79%	1 Adobe: Water Monitoring	0890	69,976	67,124	137,100	3,083	49,330	31,735	56,036
200,000	12,014,672	12,214,672	9,787,395	80%	2 Civic Auditorium	0874	1,226,224	3,519,776	4,746,000	410,519	2,318,723	2,427,275	1
500,000	-400,000	100,000	34,500	35%	3 Montgomery Theatre	0949	100,000		100,000	0	34,500	61,758	3,742
TOTALS							1,396,200	3,586,900	4,983,100	413,602	2,402,553	2,520,768	59,778

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

December, 2010 (FY10-11)

**RINCON DE LOS ESTEROS REDEVELOPMENT AREA
CAPITAL COST REPORT**

Agency Fund: 071

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appr. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)	
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
1,000,000	-200,000	800,000	0	0%	1 Emerging Technologies Fund	0960	800,000	800,000	0	0	0	800,000	
TOTALS							800,000	0	800,000	0	0	0	800,000

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

December, 2010 (FY10-11)

**SAN ANTONIO REDEVELOPMENT AREA
CAPITAL COST REPORT**

Agency Fund: 073

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-12/10	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2010-11	C/O Encumbrance July 2010	(A)	(B)	(C)	(D)	
									Total Funds Available 2010-11	Current Month Expenditures December 2010	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
270,000	444,438	714,438	349,087	49%	1 Block 3: Central Place Parking Garage	0940	396,465	3,535	400,000	13,366	34,649	268,886	96,465
TOTALS							396,465	3,535	400,000	13,366	34,649	268,886	96,465

* Amount represents total project budget at time of construction contract award, or adoption of Disposition and Development Agreement (DDA) or Development Agreement (DA) or an Owner Participation Agreement (OPA).

Attachment D

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Cash Flow Projections for Fiscal Year 2010-2011 (Dollars Expressed in Thousands)

	Mid-Year Actual	Annual Estimated	Mid-Year Actual/ Annual Estimated
Beginning Cash Balance	100,623	100,623	
Cash Receipts - Sources			
Tax Increments	87,892	184,328	47.68%
Supplemental Assessments	-	500	0.00%
Interest Income	189	617	30.66%
Interest Income (Other)	256	256	100.00%
Return from Bond Trustee	-	24,000	0.00%
101 San Fernando Land Sale	4,500	4,500	100.00%
Porter Stock Insurance Proceeds	900	900	100.00%
State Grant for North San Pedro Housing	-	3,250	0.00%
City Loan	1,699	16,199	10.49%
Other Sale of land	-	5,000	0.00%
Other	2,081	4,111	50.62%
Total Cash Receipts	97,517	243,661	40.02%
Cash Payments - Uses			
Capital Project Expenditures	13,594	33,125	41.04%
Capital Direct Operating Costs	2,791	6,257	44.61%
Capital Indirect Operating Costs	2,725	6,290	43.32%
General Operating Costs	2,486	5,320	46.73%
Transfer To Housing - 20% Tax Increment	17,578	37,465	46.92%
Transfer To Fiscal Agent for Debt Service	9,908	149,862	6.61%
Liquidity Reserve	2,500	2,500	100.00%
CSJ-4th St. Garage Bonds	1,682	3,382	49.73%
State of CA - ERAF Loan Repayment	2,249	4,497	50.00%
State of CA - SERAF Payment	-	12,800	0.00%
HUD 108 Loan Interest/ Principal Payment	1,637	1,737	94.23%
AB 1290 Pass-Through	-	3,152	0.00%
Letters of Credit/ Fiscal Agent Fees	1,189	2,535	46.88%
Arena Pass-Through	-	355	0.00%
County Pass-through	-	21,500	0.00%
County Administration Fee	2,027	2,027	100.01%
Convention Center Bonds	11,632	15,258	76.24%
Total Cash Payments	71,997	308,062	23.37%
Ending Cash Balance	126,143	36,222	

ATTACHMENT E

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE PROPOSED ADJUSTMENTS TO FY2010 -2011 ADOPTED REVISED BUDGET

Agency's Business Unit Number	Project	Budget Year	Adopted Budget/ Carryover Encumbrance FY 2010-11	Net Change	Proposed Change to FY2010-11
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SOURCE OF FUNDS

	Supplement Assessments	FY2010-11	3,000,000	-2,500,000	500,000
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USE OF FUNDS

	20% Housing Requirement	FY2010-11	37,465,600	-500,000	36,965,600
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CAPITAL RESERVE

	-2,000,000
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