



COUNCIL AGENDA: 01-08-08

ITEM: 2.11

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen  
Mark Linder  
Leslye Krutko  
James Helmer  
Jennifer Maguire

**SUBJECT:** SEE BELOW

**DATE:** December 10, 2007

Approved

Date

12/20/07

**COUNCIL DISTRICT:** 2 and 3  
**SNI AREA:** Edenvale

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND) IN THE AMOUNT OF \$447,000 FOR 2007-2008 AND ADOPTION OF A RESOLUTION MAKING CERTAIN DETERMINATIONS REGARDING THE EXPENDITURE OF AGENCY FUNDS ON CERTAIN PUBLIC IMPROVEMENTS.**

## RECOMMENDATION

1. It is recommended that the City Council adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund) for 2007-2008:
  - a) Increase the estimate for Earned Revenue by \$447,000.
  - b) Establish an appropriation to the Department of Public Works for the Improvement District 99-218SJ Deferral of Assessments FY07-08 (PSM 515) in the amount of \$150,000.
  - c) Establish an appropriation to the Department of the City Manager's Office for the Reimbursement for Consultant Services Provided by RHI project (PSM 516) in the amount of \$7,000.

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- d) Establish an appropriation to the Department of Housing for the Neighborhood Housing Services Silicon Valley project (PSM 517) in the amount of \$250,000.
  - e) Establish an appropriation to the Department of Transportation for the Agency Site Improvement project (PSM 522) in the amount of \$40,000.
2. It is also recommended that the Council adopt a resolution making certain determinations regarding the related expenditure of Redevelopment Agency funds on certain public improvements in connection with the Agency Site Improvement Project as more specifically described in the memorandum from the Redevelopment Agency, dated December 10, 2007, attached hereto.

### **OUTCOMES**

The funding recommended in this memorandum will provide for the administration of the Deferral of Assessments Program in Improvement District 99-218SJ in the Edenvale Technology Park Redevelopment Project Area; reimbursement for hospitality zone assessment consulting services; funding for the first-time homebuyer program and volunteer paint program within SNI areas; and for site improvements at a vacant lot across from City Hall for use at the Amgen Tour of California and other events.

### **BACKGROUND**

The San José Redevelopment Agency has requested City services in the implementation of Agency projects. These proposed amendments are necessary to account for City-side expenditures on Redevelopment Agency projects.

### **ANALYSIS**

#### **Improvement District 99-218SJ Deferral of Assessments FY07-08**

The Improvement District 99-218SJ Deferral of Assessments FY07-08 provides for the administration of the Hellyer-Piercy Deferral of Assessments Program. Improvement District 99-2188SJ (Hellyer-Piercy) was formed in 2001 in order to fund the construction of necessary infrastructure improvements for a portion of the Edenvale Technology Park Redevelopment Area located south of Silver Creek Valley Road and the east of Highway 101. The Deferral of Assessments Program provides financial assistance to residential property owners by processing semi-annual assessment payments and coordinating with the Redevelopment Agency for payment. The deferred assessment amounts are due and payable to the Redevelopment Agency

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upon the sale, transfer, and development of the parcel. The source of funding is a transfer from the Redevelopment Agency in the amount of \$150,000.

#### Reimbursement for Consultant Services Provided by RHI

The Reimbursement for Consultant Services Provided by RHI project provides for the final payment to the San Jose Downtown Association for consultant services provided by the Responsible Hospitality Institute to perform a Hospitality Zone Assessment ("HZA"). The HZA is a structured process designed to help City officials develop an action plan and timetable to address conflicts and improve the functioning and management of its hospitality zones. The source of funding would be a transfer from the Redevelopment Agency in the amount of \$7,000.

#### Neighborhood Housing Services Silicon Valley

The Neighborhood Housing Services Silicon Valley (NHSSV) project provides funding for administrative costs for FY 2007-2008 for the first-time homebuyer program and volunteer paint program within SNI areas. The Redevelopment Agency is presently engaged in an active program of redevelopment in various redevelopment areas in the City of San Jose and desires to contribute to NHSSV's administrative costs related to the First Time Homebuyer's Program in support of NHSSV's Program. The program increases the amount of public and private resources available to first-time homebuyers and therefore assists first-time homebuyers in obtaining housing. The source of funding would be a transfer from the Redevelopment Agency in the amount of \$250,000.

#### Agency Site Improvement

The Agency Site Improvement project provides for the grading, leveling, compacting, sealing and fencings around the vacant lot bounded by E. Santa Clara Street, N. 4th Street and N. 5th Street (across from City Hall). These improvements will allow the currently uneven lot to be utilized as a stage by special events such as the Amgen Tour of California bicycle race. The improvement of this site will also provide additional sites for downtown events. The source of funding is a transfer from the Redevelopment Agency in the amount of \$40,000.

#### EVALUATION AND FOLLOW-UP

These projects are currently within budget and on schedule. No additional follow up actions with the Council are expected at this time.

#### POLICY ALTERNATIVES

Not applicable

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### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-Mail Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this project does not meet the \$1 million threshold for Criterion 1, this memorandum is posted on the City's website for the January 8, 2008 Council Agenda.

### **COORDINATION**

This project and memorandum have been coordinated with the City Attorney's Office and the San José Redevelopment Agency.

### **FISCAL/POLICY ALIGNMENT**

These projects are consistent with the Council-approved Budget Strategy to continue with capital improvement projects that keep money flowing to our economy.

### **COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/ COST OF PROJECTS: \$447,000
2. SOURCE OF FUNDING: 450 - Services For Redevelopment Capital Projects Fund
3. FISCAL IMPACT: N/A

### **CEQA**

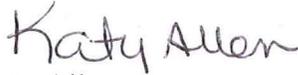
Improvement District 99-218SJ Deferral of Assessments FY07-08: Not a project  
Reimbursement for Consultant Services Provided by RHI: Not a project  
Neighborhood Housing Services Silicon Valley: Not a project  
Agency Site Improvement: Resolution No. 68905, File No. PP07-278

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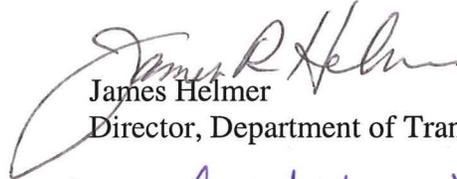
Katy Allen  
Director, Department of Public Works



Mark Linder  
Deputy City Manager



Leslye Krutko  
Director, Department of Housing



James Helmer  
Director, Department of Transportation



Jennifer A. Maguire  
Acting Budget Director

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) in the Fiscal Year 2007-2008 monies in excess of those heretofore appropriated there from, said excess being at least \$447,000.



Jennifer A. Maguire  
Acting Budget Director

For more information regarding these projects, contact:

Improvement District 99-218SJ Deferral of Assessments FY07-08: Primo De Guzman, Division Manager, (408) 535-8466

Reimbursement for Consultant Services Provided by RHI: Mark Linder, Deputy City Manager, (408) 535-8180

Neighborhood Housing Services Silicon Valley: Dave Bopf, Division Manager, (408) 535-3854

Agency Site Improvement: Joe Pomeroy: Heavy Equipment Supervisor, (408) 361-0179

JM:KL:MO