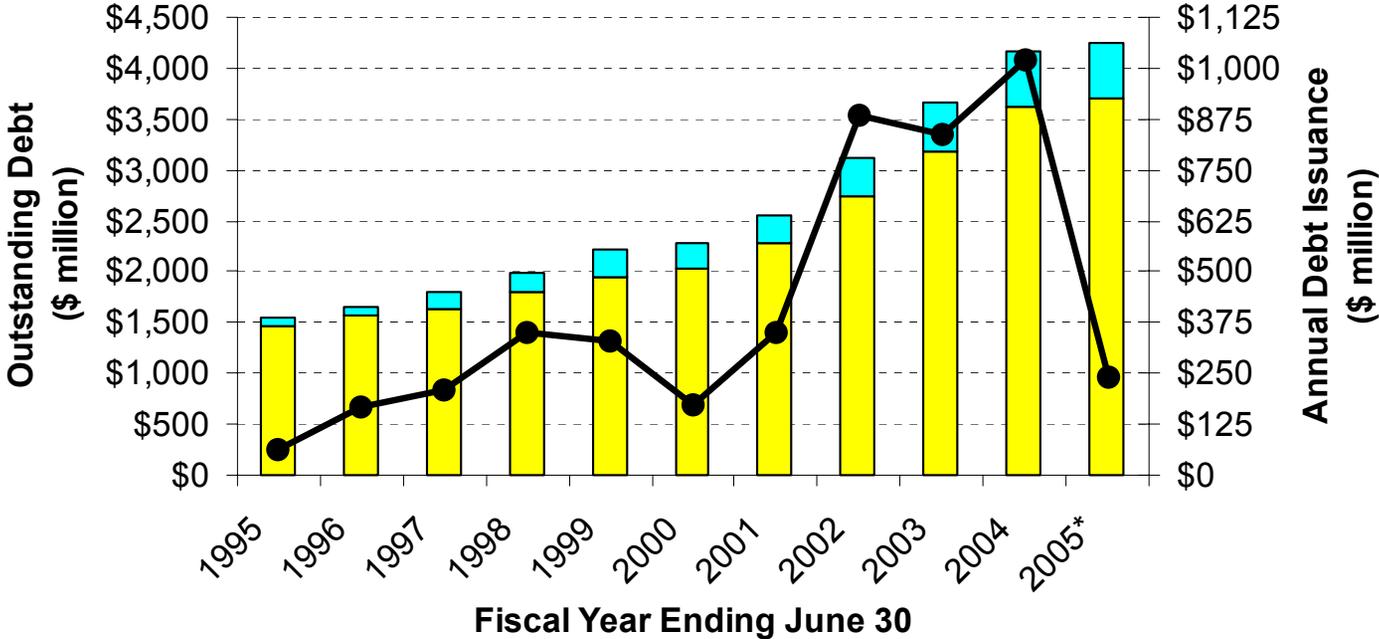

FY 2004-05 Third Quarter Debt Report

Making Government Work Better Committee

Finance Department
Debt Management Program
May 19, 2005

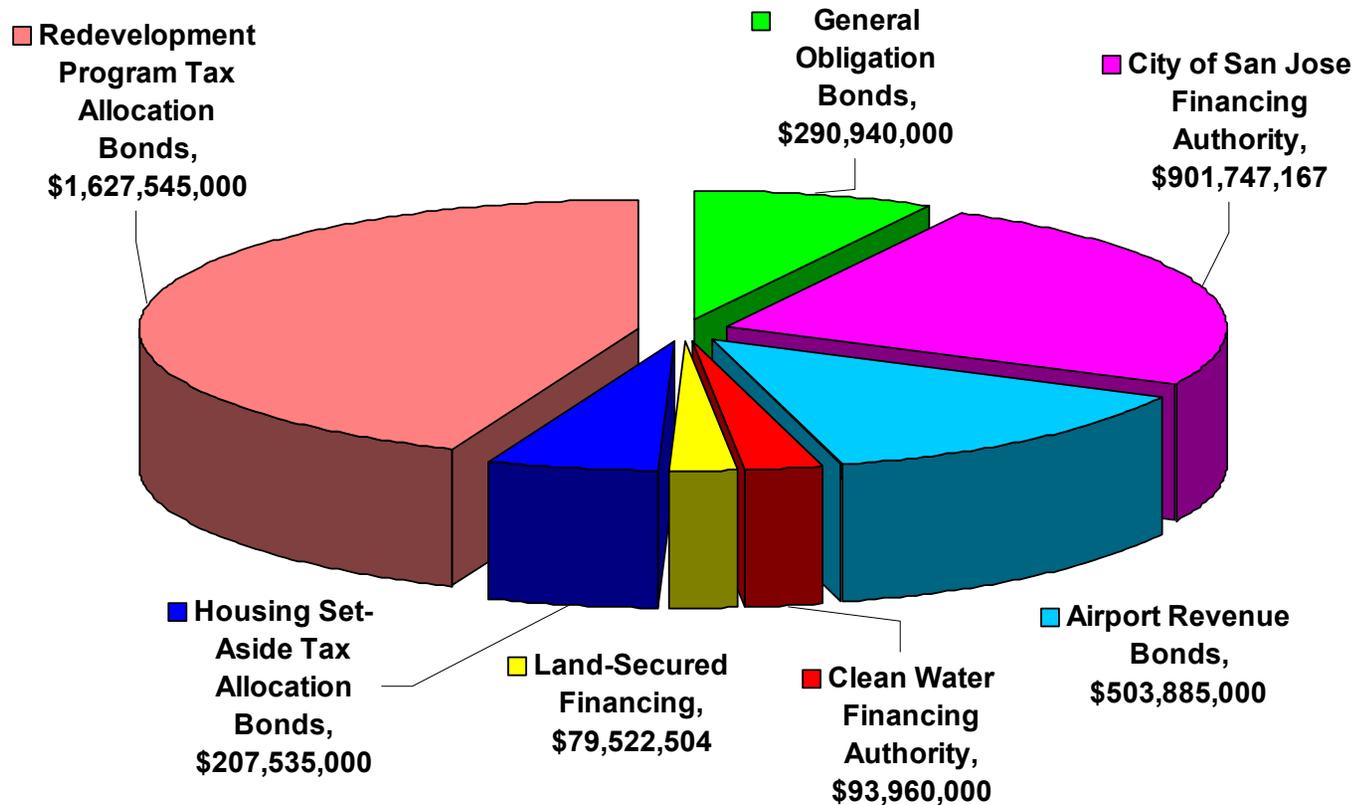
City Debt Portfolio and Issuance History



*Through March 31, 2005.

Outstanding Bonds Issued by All Agencies

Outstanding Debt as of March 31, 2005: \$3,705,134,671



Debt Issuance and Debt Management Activities during 3rd Quarter and in Progress

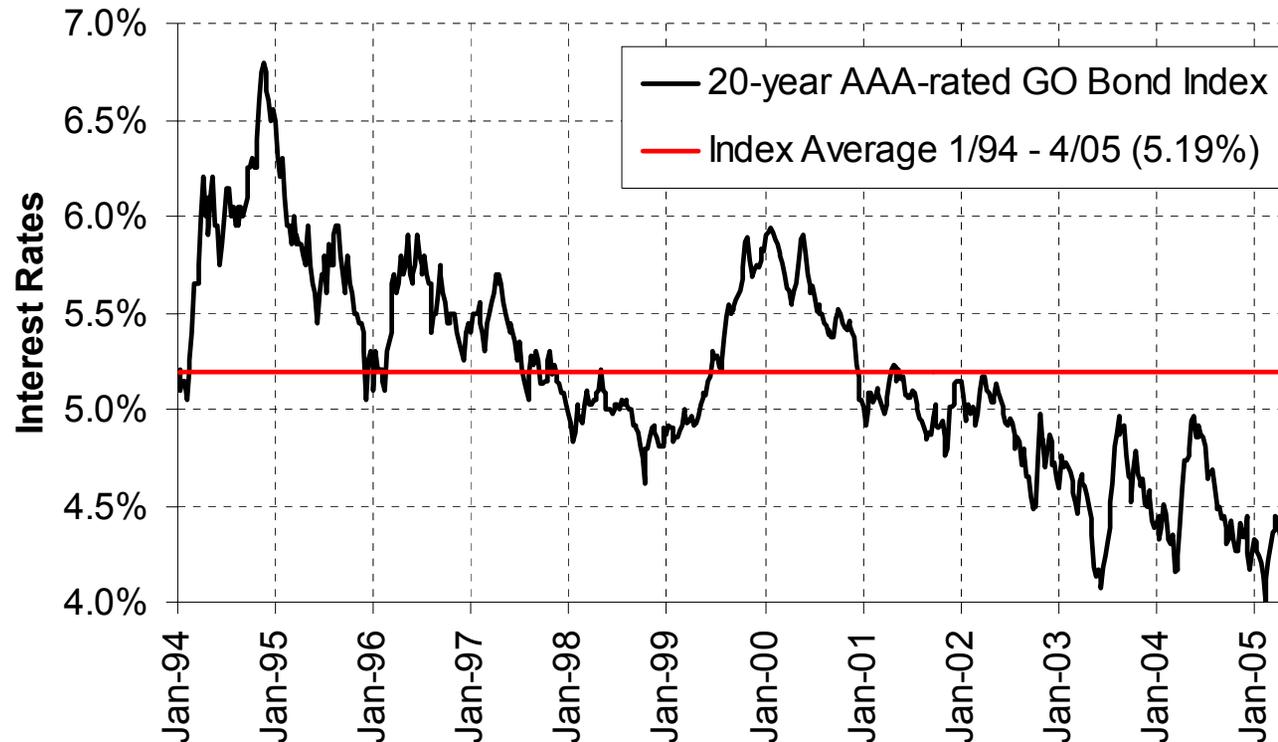
- Multifamily Housing Revenue Bonds
 - Raintree Apartments
 - \$21,100,000, Closed February 1, 2005
- Lease Revenue Bonds (2 Series)
 - FMC Land Acquisition
 - \$80,025,000, Closed February 17, 2005
- Vehicle License Fee Gap Loan Financing
 - City Hall Parking Garage
 - \$14,840,531, Closed March 17, 2005
- Housing Set-Aside Tax Allocation Bonds (4 Series)
 - Affordable Housing Projects
 - \$200 million, Expected to Close June 2005
- General Obligation Bonds
 - Libraries and Public Safety projects
 - \$50 million, Expected to Close June 2005

City of San Jose – Credit Rating

- Aa1/AA+/AA+, confirmed in January/February 2005
- Demonstrates City's overall strong credit worthiness
- Remain highest rated City with populations of over 250,000 in California
- Ranked higher than State of California and County of Santa Clara
- Rating agency presentations scheduled in late May 2005

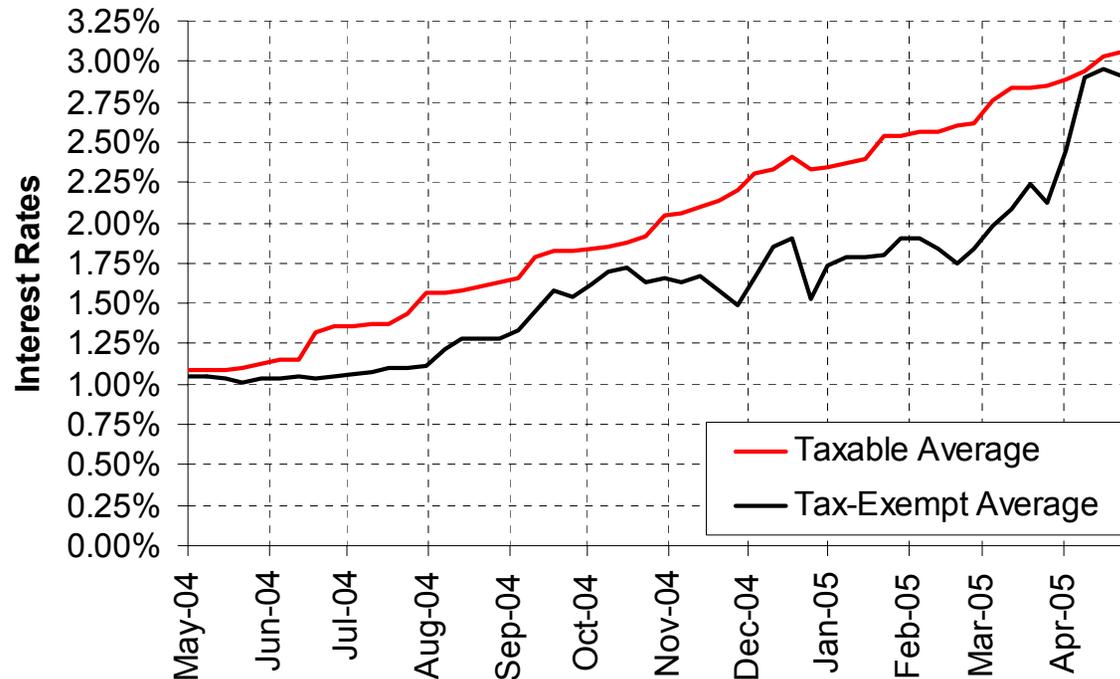
Average Fixed Tax-Exempt Rates

- Although tax-exempt interest rates have exhibited significant volatility in the last year, current rates (4.17% as of 5/4/05) remain well below their long-term average.



Average Variable Taxable and Tax-Exempt Interest Rates

- Tax-exempt weekly interest rates paid by the City have averaged 1.71% this fiscal year, and are currently at 2.92% (as of 5/4/05)
 - 188 basis point increase since July 1, 2004
- Taxable weekly interest rates paid by the City have averaged 2.16% this fiscal year, and are currently at 3.06% (as of 5/4/05)
 - 174 basis point increase since July 1, 2004



Debt Service Coverage and Indicators of Debt Capacity

Revenue Bonds	Coverage Requirement	Coverage as of June 30, 2004
Airport	1.25x	3.07x
Sewer	1.15x	2.23x
Redevelopment TABs	1.15x	1.24x
Housing Set-Aside TABs	1.15x	2.96x
General Obligation Bonds	Legal Debt Limit⁽¹⁾	Outstanding Debt as of June 30, 2004
Libraries, Parks and Public Safety	\$13,862,178,150	\$305,790,000
Lease Revenue Bonds	Rating Agency Medians⁽²⁾	City of San José as of June 30, 2004
Net Direct Debt per Capita	\$391.0	\$514.8
Net Direct Debt as a Percent of Assessed Value	0.3%	0.5%
Average Annual Lease Payments as a Percent of General Fund Revenue	3.3%	4.1%

(1) Section 1216 of the San José City Charter limits the general obligation bonds of the City to 15% of the total assessed value of all real and personal property within the City limits.

(2) Medians are for AA-category California cities in FY 2002-03. *Medians for California Cities*, Moody's Investors Service, January 2005.