

# The Redevelopment Agency of the City of San Jose

## Adopted

- > 2004-2005 Capital/Program Budget
- > 2004-2005 Operating Budget



*Redevelopment Agency*

**THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE**

**ADOPTED OPERATING BUDGET  
ADOPTED CAPITAL/PROGRAM BUDGET  
FY 2004-2005**

For Fiscal Year July 1, 2004 to June 30, 2005

**Harry Mavrogenes, Interim Executive Director  
David Baum, Director of Finance and Administration**

**Redevelopment Agency Board  
RON GONZALES, Chair**

**City Council**

Linda J. LeZotte

Forrest Williams

Cindy Chavez

Chuck Reed

Nora Campos

Ken Yeager

Terry Gregory

David Cortese

Judy Chirco

Pat Dando, Vice Mayor

THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN JOSE

*ADOPTED* **2004-2005** CAPITAL BUDGET

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*Adopted*  
2004-2005

THE REDEVELOPMENT AGENCY OF THE  
CITY OF SAN JOSE

CAPITAL BUDGET

OPERATING BUDGET

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*Adopted*  
2004-2005

THE REDEVELOPMENT AGENCY OF THE  
CITY OF SAN JOSE

CAPITAL BUDGET

OPERATING BUDGET

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THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN JOSE

*ADOPTED* 2004-2005 CAPITAL BUDGET

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CAPITAL BUDGET SUMMARY

**THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE**

**ADOPTED 2004-2005 CAPITAL/PROGRAM BUDGET**

**PROJECT AREAS/PROGRAMS**

Civic Plaza  
Edenvale  
Julian Stockton  
Market Gateway  
Merged Area Impact

Neighborhood Investment Program  
Strong Neighborhoods Initiative  
Park Center  
Rincon De Los Esteros  
San Antonio Plaza

**Source and Use of Funds Summary**

## REDEVELOPMENT AGENCY MERGED AREA SOURCE AND USE OF FUNDS SUMMARY

	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>		
Beginning Fund Balance	\$ 202,918,991	216,007,798
Tax Increment	167,000,000	167,000,000
Suppl. Assessments	1,000,000	1,000,000
Bond Proceeds	180,361,019	21,629,653
Trust Account Interest	449,284	431,643
Redevelopment Fund Interest	3,080,716	2,240,158
Other/Miscellaneous	14,872,376	28,029,283
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 569,682,386</b>	<b>436,338,535</b>
<b><u>USE OF FUNDS</u></b>		
Financing/Non-Project Costs:		
Debt Service	\$ 100,204,335	96,763,471
Housing Requirement	33,600,000	33,600,000
AB1290 Pass-Through	3,043,000	1,090,000
Convention Center Bond Payment	12,705,588	13,020,788
Total Financing/Non-Project Costs:	149,552,923	144,474,259
Capital Expenditures:		
Neighborhood Strategies	\$ 45,669,903	28,915,882
Housing Stock	20,816,529	834,275
Public Facilities	56,529,478	15,607,679
Private Development	25,537,479	61,529,581
Total Capital Expenditures	148,553,389	106,887,417

## REDEVELOPMENT AGENCY MERGED AREA SOURCE AND USE OF FUNDS SUMMARY

	Estimated 2003-2004	Adopted 2004-2005
Operating Expenditures	23,938,756	20,883,484
Obligated Payments:		
Fiscal Agent Fees	145,500	155,500
ERAF	10,077,872	18,700,000 (1)
Letter of Credit Fees	194,965	494,965
County Tax Collection Fees	1,928,854	2,025,297
Arena Pass-Through	315,000	300,000
CSJ Financing Authority (Parking Garage)	3,400,000	3,400,000
County Agreement Payment	15,567,329	15,567,329
Total Obligated Payments	31,629,520	40,643,091
Capital Reserves	216,007,798	123,450,285
<b>TOTAL USE OF FUNDS</b>	\$ 569,682,386	436,338,535

(1) ERAF payment based on Governor's proposal as of April 2004.

**REDEVELOPMENT - CIVIC PLAZA  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 3,020,246	2,356,211
<b>TOTAL SOURCE OF FUNDS</b>			\$ 3,020,246	2,356,211
<b><u>USE OF FUNDS</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Promote and Implement Neighborhood Improvement Strategies</u></b>				
1 Horace Mann Public Improvements	3	A-43	\$ 419,698	27,949
<b>Promote and Implement Neighborhood Improvement Strategies</b>			\$ 419,698	27,949
<b><u>Initiate and Facilitate Public Facilities and Spaces</u></b>				
2 Civic Plaza Land Acquisition	3	A-44	\$ 1,903,435	884,468
3 Civic Plaza - Historic (House Relocations)	3	A-45	60,425	76,725
4 Civic Plaza Streetscape	3	A-46	636,688	1,367,069
<b>Initiate and Facilitate Public Facilities and Spaces</b>			\$ 2,600,548	2,328,262
<b>TOTAL USE OF FUNDS</b>			\$ 3,020,246	2,356,211

**REDEVELOPMENT - EDENVALE  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 931,881	2,070,327
<b>TOTAL SOURCE OF FUNDS</b>			<u>\$ 931,881</u>	<u>2,070,327</u>
 <b><u>USE OF FUNDS</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Private Development</u></b>				
1 Assessment District/Interchange Improvements	2	A-50	\$ 420,641	145,000
2 Biotech Initiative	2	A-51	216,861	1,864,930
3 Industrial Work Program - Implementation	2	A-52	294,379	60,397
<b>Initiate and Facilitate Private Development</b>			<u>\$ 931,881</u>	<u>2,070,327</u>
<b>TOTAL USE OF FUNDS</b>			<u>\$ 931,881</u>	<u>2,070,327</u>

**REDEVELOPMENT - JULIAN STOCKTON  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 14,109,577	471,075
			\$ 14,109,577	471,075
<b><u>USE OF FUNDS</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Enhance the Quality and Supply the City's Housing Stock</u></b>				
1 North San Pedro Proposed Housing/Brandenburg	3	A-58	13,970,377	2,775
2 Bassett & N. First Streets/Classic @ North Keystone	3	A-59	123,500	101,500
3 One East Julian (DDA)	3	A-60	0	100,000
			\$ 14,093,877	204,275
<b><u>Enhance the Quality and Supply the City's Housing Stock</u></b>				
<b>PUBLIC PROJECTS</b>				
<b><u>Initiate and Facilitate Public Facilities and Spaces</u></b>				
4 Downtown Theatre	3	New	15,700	266,800
			15,700	266,800
			\$ 14,109,577	471,075

**REDEVELOPMENT - MARKET GATEWAY  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 25,643,618	981,875
<b>TOTAL SOURCE OF FUNDS</b>			<u>\$ 25,643,618</u>	<u>981,875</u>
<b><u>USE OF FUNDS</u></b>				
<b>PUBLIC PROJECTS</b>				
<b><u>Initiate and Facilitate Public Facilities and Spaces</u></b>				
1 Fox CA Theatre - Opera San Jose	3	A-65	\$ 24,365,315	336,295
2 Fox CA Theatre - Signage	3	A-67	0	300,000
<b>Initiate and Facilitate Public Facilities and Spaces</b>			<u>\$ 24,365,315</u>	<u>636,295</u>
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Private Development</u></b>				
3 Camera One Acquisition	3	A-68	\$ 1,226,512	33,488
4 Market Gateway Development	3	A-69	51,791	312,092
<b>Initiate and Facilitate Private Development</b>			<u>\$ 1,278,303</u>	<u>345,580</u>
<b>TOTAL USE OF FUNDS</b>			<u>\$ 25,643,618</u>	<u>981,875</u>

**REDEVELOPMENT - MERGED AREA IMPACT  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 29,651,281	38,697,554
<b>TOTAL SOURCE OF FUNDS</b>			<u>\$ 29,651,281</u>	<u>38,697,554</u>
<b><u>USE OF FUNDS</u></b>				
<b>PUBLIC PROJECTS</b>				
<b><u>Promote and Implement Neighborhood Improvement Strategies</u></b>				
1 Child Care Development Fund	3	A-73	\$ 856,000	696,000
2 City Budget Office Services		A-74	90,000	77,000
3 Assessor		A-76	0	105,000
4 Litigation Services		A-78	635,000	635,000
5 School Opportunity Sites		A-80	0	150,000
<b>Promote and Implement Neighborhood Improvement Strategies</b>			<u>\$ 1,581,000</u>	<u>1,663,000</u>
<b>PUBLIC PROJECTS</b>				
<b><u>Initiate and Facilitate Public Facilities and Spaces</u></b>				
6 GRP Flood Control Project	3	A-92	\$ 1,646,537	2,337,685
7 Temporary Convention Center Expansion	3	New	0	5,000,000
8 Public Space Programming Capital Improvements	3	A-97	21,760	9,637
9 Public Space Programming		A-96	179,000	100,000
10 City Improvement		A-98	3,000,000	3,000,000
11 Automatic Public Toilets		A-99	587,096	519,000
12 Public Property Management		A-100	1,133,105	480,000
13 Asset Management		A-101	954,473	350,000
14 Misc. Public Improvement			0	150,000

**REDEVELOPMENT - MERGED AREA IMPACT  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
15 Christmas in the Park		A-95	65,000	30,000
<b>Initiate and Facilitate Public Facilities and Spaces</b>			\$ 7,521,971	11,976,322
 <b><u>Initiate and Facilitate Private Development</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
16 Software/Environmental Business Clusters - Lease	3	A-104	\$ 1,167,000	408,000
17 Small Business Administration - Lease	3	A-105	273,725	221,186
18 Software Development Center - Lease	3	A-106	318,670	280,000
19 International Business Incubator - Lease	3	A-107	722,620	300,000
20 Downtown Business Improvement Pool	3	A-108	6,010,489	1,103,009
21 Museum of Quilts & Textiles	3	A-109	1,340,000	10,000
22 San Jose Downtown Association	3	A-110	418,275	250,000
23 Retail Strategy		A-113	154,864	120,193
24 Retail - Marketing, Outreach & Promotions		A-114	19,061	43,261
25 Downtown Mixed Use Projects (CIM)	3	A-115	6,187,075	17,577,693
26 Mixed Use Project Area Environmental Containment	3	A-116	968,333	1,650,000
27 4th Street Garage Marketing and Tenant Improvements	3	A-117	454,293	1,250,356
28 Downtown Project Feasibility Studies	3	A-118	112,005	267,237
29 OEA Audit Services		A-75	100,000	21,000
30 SoFA Survey/Design Guidelines		A-77	1,993	9,007
31 Real Estate and Relocation Services		A-79	818,751	274,249
32 4th Street Parking Garage	3	A-88	1,373,924	402,072
33 Parking Plus (CIM 2nd & Santa Clara)	3	A-89	104,551	870,000
34 Development RFQ		A-123	2,681	969
<b>Initiate and Facilitate Private Development</b>			\$ 20,548,310	25,058,232
<b>TOTAL USE OF FUNDS</b>			\$ 29,651,281	38,697,554

**REDEVELOPMENT - NEIGHBORHOOD INVESTMENT PROGRAM  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 25,182,052	42,333,904
<b>TOTAL SOURCE OF FUNDS</b>			<b>\$ 25,182,052</b>	<b>42,333,904</b>
<b><u>USE OF FUNDS</u></b>				
<b><u>Alum Rock</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Enhance the Quality and Supply the City's Housing Stock</u></b>				
1 Las Mariposas Housing DDA	5	New	\$ 0	630,000
<b><u>Initiate and Facilitate Private Development</u></b>				
2 Alum Rock - Facade Improvements	5	A-129	319,709	176,864
<b>Alum Rock</b>			<b>\$ 319,709</b>	<b>806,864</b>
<b><u>East Santa Clara Street</u></b>				
<b>PUBLIC PROJECTS</b>				
<b><u>Promote and Implement Neighborhood Improvement Strategies</u></b>				
3 East Santa Clara Street - Hospital Area Masterplan/Studies	3	A-133	0	50,000
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Public Facilities and Spaces</u></b>				
4 E Santa Clara St. - Facade Improvements	3	A-134	130,173	229,932
<b>East Santa Clara Street</b>			<b>\$ 130,173</b>	<b>279,932</b>

**REDEVELOPMENT - NEIGHBORHOOD INVESTMENT PROGRAM  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>Story Road</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Private Development</u></b>				
5	5	A-135	\$ 89,841	95,229
6	5	A-136	3,942,337	30,076,861
<b>PUBLIC PROJECTS</b>				
<b><u>Promote and Implement Neighborhood Improvement Strategies</u></b>				
7	5	A-137	7,550	1,996,779
8	5	A-138	142,002	792,859
<b>Story Road</b>			\$ <u>4,181,730</u>	<u>32,961,728</u>
<b><u>The Alameda</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Private Development</u></b>				
9	6	A-142	\$ 32,235	47,765
<b>PUBLIC PROJECTS</b>				
<b><u>Promote and Implement Neighborhood Improvement Strategies</u></b>				
10	6	A-140	1,983	13,850
<b>The Alameda</b>			\$ <u>34,218</u>	<u>61,615</u>
<b><u>West San Carlos</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Private Development</u></b>				
11	6	A-143	\$ 171,580	449,436
12	6	A-144	0	100,000
<b>West San Carlos</b>			\$ <u>171,580</u>	<u>549,436</u>

**REDEVELOPMENT - NEIGHBORHOOD INVESTMENT PROGRAM  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

		<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>Japantown</u></b>					
<b>DEVELOPMENT PROJECTS</b>					
<b><u>Initiate and Facilitate Private Development</u></b>					
13	Japantown - Facade Improvements	3	A-145	\$ 137,987	12,013
<b>PUBLIC PROJECTS</b>					
<b><u>Promote and Implement Neighborhood Improvement Strategies</u></b>					
14	Japantown - Gateway Elements	3	A-147	0	53,459
15	Japantown - Cultural Street	3		50,000	333,333
<b>Japantown</b>				<b>\$ 187,987</b>	<b>398,805</b>
<b><u>Monterey Corridor</u></b>					
<b>DEVELOPMENT PROJECTS</b>					
<b><u>Promote and Implement Neighborhood Improvement Strategies</u></b>					
16	Monterey Corridor - Bellevue Avenue Park	7	A-148	\$ 469,858	716,312
18	Monterey Corridor - NID Improvements	7	A-150	2,305,000	195,000
19	Monterey Corridor - Washington Area Improvements	7	A-151	281,695	110,741
<b><u>Initiate and Facilitate Private Development</u></b>					
17	Monterey Corridor - Facade Improvements	7	A-149	17,094	84,998
<b>Monterey Corridor</b>				<b>\$ 3,073,647</b>	<b>1,107,051</b>
<b><u>Other Programs</u></b>					
<b>DEVELOPMENT PROJECTS</b>					
<b><u>Initiate and Facilitate Private Development</u></b>					
20	NBD - Program Operations		A-153	\$ 124,045	75,955
21	Implementation & Opportunity Sites		A-155	102,760	223,248
22	Union/Foxworthy	9	A-158	12,350	3,300
23	Union/Camden	9	A-159	704,651	95,349
24	Monterey/Roeder	2	A-160	0	650,000

**REDEVELOPMENT - NEIGHBORHOOD INVESTMENT PROGRAM  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

		<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b>PUBLIC PROJECTS</b>					
<u>Promote and Implement Neighborhood Improvement Strategies</u>					
25	County Improvement		A-157	\$ 16,000,000	5,000,000
26	Neighborhood Business Clusters		A-154	139,202	120,621
<b>Other Programs</b>				\$ 17,083,008	6,168,473
<b>TOTAL USE OF FUNDS</b>				\$ 25,182,052	42,333,904

**REDEVELOPMENT - STRONG NEIGHBORHOODS INITIATIVE  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>STRONG NEIGHBORHOODS INITIATIVE REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 9,537,249	17,841,979
<b>TOTAL SOURCE OF FUNDS</b>			<b>\$ 9,537,249</b>	<b>17,841,979</b>

**USE OF FUNDS**

**PUBLIC PROJECTS**

**Promote and Implement Neighborhood Improvement Strategies  
Strong Neighborhoods Initiative**

1	13th Street	3	A-167	\$ 2,162,062	537,938
2	Blackford	1	A-168	9,500	1,195,500
3	Burbank/Del Monte	6	A-169	182	1,069,818
4	Delmas Park	3	A-170	50,000	345,000
5	East Valley/680 Communities	5	A-171	800,000	50,000
6	Edenvale/Great Oaks	2	A-172	106,045	721,955
7	Five Wounds/Brookwood Terrace	3	A-173	250,317	1,694,683
8	Gateway East	5	A-174	94,300	1,292,200
9	Greater Gardner	3 & 6	A-175	323,000	150,000
10	Hoffman/Via Monte	10	A-176	250,000	170,000
11	K.O.N.A.	7 & 8	A-177	403,000	217,000
12	Market/Almaden	3	A-178	33,112	371,889
13	Mayfair	5	A-179	0	800,000
14	Spartan/Keyes	3 & 7	A-180	22,317	1,616,683
15	Tully/Senter	7	A-181	5,341	3,294,659
16	Union/Curtner Business Cluster	9	A-182	249,714	286

**REDEVELOPMENT - STRONG NEIGHBORHOODS INITIATIVE  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
17 University	3	A-183	749,000	570,000
18 Washington	3 & 7	A-184	921,057	996,586
19 West Evergreen	7 & 8	A-185	14,332	645,668
20 Winchester	1	A-186	1,748,750	851,250
21 SNI - Attractive Neighborhoods		A-187	1,050,000	756,627
22 SNI - Outreach and Training		A-189	100,185	5,816
23 Strong Neighborhoods Project Area Committee and Neighborhood		A-190	0	10,000
24 Strong Neighborhoods Initiative Reserve		A-192	195,035	478,421
<b>Promote and Implement Neighborhood Improvement Strategies</b>			<b>\$ 9,537,249</b>	<b>17,841,979</b>
<b>TOTAL USE OF FUNDS</b>			<b>\$ 9,537,249</b>	<b>17,841,979</b>

**REDEVELOPMENT - PARK CENTER**  
**SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 73,658	500,000
			\$ 73,658	500,000
<b><u>USE OF FUNDS</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Public Facilities and Spaces</u></b>				
1 Tech Museum of Innovation	3	A-194	\$ 73,658	500,000
Initiate and Facilitate Public Facilities and Spaces			\$ 73,658	500,000
			\$ 73,658	500,000

**REDEVELOPMENT - RINCON DE LOS ESTEROS  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 218,160	121,507
<b>TOTAL SOURCE OF FUNDS</b>			<u>\$ 218,160</u>	<u>121,507</u>
 <b><u>USE OF FUNDS</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Private Development</u></b>				
1 Industrial Work Program: Implementation	4	A-198	\$ 218,160	121,507
<b>Initiate and Facilitate Private Development</b>			<u>\$ 218,160</u>	<u>121,507</u>
<b>TOTAL USE OF FUNDS</b>			<u>\$ 218,160</u>	<u>121,507</u>

**REDEVELOPMENT - SAN ANTONIO PLAZA  
SOURCE AND USE OF FUNDS DETAIL SUMMARY**

	<u>Council District</u>	<u>Rebalancing Plan Page</u>	<u>Estimated 2003-2004</u>	<u>Adopted 2004-2005</u>
<b><u>SOURCE OF FUNDS</u></b>				
<b>MERGED AREA REDEVELOPMENT FUND</b>				
Funds Available for Capital Improvements			\$ 4,518,448	1,512,985
			\$ 4,518,448	1,512,985
<b>TOTAL SOURCE OF FUNDS</b>			\$ 4,518,448	1,512,985
<b><u>USE OF FUNDS</u></b>				
<b>DEVELOPMENT PROJECTS</b>				
<b><u>Initiate and Facilitate Private Development</u></b>				
1 Camera 3 Expansion	3	A-206	2,699,389	750,611
2 Fairmont Annex Retail	3	A-208	1,819,059	762,374
<b>Initiate and Facilitate Private Development</b>			\$ 4,518,448	1,512,985
<b>TOTAL USE OF FUNDS</b>			\$ 4,518,448	1,512,985

THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN JOSE

*ADOPTED* **2004-2005** CAPITAL BUDGET

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ACCOMPLISHMENTS

## FY 2003-04 ACCOMPLISHMENTS

### A. Promote and Implement Neighborhood Improvement Strategies

1. Continued implementation of Story and King Retail Project in context of Story and King Intersection Revitalization Strategy. Completed site acquisition/clearance and cleanup activities of Southeast corner. Renegotiated the Disposition and Development Agreement (DDA) to achieve higher density commercial development. Established a joint security program with Tropicana Center owners.
2. Completed the residential paint and fence program (residential Façade Improvement Program) installation in conjunction with the Monterey Corridor underground project.
3. Completed acquisition and demolition on Bellevue Park in the Monterey Corridor Project Area.
4. Completed construction of The Billy DeFrank Center rehabilitation project and began the construction of the new 26 space adjacent public parking lot.
5. Completed construction of the Alum Rock Youth Center in October 2003, on time and below budget.
6. Funded acquisition of properties for the Alum Rock branch library.
7. Completed Horace Mann School and Horace Mann School Offsite Improvements.
8. Completed design and installation of the Japantown Gateway (directional signage) project.
9. Neighborhood Façade Improvements Programmatic Activity:
  - Maintained prioritization of buildings eligible under the Façade Improvement Program (FIP).
  - Collaborated with Neighborhood Advisory Committees and Business Associations to prioritize new façade projects.
  - Completed a comprehensive FIP database to track past and current projects.

10. Neighborhood/SNI Façade Improvements Project Activity:
  - Continued the Façade Improvement Program for the Alum Rock Avenue, East Santa Clara Street, Japantown, Monterey Corridor, Story Road, The Alameda, and West San Carlos Neighborhood Business Districts, the Neighborhood Business Cluster Project areas – Union Camden, Monterey Roeder, and SNI areas – 13<sup>th</sup> Street, Winchester, Blackford, Five Wounds/Brookwood Terrace, and Spartan Keys.
  - Initiated façade improvements for 53 buildings.
  - Completed construction of façade improvements for 38 buildings.
  
11. Japantown Cultural Preservation Program
  - Obtained over \$330,000 from the State of California and \$50,000 in CDBG funds for implementation of cultural preservation projects.
  - Supported Japantown Community Congress' organizational growth with technical assistance and \$50,000 contract for services on cultural preservation projects.
  - Organized Town Hall community meeting to inform community regarding projects and obtain input.
  - Designed 5 *ikoi no ba* on Fifth Street (seating arrangements with benches, landscaping, lights and cultural/historical themes)
  - Started design of landmark at Fifth and Jackson Street.
  
12. Small Business Assistance for Individual Businesses:
  - Conducted nine business seminars attended by 250 participants (“Doing Business in Tough Times” I & II) to provide business services, promote and strengthen businesses, and support economic development with the City of San Jose Office of Economic Development, the Entrepreneur Center (SBA), Lenders for Community Development, Chambers of Commerce, and similar service providers.
  - Provided individualized technical assistance and referral services to approximately 40 businesses within the NBDs and 2 SNI business districts that have completed Agency funded technical training.
  - Referred a minimum of 20 businesses from each NBD to business partners for technical assistance in completing and submitting applications for loans.
  
13. Business services/assistance in the Neighborhood Business Clusters, Neighborhood Business Districts (NBDs) and SNI commercial areas – (Alum Rock, The Alameda, East Santa Clara Street, Japantown, Story Road, West San Carlos Street, 13<sup>th</sup> Street):
  - Created a retail team dedicated to retention and expansion of small businesses in Neighborhood Business Districts, Neighborhood Business Clusters and commercial Strong Neighborhoods Business Areas.

- Created and began implementation of a concentrated strategy for retail in ten areas – (13<sup>th</sup> Street, Alum Rock, East Santa Clara Street, Japantown, The Alameda, West San Carlos Street, Story Road/East Valley-680 Communities, Winchester, Burbank/Del Monte, and University—10<sup>th</sup>/William)
  - Developed, coordinated and executed a marketing plan and collateral materials to promote retail programs including the Alameda Marketing Brochure, e-letter – 2 editions, bizconnect@sanjoseca.gov.
  - Promoted NBDs through promotional events.
  - Provided comprehensive Board training program (seven sessions) for the Neighborhood Business Associations.
  - Developed business brochures, newsletters and membership materials with business associations.
  - Increased membership 10%-30% in each Business Association.
  - Implemented measures to improve the appearance of Neighborhood Business Districts such as graffiti removal and proactive code enforcement.
14. Continued collaboration with NACs and Business Associations to identify and scope priority streetscape and infrastructure projects.
15. Ongoing implementation of Strong Neighborhoods Plan:
- 13<sup>th</sup> Street – Began design for the couplet conversion for 3<sup>rd</sup> and 4<sup>th</sup> Street and rail crossings, constructed business façade improvements, and began construction on streetscape improvements.
  - Blackford – Design lighting improvements, designed façade improvements, planted street trees, initiate basic traffic calming and acquire building for community/policing facility.
  - Burbank/Del Monte – Acquire land for a new park, designing streetscape improvements, and printed and distributed program/services inventory.
  - Delmas Park – Initiate basic traffic calming and design streetscape improvements.
  - East Valley/680 Communities – Initiate basic traffic calming, replace sidewalks.
  - Edenvale/Great Oaks – Approval for construction to start on neighborhood centers and design of the skate park, develop a master plan for a community garden, initiated traffic calming at schools, constructed ADA curb ramps, initiated residential traffic calming, and design lighting improvements.
  - Five Wounds/Brookwood Terrace – Constructed façade improvements, designing streetscape improvements, and beginning construction of park improvements.

- Gateway East – Design sanitary sewer and storm drain improvements, develop a master plan for a community garden, and design intersection improvements.
- Greater Gardner – Design street improvements, design open space, design streetscape improvements.
- Hoffman/Via Monte – Implemented landscaping improvements, housing rehab, facilitated joint towing agreements, acquiring site for neighborhood center.
- K.O.N.A. –Improve Boys and Girls Club building.
- Market/Almaden – Design a neighborhood park, establish historic conservation area, and initiated basic traffic calming.
- Mayfair – Design street lighting improvements and initiated basic traffic calming.
- Spartan/Keyes – Develop a master plan for open space and trails, designing traffic calming improvements, constructed streetscape improvements, and designing business facades.
- Tully/Senter –Design streetscape improvements, completed street tree planting, initiated basic traffic calming, and design fence replacement.
- Union/Curtner – Continued construction of business façade improvements.
- University – Construct a park, construct pedestrian corridor improvements, and prioritize buildings for business facades.
- Washington – Construct a park, design community center improvements, construct school improvements, began installation of lighting improvements, and design alleyway improvements.
- West Evergreen – Initiated basic traffic calming improvements.
- Winchester – Construct streetscape improvements, designing and construct facade improvements, constructed traffic calming improvements.

16. Support the Project Area Committee (PAC).

17. Retain active community involvement in the Strong Neighborhoods:

- Involved neighborhoods in community pride days and tree planting events.
- Worked with the Neighborhood Development Center to provide training and leadership development.
- Obtained grants for SNI projects to help leverage City and Agency resources, totaling \$4M CDBG.

18. Implemented the following Neighborhood/SNI Streetscape Projects:

- Began construction of the Monterey Median Island Project.
- Substantially completed the 13<sup>th</sup> Street Streetscape Project.
- Began work on the Winchester Boulevard Median Project.
- Completed design and construction for the Keyes Streetscape project.

- Coordinated with City Departments to ensure timely execution of projects.
19. Revised construction drawings, bid, and awarded the Meadowfair Park Phase II improvements.

## **B. Enhance the Quality and Supply of the City's Housing Stock**

### **Housing Development**

1. Facilitated the construction of approximately 624 housing units within the Greater Downtown area.
2. Released an RFP, certified the EIR, selected a Development team and executed an Exclusive Negotiation Agreement for the North San Pedro Housing Sites.
3. Prepared and issued an RFP, received proposals, produced a short list and held interviews for the development of Block 8.
4. Continued to facilitate construction on four Agency Owned Housing sites (One East Julian, Classics @ North Keystone, Lofts @ The Alameda, Park Townsend).
5. Completed a development agreement and began assisting entitlement process on the First Church of Christ site.
6. Completed First amendment of One East Julian DDA, which allowed for the continued development of the site.
7. Continued to provide the public and Agency Board with detailed monthly updates on Agency and Market rate housing developments.
8. Completed annual HCD report accurately and on time.
9. Overhauled and streamlined the implementation of the Inclusionary Housing Policy.
10. Assisted Developers with project entitlements.
11. Worked cooperatively with the Housing Department to facilitate the development of affordable housing projects, including Delmas Park Teacher Academy on W. San Carlos St. and Las Mariposas on Alum Rock Avenue.
12. Continued assisting the Emergency Housing Consortium Our House youth shelter relocation project through site assembly completion, additional community meetings and entitlements. Enabled the interim relocation of the EHC residential component from the 39 North Fifth Street to a modular project on North Fourth Street in preparation for the construction of the New Civic Center Off-site Parking Facility.

13. Continued discussions with property owners of identified potential housing sites regarding site assembly and other predevelopment issues.
14. Continued to work with neighborhood groups to assure compatibility and acceptance of proposed housing projects.

### **Real Estate Services**

1. Reduced the Overland, Pacific & Cutler Contract to \$75,000. The net financial effect of these changes, based on the average monthly cost of OPC services, is projected to save the Agency approximately \$250,000 through June and in excess of \$500,000 through December of this year. Assumed most Real Estate service responsibilities directly with Agency staff effective February 1<sup>st</sup>.
2. Created process for rotation between four Title companies (First American, Stewart, Chicago and Financial Title). This was a joint effort with General Counsel.
3. Continued work on the Story/King project. Fully settled 18 tenants on the Southeast Corner. (Avg. relocation 3.2 miles from project site) Negotiated acquisition of seven parcels on Southeast Corner. Remaining parcel under negotiation while a trial date is set. Negotiated acquisition of one parcel on Southwest Corner. Retained four tenants on the Southeast Corner (Ritmo Latino, Walgreen's, Mi Pueblo Food Center and Mi Pueblo Taqueria).
4. Negotiated acquisition of 3707 Williams in the Blackford SNI for a proposed joint community/policing facility.
5. Negotiated DDA amendments for five historic houses and reconveyed property to allow homeowners the opportunity to refinance.
6. Negotiated purchase of Vendome property to be used to house Friends of the Guadalupe.
7. Worked to get case closure from Santa Clara Valley Water District for 600 East Julian. After closure negotiated DDA and conveyed property to Habitat for Humanity.
8. Researched Roosevelt Park property area ownership and easements for City Property and San Jose Unified School District Property for agreement between parties.
9. Worked with City Attorneys office during court proceedings and completed business tenant relocations for the Bellevue Park Project.

10. Researched ownership and easements on three properties for potential community center in the Burbank/Del Monte SNI.
11. Relocated one tenant from the North San Pedro Housing site. One remaining tenant should be relocated by year's end.
12. Provided real estate services including fee and FF&E appraisals, title, escrow and environmental audit as necessary.
13. Participated in City real estate acquisition and disposition committee process to coordinate City/RDA real estate activities.

### **Property Management / Asset Management**

1. Provided Property & Asset Management services to a wide range of Agency properties, which included lease administration (including new tenants: McCormick & Schmick, Artist & Craftsmen, and Camera 1), tenant relations, rent collection, site security and support services for acquisition and development.
2. Supervised the public right-of-way blight management program (blight abatement, graffiti removal, weed abatement, etc.) that the Department of Transportation carries out under a contract with the Agency.
3. Continued the coordination of the Streetscapers program, which increased the reporting of blight to the appropriate city agencies. The program's goal is to help keep the downtown clean and attractive.
4. Executed 10 Property Use Agreements for Agency-owned properties. Managed 5 labor contracts, worked with over 40 different vendors, and conducted a Power washing RFQ.
5. Provided Asset Management services for the Story/King Revitalization project during site assemblage.
6. Provided asset management services during site assemblage and site delivery including lease administration, tenant relations, rent collection, site security (against vandalism and arson) and support services for acquisition and development for 85 parcels.
7. Assisted with the property transfers of the Fallon House Gift Shop, Tennis Courts, San Jose Repertory Theatre, and 2 Retail Kiosks.

8. Collaborated with public entities and other City departments such as the Valley Transportation Authority, Code Enforcement, the Department of Transportation, and the Police Department to discuss matters that affect San Jose's downtown. Also, monthly Cal-Trans meetings have been ongoing.
9. Facilitated the repair and reinstallation of 3 damaged Historic Markers.
10. Coordinated bi-monthly insurance meetings, and continually updated the Agency insurance spreadsheets for 164 Agency-owned parcels, and ground leases.

## **C. Initiate and Facilitate Public Facilities and Spaces**

1. California Fox Theatre: Construction continued through FY 2003-04 as anticipated. A key milestone was the completion of the auditorium's restored historical painting scheme in April. Project is currently on schedule for opening in Fall 2004.
2. Convention Center Expansion: Supplemental EIR for the house at the temporary location was completed in April 2004 and the house will be demolished in May. Planning for the erection of a temporary expansion facility was completed in April 2004 and bids were received for the construction of a tensile structure facility in May 2004. The structure is planned to be complete and available for Convention Center use by January 2005.
3. Civic Plaza Streetscape: Completed utility undergrounding in coordination with the City's Department of Public Works south of Santa Clara Street and began construction of the underground facilities north of Santa Clara Street. Completed design and bid the Fifth Street Promenade improvements, including construction of traffic signals on Santa Clara Street at Fourth, Fifth, and Sixth Streets. Included in the streetscape project is the infrastructure to support the Andrew Leicester-designed public art project.
4. Children's Discovery Museum Enhancements: Assisted in the design and implementation of courtyard improvements funded by state and private grants to the Museum. Provided additional funding and assisted in the implementation of improvements to the Museum.
5. Entered into an Exclusive Negotiations Agreement with the Silicon Valley Sports and Entertainment Group to evaluate the feasibility of constructing a 5,000-seat venue for live performances in the Downtown. Programmatic architecture and cost analyses are expected to be completed by July 2004. The Redevelopment Agency Board is anticipated to review the feasibility studies in late Summer or early Fall 2004.
6. Public Art: On-going coordination with the Office of Cultural Affairs for public art on public and private development projects.
7. Assisted viability of existing downtown merchants through extensive programming of public spaces with Populus Presents. Continued events such as: Circle of Palms café, Winter Wonderland, Phantom Galleries, Positive Skate Experience, Music After Dark, Movies at Circle of Palms, Cinema San Pedro, SoFA Bazaar, Catalyst, and Lunch Vox.

8. Guadalupe River Park Master Plan: Began design and implementation of grant-funded signage and historic plaza projects.
9. Guadalupe River Flood Control Project – Contract 3C, Phase II: This phase included construction of 1,100 linear feet of channel. Project was completed in 2003, on schedule.
10. Guadalupe River Flood Control Project – Contract 3B: This phase includes construction of 1,500 linear feet of channel and bank improvements. Project will be complete Summer 2004.
11. Guadalupe River Flood Control Project – Contract 3A: This phase includes construction of a 2,700-foot box culvert between Santa Clara Street and Coleman Avenue. Project completion remains on schedule for completion in Summer 2005.
12. Installed 34 pieces of street furniture including bike racks, light poles, benches, planters, civic litter modules, bollards, and upgraded lighting on Fountain Alley.
13. Provided monthly construction planning and coordination for all public and private construction projects in Downtown.
14. Continued successful Public Space Programming including Cinema San Pedro, Winter Wonderland, and Phantom Galleries.
15. Launched free WiFi program at three locations in Downtown: Circle of Palms, Chavez Park and San Pedro.

## **D. Initiate and Facilitate Private Development**

### **Downtown**

1. CIM Mixed-Use Project – Completed requisite predevelopment activities to allow for the close of escrow, property transfer and start of construction on the Second and Santa Clara site.
2. Commenced pre-development activities on the Block 3 site.
3. Negotiated and completed agreements allowing Cameras to expand its Downtown operations to the former UA Theater site.
4. Negotiated and completed Loan Modification Agreement with Zanotto's Downtown Market to allow for the reopening of Zanotto's at 40 South Second Street.
5. HUD 108 Loan and BEDI Grant - Monitored Davis/Bacon and jobs creation as required for Housing and Urban Development \$13 million Section 108 loan and \$2 million Brownfields Economic Development Initiative grant reporting.
6. Augmented the amount of downtown parking spaces by implementing additional on-street parking opportunities (SoFA), funding Parking Plus at CIM Second/Santa Clara site, and pursuing predevelopment activities for the proposed downtown parking garages.
7. Negotiated and completed lease agreements with Flames Coffee Shop and Lee's Sandwiches for retail space at the Fourth Street Garage.
8. Continued to implement the Downtown Retail Strategy:
  - Marketed the remaining space at the Fairmont Addition and 4<sup>th</sup> Street Garage.
  - Continued to conduct outreach to brokers and retailers through broker meetings, ICSC conferences, telephone outreach, and regular mailings.
  - Continued to monitor impact of retail strategy based on sales tax data, project evaluations, and other means.
  - Facilitated the addition of over 250,000 sf of new retail uses in the Downtown.
  - Facilitated leasing of key properties including 101 San Fernando, Century Center and the Security Building.
  - Communicated results of Retail Strategy through quarterly E-Letter to over 700 recipients.

- Facilitated local tenant leasing opportunities. Nurtured/incubated 6 local tenants that have signed leases in the Downtown over the last year. Over 45 meetings were held with local and first time businesses.
  - Provided marketing/leasing assistance at Civic Center project, Union Pacific Property, etc.
9. Implemented rehabilitation programs within the Downtown Business Improvements Pool, including the Façade Improvement Program; the Commercial Building Loan Program; the Unreinforced Masonry Program; the Retail, Entertainment, and Arts Loan Program; and the Small Business Loan Program.
10. Provided project management services to complete the following:
- Adobe Phase II, Tower II. Project completed and opened in January 2004.
  - Montgomery Hotel and Paragon Restaurant. Project scheduled for opening in June 2004.
  - Contract for the construction of Lee's Sandwiches landlord improvements at the Fourth Street Garage was awarded. Construction is underway.
  - Landlord Improvement plans were developed for Flames Coffee Shop at the Fourth Street Garage.
  - Artist and Craftsman - Store opened in November 2003.
  - McCormick & Schmick - Restaurant opened in January 2004.
  - PF Chang's - Restaurant opened in January 2004.
  - Zyng Asian Grill - Restaurant under construction at Twohy Building.
  - Melting Pot - Restaurant under construction at Letitia Building.
  - Bijan Bakery under construction at Fairmont Addition.
  - Camera 12 reconstruction will start in June 2004.
11. Held Greater Downtown Development Strategy Annual Update.
12. Expanded Retail Strategy to encompass 10 targeted neighborhood areas. Completed two of four milestones including:
- Defined focus areas,
  - Created marketing message,
  - Collected demographic and psychographics,
  - Created vacancy roster,
  - Created marketing packages, and
  - Created significant broker and landlord relationships.

Additionally, assisted OED with launch of retail recruitment program for selected neighborhoods outside of Redevelopment boundaries.

13. Facilitated development of Office Tenant Retention Program.

14. Negotiated and completed a DDA with Black Sea Gallery for SJRA-owned property at 27 South First Street (former Woolworth's Building).
15. Negotiated and completed a DDA with Peralta SP LLC for the Storm Property adaptive re-use.
16. Released a Request for Proposals, selected a developer, and commenced DDA negotiations with Wilcox Block LLC for SJRA-owned property at the Crescent Corner (First Street at San Fernando).
17. Released a Request for Proposals and selected a developer for SJRA-owned Dimensions site on South Market Street.
18. Released a Request for Proposals and commenced the selection process for the reuse of SJRA-owned property at 366 South First Street (Camera One).
19. Facilitated Implementation of Downtown Strategic Development Plans:
  - Identified infrastructure-financing alternatives for Diridon/Arena area.
  - Facilitated SoFA Historic Inventory/Design Guidelines with stakeholder committee.
  - Participated in implementation of Department of Transportation's additional on-street parking program in SoFA such as diagonal parking on Second Street.
  - Identified interim active use of the ground floor of SJRA-owned property at 500 South First Street. Structured a lease with MACLA that doubled their programming space and allowed them to make necessary tenant improvements.
20. Continued to provide assistance to Office of Childcare for implementation of childcare program. Received Council/Board approval for San Jose Day Nursery expansion that will add 40 additional child care spaces, and 112 "Smart Start" spaces.
21. Facilitated interdepartmental committee for special event permitting. A universal permit application and website were created.
22. Contributed to planning and implementation of the first annual "Come See What We See" Downtown Real Estate Bus Tour and Program in November of 2003.
23. Coordinated revisions of Ground Floor Retail Ordinance.
24. Created Ground Floor Design Guidelines for inclusion in the master Design Guideline Package.

25. Continued to nurture key downtown relationships with Downtown organizations including the San Jose Downtown Association, Fountain Alley District Committee, SOFA Committee, San Pedro Square Association, the Second Street Coalition, Saint James Park stakeholders, and the San Jose Residents Association.
26. Provided staff expertise on Historic Preservation issues, and coordinated closely with the Historic Landmarks Commission and related subcommittees.
27. Structured the first arts-related “REAL” loan for the San Jose Museum of Quilts and Textiles which will enable the organization to purchase a building in the SOFA arts district with significant leveraged funds.

## **Industrial Development Program**

1. New Economic Development Strategies:
  - Participated in a multi-department City/Agency staff effort to develop the Economic Development Strategy, the Fiscal Impact Report, and Framework for Employment Lands conversion.
  - Participated in a multi-department City/Agency staff effort to modify the North San Jose Area Development Policy and provide for higher development capacity along the North First Street corridor.
  - Managed the implementation of the San Jose Bioscience Incubator and Innovation Center including:
    - a). Completed design in November 2003;
    - b). Hosted dedication ceremony in December 2003;
    - c). Started construction in January 2004;
    - d). Agency Board approved lease agreement with Mission West Properties in November 2003;
    - e). Hosted an event titled “Investment in Tomorrow’s Life Sciences Innovations” in partnership with local bioscience companies and universities and college in February 2004;
    - f). Retained Fleishman-Hillard of San Francisco to develop marketing strategy in March 2004;
    - g). Retained operator and management team in May 2004;
    - h). Designed an in-house brochure promoting the bioscience incubator and innovation center;
    - i). Participated in several BayBio, and other bio, nano trade association meetings through the year.
    - j). Construction is expected to be completed by late May 2004.

## 2. Development Activities:

- Completed 154 corporate retention site visits between July 2003 and April 2004 to companies in each of the redevelopment industrial areas including 49 in Rincon, 37 in Edenvale, 2 in Julian-Stockton, 56 in Monterey Corridor, and 10 in Olinder.
- Completed 11 Broker Outreach meetings in coordination with the Agency's Downtown Management and Neighborhood Development Divisions. Firms visited included Grubb & Ellis, Ritchie Commercial, CPS, Cushman and Wakefield, Wayne Mascia Associates, and BT Commercial, Colliers International, Cornish & Carey, CB Richard Ellis, and DBS Commercial.
- Participated in the Special Tenant Improvement Program permitting process, which approved 25 permits for over 1,000,000 square feet of R&D, office, industrial & warehouse space at a construction valuation of \$25.3 million. (June 2003 – April 2004).
- Hosted 3 groundbreaking and grand opening celebrations for CenterBeam, Teikoku Pharma and Pericom Semiconductor in North San Jose.
- Participated in multi-department City/Agency team in facilitating the BEA Systems General Plan amendment in November 2003 and PD zoning application in December 2003 and preparing a Development Agreement for City Council approval in June 2004.
- Participated in a multi-departmental City/Agency team to facilitate master plan effort by Hitachi Global Storage Systems in Edenvale.
- Continued to support and market the work programs of the Software Business Cluster, Environmental Business Cluster and International Business Incubator.

## 3. Facilitate Design and Construction of Infrastructure Improvements:

- Facilitated completion of the Hellyer Avenue extension and related improvements project in New Edenvale, at a cost of \$61 million including Improvement District funding of \$27 million in roadway improvements and Agency funding of \$34 million in consultant costs, land acquisition and design of the gateway interchanges.
- Facilitated completion of several improvements in Old Edenvale financed by Community Facilities District #6 at a cost of \$12.2 million, including

\$10.2 million in Special Assessment District funding of roadway improvements and Agency funding of \$2 million in consultant costs.

- Facilitated construction of Rincon Trimble Pump station and storm mains project which is expected to be completed in summer 2004 at a cost of \$4 million.
- Completed a residential fence project for a property owner residing in New Edenvale and a fence and landscape project for Ionics Ultrapure Water Company.
- Facilitated the design of Hellyer/101 and Blossom Hill/101 interchanges in New Edenvale by the VTA and civil engineering consultant firm Rajappan & Meyer.
- Conducted an in-house infrastructure needs analysis in Julian-Stockton.

THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN JOSE

*ADOPTED* 2004-2005 OPERATING BUDGET

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OPERATING BUDGET

# The Redevelopment Agency of the City of San Jose

Harry S. Mavrogenes, Interim Executive Director

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**P**romote and collaborate for the sound development and redevelopment of blighted areas by revitalizing the physical, economic, and social conditions to support the general welfare and enhance the quality of life in the community.

## Core Services

### **Promote and Implement Neighborhood Improvement Strategies**

Promote and implement strategies to retain, enhance, redevelop and rebuild neighborhoods, including downtown

### **Enhance the Quality and Supply of the City's Housing Stock**

Enhance the supply of quality, affordable, and market-rate housing through rehabilitation and new construction

### **Initiate and Facilitate Public Facilities and Spaces**

Provide sustainable and quality public buildings and spaces

### **Initiate and Facilitate Private Development**

Initiate and facilitate quality development by the private sector through land assemblage, permitting, public improvements, and other appropriate assistance

**Strategic Support:** Finance and Administration

# The Redevelopment Agency of the City of San Jose

## Budget Summary

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	2003-2004 Adopted	2004-2005 Proposed	% Change
Authorized Positions	124.00	113.00	-9%
Department Budget (All Funds)	\$ 23,938,756	\$ 20,883,484	-13%

## Budget Goals and Highlights FY 2004-2005

The Redevelopment Agency of the City of San Jose (SJRA) Proposed Operating Budget for FY 2004-2005 reflects an ongoing commitment to implement the work plan and priorities set by the Mayor and the Redevelopment Agency Board.

- The Proposed Operating Budget is a conservative budget that reflects the current recession and the state's proposals to appropriate Agency funds to address the state's budget crisis. Within this context, considerations of cost, efficiency, service delivery, and performance measures in the Agency's four core service areas — housing, neighborhoods, public facilities, and private investment — guided the development of the budget.
- Consequently, the activities contemplated by the proposed budget are devoted to completing projects that are underway, continuing our service to the Neighborhoods, doing the groundwork to bring new capital projects to "actionable status," so that we can hit the ground running as capital funds become available, and to continue to improve our service delivery to the Community.
- In the absence of the revenue estimates needed for a capital projects program, no performances are included for FY 2004-2005. At such time as the new property assessment figures are available and the State Budget has been adopted, targets for FY 2004-2005 will be prepared.
- The FY 2004-2005 proposed Operating Budget totals \$20.9 million — a 12.8% decrease from last year's adopted budget: — due to a 6.2% decrease in personal services, a 39.9% reduction in Non-Personal/Equipment and leasehold improvement expenses, and a 6.4% decrease in City support services.
- The Agency provides funds that are crucial to City management and administrative operations, including the offices of the Mayor and City Council and a myriad of other City Departments, including Information Technology, Finance, and the Office of the City Manager. Total payment to the city is 25% of the Agency's operating budget.
- The Agency reduced its staff level from 124 positions to 113, to meet a proposed budget cut of 9%. Personal Services includes salaries and wages, retirement, health insurance,

Medicare, social security and worker's compensation. In FY 04-05 the proposed personal services budget is reduced by \$742,317, or 7% from last year, including the salary adjustments to reflect proper job classification and a retirement decrease of 2.8%. The reductions would have been greater, were it not for the increase in the employer contribution of approximately 19% in health insurance premium this fiscal year and an increase in the Worker's Compensation rate of 90% due to the statewide increase. The salary and benefit costs of civil service employees at the Agency decreases 3.3% or \$93,523.

- ❑ Non-Personal funding, which includes costs for supplies, postage, printing, and employee training, decreases 38% from last year.
- ❑ Capital/Equipment funding will be reduced by 63%; capital equipment, leasehold improvements and technology improvements are currently on hold.
- ❑ The Agency continues to fund the City's Support Services activities, 25% of the Mayor and Council's annual costs, and 50% of the Office of Economic Development personal and non-personal costs. The proposed FY04-05 City Support Services funds decreased 13.2% or \$411,320, Mayor and Council office annual costs increase 5.2% or \$81,916, and Office of Economic Development personal and non-personal decreases 3.2%, or \$30,256.

# The Redevelopment Agency of the City of San Jose

## Redevelopment Agency Overview

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**T**he Redevelopment Agency of the City of San Jose is dedicated to improving the quality of life for all who live, work, and visit in San Jose. For more than two decades, the Agency has been revitalizing and enlivening the City's downtown, neighborhoods, and industrial areas in order to meet the needs of its dynamic and diverse community.

The Agency's redevelopment efforts are directed by its Mission Statement and by budget opportunities and constraints:

Promote and collaborate for the sound development and redevelopment of blighted areas by revitalizing the physical, economic, and social conditions to support the general welfare and enhance the quality of life in the community.

As part of the ongoing Investing in Results program, goals and objectives are referenced according to the Agency's core services under which they fall. These core services are:

- **Promote and Implement Neighborhood Improvement Strategies**
- **Enhance the Quality and Supply of the City's Housing Stock**
- **Initiate and Facilitate Public Facilities and Spaces**
- **Initiate and Facilitate Private Development.**

The Agency is a primary partner in two City Service Areas (CSAs): Economic and Neighborhood Development, and City Facilities and Equipment.

Through a balanced and comprehensive series of investments and initiatives, the Agency strives to overcome development-hindering blighted conditions, which private owners and conventional government activities cannot accomplish on their own. While attacking physical and economic blight, Agency projects and programs serve to create new jobs – both permanent and temporary – and expand San Jose's tax base without raising taxes.

The Redevelopment Agency was originally formed in 1956. The City Council now acts as the Agency's governing board, and was established in 1975. While primarily initiated on the local level, California State redevelopment law guides all Agency programs and projects. State law clarifies an important difference between the Agency and the City in the use of the Agency's funds. While City revenues may be used for the full range of City services, Redevelopment Agency funds generally must be spent only on programs and projects that benefit redevelopment areas primarily for physical improvements to correct blighted conditions – not for operating costs such as Police or Fire protection.

Among its many programs, the Redevelopment Agency builds affordable housing city-wide, upgrades transportation systems, restores historic buildings, provides new infrastructure to serve expanding industrial development, rebuilds the downtown and attracts new corporations to the City. In an increasingly expanding role, the Agency implements a number of programs designed to strengthen and enhance the City's neighborhoods. These innovative programs include a first-time homebuyer's program and a revitalization program for six aging commercial retail clusters in Neighborhood Business Districts (NBDs).

# The Redevelopment Agency of the City of San Jose

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## **Redevelopment Agency Overview (Cont'd.)**

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In its pivotal role as partner, the Agency stimulates private investment in hotels, office towers, and retail destinations, especially in the Downtown core. Finally, the Redevelopment Agency expands the City's community, civic, and educational resources by developing new parks, libraries, youth centers, sports facilities, and cultural institutions.

The Redevelopment Agency's many projects and programs are all designed to complement and reinforce each other, creating a whole that

is much larger than the sum of the individual parts. The success of redevelopment can be measured by the amount of private development that occurs after the investment of redevelopment funds. Ultimately, the success of redevelopment can be measured in the well-being and quality of life enjoyed by San Jose's residents now and in future generations.

## The Redevelopment Agency of the City of San Jose

### Department Budget Summary

	2002-2003 Actual 1	2003-2004 Adopted* 2	2003-2004 Estimate 3	2004-2005 Adopted 4	% Change (2 to 4)
<b><u>Dollars by Core Services</u></b>					
Promote and Implement Neighborhood Improvement Strategies (1)	\$ 3,734,490	\$ 4,986,652	\$ 4,986,652	\$ 3,408,863	-32%
Enhance the Quality and Supply of the City's Housing Stock	5,274,734	6,790,159	6,790,159	4,049,325	-40%
Initiate and Facilitate Public Facilities and Spaces	9,849,081	4,862,417	4,862,417	2,717,783	-44%
Initiate and Facilitate Private Development (1)	2,656,915	2,681,005	2,681,005	6,045,743	126%
Strategic Support	5,007,863	4,618,522	4,618,522	4,661,771	1%
<b>Total</b>	<b>\$ 26,523,083</b>	<b>\$ 23,938,756</b>	<b>\$ 23,938,756</b>	<b>\$ 20,883,484</b>	<b>-13%</b>
<b><u>Dollars by Division</u></b>					
Office of the Executive Director	\$ 1,863,247	\$ N/A	\$ N/A	\$ N/A	N/A
Communications	780,825	N/A	N/A	N/A	N/A
Market Rate Housing/Real Estate/Property Mgt	1,263,107	N/A	N/A	N/A	N/A
Downtown Management	1,681,373	N/A	N/A	N/A	N/A
Project Management	3,160,767	N/A	N/A	N/A	N/A
Design & Permitting	899,530	N/A	N/A	N/A	N/A
Neighborhood Business Development	2,326,330	N/A	N/A	N/A	N/A
Industrial Development	410,700	N/A	N/A	N/A	N/A
General Counsel	1,283,380	N/A	N/A	N/A	N/A
Finance and Administration	3,029,582	N/A	N/A	N/A	N/A
Agency Wide	3,161,942	N/A	N/A	N/A	N/A
City Support Services/Mayor & Board	6,662,300	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$ 26,523,083</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
<b><u>Dollars by Category</u></b>					
Personal Services	\$				
Civil Service (SJRA)	\$ 1,790,692	1,503,629	\$ 1,503,629	\$ 1,547,742	3%
Civil Service (GCO)	1,101,712	1,314,404	1,314,404	1,176,768	-10%
Non-Civil Service	11,481,110	10,607,634	10,607,634	9,865,317	-7%
Personal Services	\$ 14,373,514	\$ 13,425,667	\$ 13,425,667	\$ 12,589,827	-6%
Non-Personal	5,357,806	4,782,828	4,782,828	2,982,975	-38%
Equipment & Leasehold Improvement	129,463	94,919	94,919	35,000	-63%
Subtotal-Direct Agency	\$ 19,860,783	\$ 18,303,414	\$ 18,303,414	\$ 15,607,802	-15%
City Support Services	5,052,817	4,073,663	4,073,663	3,632,087	-11%
Mayor & Board	1,609,483	1,561,679	1,561,679	1,643,595	5%
Subtotal - Payments to City	\$ 6,662,300	\$ 5,635,342	\$ 5,635,342	\$ 5,275,682	-6%
<b>Total</b>	<b>\$ 26,523,083</b>	<b>\$ 23,938,756</b>	<b>\$ 23,938,756</b>	<b>\$ 20,883,484</b>	<b>-13%</b>

(1) Core Services categories have been updated, for example Story & King Implementation project has shifted from Neighborhoods to Private Development core services

The Redevelopment Agency of the City of San Jose

**Department Budget Summary**

	2002-2003 Actual	2003-2004 Adopted*	2003-2004 Estimate	2004-2005 Adopted	% Change
<b>Dollars by Fund</b>					
City General Fund	1,790,692	1,503,629	1,503,629	1,547,742	3%
Redevelopment Fund	24,732,391	22,435,127	22,435,127	19,335,742	-14%
<b>Total</b>	<b>\$ 26,523,083</b>	<b>\$ 23,938,756</b>	<b>\$ 23,938,756</b>	<b>\$ 20,883,484</b>	<b>-13%</b>
<b>Authorized Positions</b>	<b>136</b>	<b>124</b>	<b>124</b>	<b>113</b>	<b>-9%</b>

\* Includes carryover encumbrance \$1,485,948

The Redevelopment Agency of the City of San Jose

**Department Budget Detail**

	<b>2002-2003</b>	<b>2003-2004</b>	<b>2003-2004</b>	<b>2004-2005</b>
	<b>Actual</b>	<b>Adopted *</b>	<b>Estimate</b>	<b>Adopted</b>
<b><u>PERSONAL SERVICES</u></b>				
Salaries	11,771,556	10,773,464	10,773,464	9,804,699
Retirement	1,147,343	1,068,403	1,068,403	1,076,573
Other Benefits	1,454,615	1,583,800	1,583,800	1,708,555
<b>Total Personal</b>	<b>14,373,514</b>	<b>13,425,667</b>	<b>13,425,667</b>	<b>12,589,827</b>
<b><u>NON-PERSONAL</u></b>				
Supplies and Materials	276,031	184,799	184,799	134,500
Communications	74,595	107,350	107,350	98,450
Postage	33,369	40,500	40,500	36,000
Printing and Advertising	99,119	64,879	64,879	56,250
Other Utilities	31,569	2,400	2,400	0
Delivery	15,239	12,100	12,100	10,600
Rent-Land and Building	2,119,650	1,928,890	1,928,890	1,876,693
Rent-Machines and Equipment	60,631	113,051	113,051	50,000
Meeting Expenses	38,451	4,500	4,500	5,000
Travel-Local (in County)	5,712	7,250	7,250	8,370
Travel-In State (Out of County)	27,704	5,500	5,500	5,400
Travel-Out of State	13,729	5,800	5,800	4,000
Training	93,848	49,629	49,629	42,200
Education Reimbursement	31,097	50,674	50,674	17,700
Dues and Subscriptions	42,423	32,987	32,987	32,859
Computer Data Processing	87,723	45,281	45,281	40,000
Contracted Professional	1,851,582	1,802,521	1,802,521	447,703
Other Outside Services	78,374	28,850	28,850	26,850
Marketing	326,472	200,719	200,719	10,000
Maintenance and Repair	40,496	55,148	55,148	40,400
Insurance	9,992	40,000	40,000	40,000
<b>TOTAL NON-PERSONAL</b>	<b>5,357,806</b>	<b>4,782,828</b>	<b>4,782,828</b>	<b>2,982,975</b>
Cap Outlay/Equipment	93,142	84,919	84,919	25,000
Leasehold Improvements	36,321	10,000	10,000	10,000
<b>TOTAL EQUIP &amp; LEASE IMPVT</b>	<b>129,463</b>	<b>94,919</b>	<b>94,919</b>	<b>35,000</b>
Support Services	5,052,817	4,073,663	4,073,663	3,632,087
Mayor/Board Expenses	1,609,483	1,561,679	1,561,679	1,643,595
<b>TOTAL CITY PAYMENTS</b>	<b>6,662,300</b>	<b>5,635,342</b>	<b>5,635,342</b>	<b>5,275,682</b>
<b>TOTAL OPERATING</b>	<b>26,523,083</b>	<b>23,938,756</b>	<b>23,938,756</b>	<b>20,883,484</b>

\* Includes carryover encumbrance \$1,485,948

The Redevelopment Agency of the City of San Jose

**Department Budget Detail**

<u>Payment to the City of San Jose</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2003-2004</u>	<u>2004-2005</u>
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
<b>CITY SERVICES</b>				
Overhead	939,826	939,826	939,826	836,600
City Attorney (Litigation Services)*	635,000	-	-	-
City Manager	11,312	-	-	-
Fire (1 FTE )	204,688	49,369	49,369	-
Planning Dept (1.6 FTE )	157,194	71,969	71,969	-
Planning Dept ( Non-personal)	30,000	30,000	30,000	30,000
Planning - Code Enf DT (1 FTE)	123,531	128,357	128,357	132,421
Planning - Code Enf NBD (1 FTE )	119,995	128,357	128,357	-
Planning - Building (Supvy Plan Ck Eng 1 FTE )	171,064	162,017	162,017	162,651
Planning - Bldg (Supvy Bldg Inspector 1 FTE )	149,100	48,027	48,027	-
Planning - Principal Planner-Historic (.5 FTE )	70,500	77,633	77,633	73,853
IT (City accounting system support)	1,200	1,200	1,200	1,200
FMS (City accounting system inquiry)	2,000	2,000	2,000	2,000
IDTS Project (on-going support costs)	32,131	30,785	30,785	31,578
PRNS (12 FTE )	1,164,004	1,071,694	1,071,694	1,014,346
SNI Code Enforcement Activities (3 FTE )**	117,651	-	-	-
SNI City Attorney Staffing (3 FTE)	289,070	354,827	354,827	364,341
Joint Library Manager (.5 Position for one month)	63,367	7,871	7,871	-
Finance - Risk Management (0.25 FTE)	11,906	12,969	12,969	14,609
Civic Center O & M	-	-	-	41,982
<b>TOTAL CITY SERVICES</b>	<b>4,293,539</b>	<b>3,116,901</b>	<b>3,116,901</b>	<b>2,705,581</b>
<b>OED</b>	<b>759,278</b>	<b>956,762</b>	<b>956,762</b>	<b>926,506</b>
<b>MAYOR/BOARD</b>	<b>1,609,483</b>	<b>1,561,679</b>	<b>1,561,679</b>	<b>1,643,595</b>
<b>TOTAL CITY SUPPORT SERVICES</b>	<b>6,662,300</b>	<b>5,635,342</b>	<b>5,635,342</b>	<b>5,275,682</b>

\* FY 04-05 City Attorney Litigation Service \$635,000 will be funded by Capital Budget.

\*\* FY 04-05 SNI Code Enforcement Activities (3FTE) will be funded by Capital Budget.

# The Redevelopment Agency of the City of San Jose

**Core Service: Promote and Implement Neighborhood Improvement Strategies**  
*City Service Area: Economic & Neighborhood Development*

## Core Service Purpose

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**P**romote and implement strategies to retain, enhance, redevelop and rebuild neighborhoods, including Downtown.

Key Operational Services:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Redevelopment Plan Formulation</b>                       | <input type="checkbox"/> <b>Commercial and Residential Rehabilitation</b> |
| <input type="checkbox"/> <b>Assessment of Community Needs</b>                        | <input type="checkbox"/> <b>Collaboration with Neighborhood Groups</b>    |
| <input type="checkbox"/> <b>Plan of Action to Meet Community's Prioritized Needs</b> |   |

## Performance and Resource Overview

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**T**he Agency is committed to completing successful projects in the neighborhoods of San Jose. These neighborhoods, located in the greater downtown and throughout the City, are strengthened by the Agency through:

- Enhancing livability through efforts such as the Strong Neighborhoods Initiative;
- Improving community safety through coordinated code enforcement, residential rehabilitation, and façade improvements; and
- Increasing economic stability by developing practical strategies such as the Greater Downtown Development Strategy Plan.

The proposed budget and CIP funds community priorities in twenty Strong Neighborhoods. Each Neighborhood Improvement Plan contains a list of 'top ten' priorities developed by the respective Neighborhood Advisory Committee (NAC). Funding will continue several programs that benefit all neighborhoods in the Strong Neighborhood Initiative Project Area including funding for housing rehabilitation, traffic calming, and community facilities. In addition, funding for Neighborhood Business Districts and the Neighborhood Business Clusters Redevelopment project areas continue the implementation of projects outlined in revitalization strategies, including façade improvements, streetscape projects, parking lots and park improvements.

# The Redevelopment Agency of the City of San Jose





**Core Service: Promote and Implement Neighborhood Improvement Strategies**  
*City Service Area: Economic & Neighborhood Development*

## Performance and Resource Overview (Cont'd.)

In the Neighborhood Business Districts, proposed activities include facades, streetscapes, and retail recruitment. In the Neighborhood Business Clusters, such as at Monterey and Roeder, Union and Camden, White and Quimby, and Fruitdale and Bascom Stations, proposed efforts include façade improvements, streetscapes, and development projects.

### Performance Measure Development

The second cost performance measure for completion of projects within 10% of the approved budget estimate was revised to clarify that façade and streetscape projects will be measured.

<b>Promote and Implement Neighborhood Improvement Strategies Performance Summary</b>	<b>2002-2003 Actual</b>	<b>2003-2004 Target</b>	<b>2003-2004 Estimate</b>	<b>2004-2005 Target**</b>
 Agency assistance vs. non-Agency funding per project type:				
- Façades	5.9:1	5.9:1	2.2:1	N/A
- Other Development	1:1.4	1:1	0	N/A
 % of projects completed within 10% of approved budget estimate, per type:				
- Façades	95%	100%	98%	N/A
- Streetscapes	100%	100%	100%	N/A
 % of projects completed within a specific timeframe, per type:				
- Façades	95%	100%	100%	N/A
- Streetscapes	100%	100%	100%	N/A
 % of residents and businesses who rate livability of neighborhoods as good or excellent on a 5-point scale*	82%	85%	82%	N/A

\* Based upon survey results from attendees of neighborhood associations and Neighborhood Advisory Committees.

**\*\*FY04-05 Target:** In the absence of the revenue estimates needed for a capital projects program, no targets are included for 2004-2005. At such time as the new property assessment figures are available and the State Budget has been adopted, targets for 2004-2005 will be prepared.

# The Redevelopment Agency of the City of San Jose

**Core Service: Promote and Implement Neighborhood Improvement Strategies**  
*City Service Area: Economic & Neighborhood Development*

## Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecasted	2003-2004 Estimate	2004-2005 Forecasted
Amount of Agency funding per project type:				
- Façades	\$ 3,491,681	\$ 500,000	\$ 2,797,000	N/A
- Other Development	\$ 50,000,000	\$ 10,000,000	\$ -	N/A
Amount of non-Agency funding per project type:				
- Façades	\$ 592,294	\$ 100,000	\$ 1,303,373	N/A
- Other Development	\$ 70,000,000	\$ 10,000,000	\$ -	N/A
Number of projects completed within 10% of budget estimate:				
- Façades	114	30	43	N/A
- Streetscape	6	4	4	N/A
Projects completed on time:				
- Façades	114	30	42	N/A
- Streetscapes	6	4	4	N/A

Promote and Implement Neighborhood Improvement Strategies Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2003-2004 Estimate 3	2004-2005 Proposed 4	% Change (2 to 4)
<b>Core Service Budget*</b>					
Personal Services	1,625,637	2,273,170	2,273,170	1,666,017	-27%
Non-Personal/Equipment	2,108,853	2,713,482	2,713,482	1,742,845	-36%
<b>Total</b>	<b>3,734,490</b>	<b>4,986,652</b>	<b>4,986,652</b>	<b>3,408,862</b>	<b>-32%</b>
<b>Authorized Positions*</b>	<b>16</b>	<b>21</b>	<b>21</b>	<b>16</b>	<b>-24%</b>

# The Redevelopment Agency of the City of San Jose

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**Core Service: Enhance the Quality and Supply of the City's Housing Stock**  
*City Service Area: Economic & Neighborhood Development*

## Core Service Purpose

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**E**nhance the supply of quality, affordable, and market-rate housing through rehabilitation and new construction.

### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Site Identification</b>             | <input type="checkbox"/> <b>Home Ownership Programs</b>           |
| <input type="checkbox"/> <b>Developer I.D./Selection</b>        | <input type="checkbox"/> <b>Rehabilitation Loans &amp; Grants</b> |
| <input type="checkbox"/> <b>Education Workshops</b>             | <input type="checkbox"/> <b>Project Financing Assistance</b>      |
| <input type="checkbox"/> <b>Individual Technical Counseling</b> |   |

## Performance and Resource Overview

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**A**gency housing activities are supplementing the community's ability to meet the housing demand. The strategic location of projects and the type of projects contribute to the revitalization of neighborhoods, including business areas. These housing activities serve several purposes such as:

- To meet the demand for quality market rate and affordable housing through efforts such as Legacy at Museum Park, Century Center, and the Twohy Building;
- To encourage public/private partnerships through issuing Requests for Proposals for properties designated for housing development.

The Agency in cooperation with the Departments of Housing, Planning, Building and Code Enforcement will facilitate the construction of approximately 600 housing units in the Greater Downtown, in addition to completing housing projects currently planned or underway. The Agency continues to coordinate Design Review on projects with Agency assistance or DDA's as permitting authority was assumed by the City in January. Because of declining revenues, the Agency allocated only a small amount of funds (\$2.5 million) for affordable housing in FY 2003-04 in addition to the 20% housing fund of \$33.6 million.

# The Redevelopment Agency of the City of San Jose






**Core Service: Enhance the Quality and Supply of the City's Housing Stock**  
*City Service Area: Economic & Neighborhood Development*

## Performance and Resource Overview (Cont'd.)

The Agency will continue to focus on potential housing opportunities in the following areas in the downtown frame including Block 8, the Dimensions Site, North San Pedro, the West San Carlos Street/Park Avenue area, and the East Gardner area. Additionally, the downtown core will benefit from approximately four hundred housing units as part of the CIM Group Mixed-Use project.

### Performance Measure Development

The measurement for timely completion of housing projects has been revised to reflect development agreement schedules.

<b>Enhance the Quality and Supply of the City's Housing Stock Performance Summary</b>	<b>2002-2003 Actual</b>	<b>2003-2004 Target</b>	<b>2003-2004 Estimate</b>	<b>2004-2005 Target***</b>
 % of Agency target met for annual new housing construction	89%	100%	89%	N/A
 % of surrounding residents who feel that the conditions of the neighborhood have improved as a result of Agency-assisted housing*	61%	75%	73%	N/A
 Ratio of non-Agency funds to Agency funds by project type**:				
- For Sale	N/A	5:1	8.3:1	N/A
- Rental	3.6:1	5:1	N/A	N/A
 Number and % of housing projects completed within timeframe stated in the Board-approved development agreement schedule of performance.	100% (3 of 3)	100% (1 of 1)	0% (0 of 1)	N/A N/A
 % of occupants who rate their satisfaction with Agency-assisted housing projects as good or excellent on a 5-point scale*	75%	85%	77%	N/A

\* Based upon survey results from residents in Redevelopment Agency-funded housing projects.

\*\* Completed Rental and For Sale housing projects measured.

\*\*\*FY04-05 Target: In the absence of the revenue estimates needed for a capital projects program, no targets are included for 2004-2005. At such time as the new property assessment figures are available and the State Budget has been adopted, targets for 2004-2005 will be prepared.

# The Redevelopment Agency of the City of San Jose

**Core Service: Enhance the Quality and Supply of the City's Housing Stock**  
*City Service Area: Economic & Neighborhood Development*

## Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecasted	2003-2004 Estimate	2004-2005 Forecasted
Number of new housing units completed	889	700	624	N/A
Number of residents/ businesses who feel that neighborhood conditions have improved	61%	75%	73%	N/A
Amount of Non-Agency funding per project type:				
- For Sale	N/A	\$ 40,000,000	\$ 40,000,000	N/A
- Rental	\$ 49,999,000	N/A	N/A	N/A
Projects completed per DDA/OPA schedule of performance	100%	100%	0%	N/A
Number of Housing projects rated good or excellent	75%	85%	77%	N/A

Enhance the Quality and Supply of the City's Housing Stock Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2003-2004 Estimate 3	2004-2005 Proposed 4	% Change (2 to 4)
<b>Core Service Budget</b>					
Personal Services	\$ 2,296,110	\$ 3,095,300	\$ 3,095,300	\$ 1,979,031	-36%
Non-Personal/Equipment	2,978,624	3,694,859	3,694,859	2,070,294	-44%
<b>Total</b>	<b>5,274,734</b>	<b>6,790,159</b>	<b>6,790,159</b>	<b>4,049,325</b>	<b>-40%</b>
<b>Authorized Positions</b>	<b>22</b>	<b>29</b>	<b>29</b>	<b>18</b>	<b>-38%</b>

# The Redevelopment Agency of the City of San Jose

## Core Service: Initiate and Facilitate Public Facilities and Spaces

*City Service Area: City Facilities and Equipment*

### Core Service Purpose

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**P**rovide sustainable and quality public buildings and spaces.

#### Key Operational Services:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Government Agency Coordination</b> | <input type="checkbox"/> <b>Demolition</b>              |
| <input type="checkbox"/> <b>Construction Management</b>        | <input type="checkbox"/> <b>Community Collaboration</b> |
| <input type="checkbox"/> <b>Construction Contracting</b>       |   |

### Performance and Resource Overview

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**T**he creation of public facilities and spaces continues to be a key element to the success, vitality, and promotion of cultural diversity in the Downtown and Neighborhood Business Districts. These public facilities and spaces serve two main purposes:

- To correct blight conditions and encourage pedestrian activity (as seen in neighborhood infrastructure projects such as streetscapes, lighting, sidewalks, and utility undergrounding), and
- To bring the community together, instilling pride and improving the quality of life (as seen in projects such as the Guadalupe River Park and Gardens, the Jose Theatre, the Dr. Martin Luther King, Jr. Library and the Alum Rock Youth Center).

The Guadalupe River Park Construction between Park Avenue and Santa Clara Street is scheduled for completion by the Army Corps of Engineers (flood control effort) in December 2004. The Fifth Street promenade in the Civic Plaza will begin construction in the summer of 2004 and be complete when the New Civic Center opens in 2005.

#### Performance Measure Development

The quality performance measure has been re-written to accurately reflect the actual survey question on the citywide survey conducted via telephone interviews. The first cost performance measure was revised to clarify that only completed public projects were measured. The second cost measure has been adjusted to indicate the number of projects receiving non-Agency funding versus the total number of public projects.

# The Redevelopment Agency of the City of San Jose






## Core Service: Initiate and Facilitate Public Facilities and Spaces

*City Service Area: Economic & Neighborhood Development*

### Performance and Resource Overview (Cont'd.)

#### Performance Measure Development (Cont'd.)

The time measure has been changed to track public project conformance to the original construction contract completion date.

Initiate and Facilitate Public Facilities and Spaces Performance Summary		2002-2003 Actual	2003-2004 Target	2003-2004 Estimate	2004-2005 Target**
 % of internal (facility managers) and external customers (users) who rate the quality (design, function and materials) of the project as good or excellent on a 5-point scale*	internal	67%	75%	75%	N/A
	external	85%	90%	90%	N/A
 % of completed Agency-assisted public projects that are no more than 10% above the construction budget award		100%	100%	100%	N/A
 # of projects with non-Agency funding		8 of 29	5 of 21	4 of 6	N/A
 Number and % of Agency-assisted public projects completed within 10% of the original construction contract completion date.		89% (16 of 18)	100% (8 of 8)	100% (6 of 6)	N/A N/A
 % of San Jose residents who rate the job being done Redeveloping downtown San Jose as an attractive and economically viable city center as good or excellent on a 5-point scale		58%	75%	75%	N/A

\* Based upon survey results from attendees of neighborhood associations, Neighborhood Advisory Committees, and facility managers.

**\*\*FY04-05 Target:** In the absence of the revenue estimates needed for a capital projects program, no targets are included for 2004-2005. At such time as the new property assessment figures are available and the State Budget has been adopted, targets for 2004-2005 will be prepared.

# The Redevelopment Agency of the City of San Jose

## Core Service: Initiate and Facilitate Public Facilities and Spaces

*City Service Area: City Facilities and Equipment*

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecasted	2003-2004 Estimate	2004-2005 Forecasted
Number of public projects rated good or excellent on a 5-point scale	92/108 Visitors 4/6 Facility Mgrs	90% Visitors 75% Facility Mgrs	90% Visitors 75% Facility Mgrs	N/A N/A
Number of completed public projects within 10% of approved construction budget	18 of 18	8 of 8	6 of 6	N/A
# of public projects with non-Agency funding	8 of 29	5 of 21	4 of 6	N/A
Public projects completed and opened within 10% of the original construction contract completion date	16 of 18	8 of 8	4 of 6	N/A

Initiate and Facilitate Public Facilities and Spaces Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2003-2004 Estimate 3	2004-2005 Proposed 4	% Change (2 to 4)
<b>Core Service Budget</b>					
Personal Services	\$ 4,287,340	\$ 2,216,537	\$ 2,216,537	\$ 1,328,265	-40%
Non-Personal/Equipment	5,561,741	2,645,880	2,645,880	1,389,518	-47%
<b>Total</b>	<b>9,849,081</b>	<b>4,862,417</b>	<b>4,862,417</b>	<b>2,717,783</b>	<b>-44%</b>
 <b>Authorized Positions</b>	 <b>42</b>	 <b>21</b>	 <b>21</b>	 <b>12</b>	 <b>-43%</b>

# The Redevelopment Agency of the City of San Jose

## Core Service: Initiate and Facilitate Private Development

*City Service Area: Economic & Neighborhood Development*

### Core Service Purpose

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**I**nitiate and facilitate quality development by the private sector through land assemblage, permitting, public improvements, and other appropriate assistance.

#### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Retention and Recruitment</b> | <input type="checkbox"/> <b>Historic Preservation</b>     |
| <input type="checkbox"/> <b>Facilitate Permitting</b>     | <input type="checkbox"/> <b>Commercial Rehabilitation</b> |

### Performance and Resource Overview

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**T**he encouragement of private investment in all of the Agency's project areas is a primary function of the Agency and serves several purposes:

- To correct blight conditions found in neighborhoods, such as the West San Carlos Shopping Center and in the Neighborhood Business Clusters;
- To create jobs and tax revenue through the development of new office/R&D development in the industrial areas; and
- To encourage retail and housing opportunities and re-tenanting of office space downtown.

The Greater Downtown continues to experience growth in the midst of a recession as a result of a number of public and private projects that have been underway for some time. The Agency will continue to initiate and facilitate the production of retail space, hotel rooms, housing units, and the re-tenanting of office space. Additionally, the Agency will continue to support the Software/Environmental Business Cluster and leases with the Small Business Administration, Software Development Center, and International Business Cluster.

The Agency has a number of programs designed to assist the various needs of small businesses and to facilitate the re-use of the vacant un-reinforced masonry structures. In Fall 2003, the Agency Board combined these programs into the Downtown Business Improvement Pool. Pool's funds are targeted to specific vacant buildings in the downtown core. The Agency has also invested in numerous historic preservation projects such as: 2<sup>nd</sup>/San Fernando Street, the Storm Property at North San Pedro Street and Montgomery Hotel at South First Street. In addition, the Agency has executed a Disposition and Development Agreement with the CIM Group for mixed-use construction on major development and infill sites to add 85,500 square feet of retail and over 405 housing units to the Downtown's retail and entertainment core.

# **The Redevelopment Agency of the City of San Jose**

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## **Core Service: Initiate and Facilitate Private Development**

*City Service Area: Economic & Neighborhood Development*

### **Performance and Resource Overview (Cont'd.)**

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The industrial areas continue to be burdened for the third year in a row by the impacts of local economic and real estate marketing conditions. However, after 33 consecutive months of poor performance, Q4 absorption of space in all 4 markets (R&D, office, industrial & warehouse) were positive, with large gains in the office and industrial and warehouse markets and slight gains in the R&D markets. Average lease rates, however, still tend to be decreasing. The unemployment rate is moving in a positive direction as well and the development community remains slightly optimistic about the current market conditions.

While no new development is anticipated to occur until FY 2005-2006, the Redevelopment Agency seeks to capitalize on the emerging bioscience industry by investing in a 36,500 square foot Bioscience Incubator and Innovation Center in Edenvale. The incubator will open for operation in June 2004. Additionally, the Agency will focus on re-tenanting existing vacant properties through the Special Tenants Improvement Program. Over 49 buildings totaling 3 million square feet have been re-tenanted with permits issued within hours of review. Several of these building are in the Rincon, Edenvale & Monterey Corridor. The Agency also continues its investment in providing infrastructure improvements in the areas. The \$27 million Rincon Flood Control project is under construction, roadway & intersection improvements in Edenvale are in final phase of construction, and the interchange improvements at Hellyer/101 and Blossom Hill/101 are nearing design completion. These investments serve to strengthen the business climate in the industrial areas and provide support to the corporate and development community.

The industrial work program also devotes much of its staff resources toward retention of our corporate community. 154 retention site visits have been performed between July 1, 2003 and April 2004. The industrial advertorial and marketing campaign is underway. And, staff continues to support the efforts of the International, Software, and Environmental Incubators located in downtown San Jose. Supporting small business will be critical to ensuring economic success in the future.

- Retention to date totals 154 businesses.
- Advertorials thanking business for operating in San Jose have also been published in the SJ Biz Ink and San Jose Business Journal.
- A number of companies have been assisted with the permit process including BEA Systems, Marquez Brothers, Photon Dynamics, etc.

Investments in Edenvale, for example, enabled Photon Dynamics to locate in the new Edenvale area. It is included in the Special Tenant Improvement Program numbers.

Agency investments in Rincon flood control project will attract and retain businesses and jobs as the economy improves.

# The Redevelopment Agency of the City of San Jose




**Core Service: Initiate and Facilitate Private Development**  
*City Service Area: Economic & Neighborhood Development*

## Performance and Resource Overview (Cont'd.)

### Performance Measure Development

The performance measures for private development focus on the Agency's leveraging ability (demonstrating the viability and economic strength of the project area), the effectiveness of the Agency's investment as measured by jobs created per dollars spent, and the quality of the Agency's customer service.

The quality performance measure has been revised to more clearly track the relationship between the number of jobs created or sustained by Agency projects and the amount of Agency funding committed to such projects.

<b>Initiate and Facilitate Private Development Performance Summary</b>	<b>2002-2003 Actual</b>	<b>2003-2004 Target</b>	<b>2003-2004 Estimate</b>	<b>2004-2005 Target**</b>
 Ratio of # of jobs created or sustained to Agency \$ spent	4/\$100,000	6/\$100,000	6/\$100,000	N/A
 Ratio of Agency assistance to other public and private investment by project type (adjusted for market conditions)				
- Hotel	1:10.7	1:1.4	1:1.4	N/A
- Office	0	0	1:6.5	N/A
- Mixed Use/Retail Lease	1.72:1	1:1	1:1.2	N/A
- Industrial	1:2.05	1:3	1:3	N/A
 Number and % of Agency clients (development proponents and applicants) rating service as good or excellent on a 5-point scale*	53% (8 of 15)	75%	75%	N/A

\* Based upon survey conducted by Zucker Systems

**\*\*FY04-05 Target:** In the absence of the revenue estimates needed for a capital projects program, no targets are included for 2004-2005. At such time as the new property assessment figures are available and the State Budget has been adopted, targets for 2004-2005 will be prepared.

# The Redevelopment Agency of the City of San Jose

## Core Service: Initiate and Facilitate Private Development

*City Service Area: Economic & Neighborhood Development*

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecasted	2003-2004 Estimate	2004-2005 Forecasted
Number of jobs created	543	1,000	1,481	N/A
Total Agency expenditures for private development projects	\$ 13,441,995	\$ 15,930,088	\$ 25,449,856	N/A
Total public funds by project type:				
- Hotel	\$ 10,000,000	\$ 10,665,232	\$ 10,665,000	N/A
- Office	\$ -	\$ -	\$ 10,000,000	N/A
- Retail Lease	\$ 3,441,995	\$ 5,264,856	\$ 4,784,856	N/A
Total private funds by project type:				
- Hotel	\$ 107,000,000	\$ 15,292,000	\$ 15,292,000	N/A
- Office	\$ -	\$ -	\$ 65,000,000	N/A
- Retail Lease	\$ 3,441,995	\$ 5,930,000	\$ 5,930,000	N/A
Number of Agency's clients rating service as good or excellent*	8/15	10/15	10/15	N/A

Initiate and Facilitate Private Development Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2003-2004 Estimate 3	2004-2005 Proposed 4	% Change (2 to 4)
<b>Core Service Budget</b>					
Personal Services	\$ 1,156,564	\$ 1,222,138	\$ 1,222,138	\$ 2,954,743	142%
Non-Personal/Equipment	1,500,350	1,458,867	1,458,867	3,091,000	112%
<b>Total</b>	<b>2,656,914</b>	<b>2,681,005</b>	<b>2,681,005</b>	<b>6,045,743</b>	<b>126%</b>
<b>Authorized Positions</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>27</b>	<b>145%</b>

\* Based on survey results by Zucker Systems.

# The Redevelopment Agency of the City of San Jose

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## Strategic Support

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**S**trategic Support represents services within departments that support and guide the provision of the core services. Strategic Support within the Redevelopment Agency includes:

**Finance**

**Administration – HR & IS**

## Performance and Resource Overview

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**S**trategic support is an ongoing requirement to provide the essential behind-the-scenes services that are necessary for the effective management of the core services of the Agency. By centralizing operational services, such as budget and financial management, human resources services, and information technology services, in collaboration with other departments, processing and delivery services can be efficiently performed.

The Human Resources staff in the Finance and Administration Division recruit and then equip employees with the training, benefits, and working environment necessary to be successful in delivering quality services to the community. For 2003-2004, the department experienced minimal hiring due to budget cuts and a hiring freeze. For FY 2004-05, the department, again, anticipates minimal hiring due to the State budget crisis.

The Human Resources Department views employees as the Agency's most valuable asset. For FY2003-2004, 85% of employee inquiries were initially responded to in 2 hours or less. For 2004-2005, the department's response time is expected to remain the same.

The Information Systems group at the San Jose Redevelopment Agency provides end-user and network and server infrastructure support to all employees of the Agency. The services provided include network file and print services, Exchange e-mail, J.D. Edwards financial applications, desktop computing, and remote access, in addition to end-user support related to these services.

In order to measure responsiveness to user requests, for 2004-2005 Information Systems has again set a goal of responding to 90% of user requests within 4 business hours of the original request. Depending on the urgency of the request, the problem may not be resolved within this time frame; however, the user should have been contacted and follow-up arrangements made. In addition, IS has set a goal of 99.9% server availability, excluding scheduled maintenance.








# The Redevelopment Agency of the City of San Jose

## Strategic Support

### Performance and Resource Overview (Cont'd)

In 2003-2004, the Accounts Payable Services unit worked to increase the number of invoices that were processed within the 30 days time standard performance measurement. This measure indicates the staff's efficiency and ability to coordinate with other divisions in the organization to process invoices in a timely manner.

The Agency submits various reports to the City, County and State. The Finance and Administration Division prepares and delivers monthly financial reports and an annual auditor's report to the City and the Redevelopment Agency Board. The Statement of Indebtedness to the County and the State Controller's report to the State are also submitted. The Agency always submits these reports in a timely manner.

Strategic Support Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimate	2004-2005 Target*
 % of vacancies filled within twelve weeks of first recruitment advertisement	N/A	75%	N/A	N/A
 % of employee inquiries with initial HR response time of two hours or less	80%	85%	85%	N/A
 % of IT requests responded to within four business hours	N/A	90%	95%	N/A
 % of IS availability of Agency Servers	N/A	N/A	N/A	N/A
 % of invoices processed within 30 days of invoice date	71%	85%	85%	N/A
 % of financial reports submitted on time	100%	100%	100%	N/A
 Number of Agency customers whose service quality expectations are met or exceeded (4 or better on a 5-point scale)	Pending Agency Survey			

**\*FY04-05 Target:** In the absence of the revenue estimates needed for a capital projects program, no targets are included for 2004-2005. At such time as the new property assessment figures are available and the State Budget has been adopted, targets for 2004-2005 will be prepared.

# The Redevelopment Agency of the City of San Jose

## Strategic Support

### Performance and Resource Overview (Cont'd)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecasted	2003-2004 Estimate	2004-2005 Forecasted
Number of employees hired	11	5	1	N/A
Number of invoices processed	9,730	7,500	2,220	N/A
Number of invoices processed within 30 days	6,900	6,375	1,887	N/A

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2003-2004 Actual 3	2004-2005 Proposed 4	% Change (2 to 4)
<b>Core Service Budget</b>					
Personal Services	\$ 5,007,863	\$ 4,618,522	\$ 4,618,522	\$ 4,661,770	1%
Non-Personal/Equipment	-	-	-	-	
<b>Total</b>	<b>5,007,863</b>	<b>4,618,522</b>	<b>4,618,522</b>	<b>4,661,770</b>	<b>1%</b>
<b>Authorized Positions</b>	<b>45</b>	<b>42</b>	<b>42</b>	<b>40</b>	<b>-5%</b>