

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: RICHARD A. KEIT MANAGING DIRECTOR
SUBJECT: SEE BELOW	DATE: January 13, 2012

SUBJECT: NOVEMBER 2011 AGENCY FINANCE REPORTS

Attached are the Redevelopment Agency's financial reports for November 2011. Following is a summary of key components of the reports:

FINANCIAL STATEMENTS:

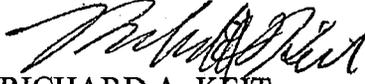
- The Fund Balance was \$76.4 million;
- Cash and Investments was \$24.8 million:
 - \$16.6 million Cash and Investments
 - \$8.2 million Restricted Cash and Investments-Bond Proceeds

CAPITAL COST REPORT:

- Capital expenditures were \$467,000;
- Capital Project encumbrances were \$9.6 million.

CASH FLOW PROJECTION:

- Cash in-flows were \$24.9 million;
- Cash out-flows were \$19.7 million.


RICHARD A. KEIT
Managing Director

Attachments

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: ABRAHAM ANDRADE DIRECTOR OF FINANCE
SUBJECT: FINANCIAL STATEMENTS -- NOVEMBER 2011	DATE: January 13, 2012

RECOMMENDATION

Accept the Financial Statements for November 2011.

BACKGROUND

Governmental fund financial statements focus on the current financial condition, with particular emphasis on inflows and outflows of spendable resources. Information provided is useful for budgetary and financial decision making by identifying items such as proceeds from long-term debt, construction and other capital outlays, as well as debt service principal payments. The basic financial statements attached are interim in nature and do not report on some items that appear in the government-wide statement of activities in the Comprehensive Annual Financial Report (CAFR) issued at the close of the fiscal year. Examples of items not included in interim reports are depreciation, amortization of debt-related premiums, discounts and debt issuance costs.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and expenditures are recognized when they are measurable and available. Due to the accrual method of accounting, there will be differences between the Financial Statements and the Cash Flow Projections that accompany this report. The current month column of the Cash Flow Projections shows the actual cash transactions for the month and may vary from accrual transactions contained in the Financial Statement report.

BALANCE SHEET:

The governmental fund balance sheet reports financial assets associated with governmental activities. Financial assets are those items such as cash and other assets that will eventually convert to cash, such as receivables and investments.

Capital assets are not included because they will be used in operations and therefore are not spendable. Similarly, liabilities are reported only to the extent that they affect the government's current financial position. For example, governments do not provide resources for debt service payments until payment is due. Therefore, liabilities would not be recognized for either principal or interest payments relating to long-term debt.

Effective with the 2010-11 CAFR, the Agency implemented the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) that provided classifications for fund balance information. The fund balance classifications are primarily based on the extent to which the Agency is bound to observe constraints imposed on the use of resources.

Fund balances reported on Attachment A, are classified according to the descriptions listed below:

- | | |
|---------------|---|
| Non-spendable | Assets that are not in spendable form, including prepaid items and long-term receivables; |
| Restricted | Amounts subject to externally enforceable legal restrictions imposed by outside parties such as creditors through bond debt indenture, grantor, and other governments through laws and regulations; |
| Committed | Funds whose use is constrained by limitations imposed through Agency Board resolutions; |
| Assigned | Funds used for redevelopment activities that represents the amount in excess of non-spendable, restricted and committed fund balance; |
| Unassigned | Net resources in excess of what can be properly classified in one of the fund balance categories. |

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE:

The governmental fund statement of revenues, expenditures and changes in fund balances is used to report all transactions, events and interfund activities that increase or decrease the fund balance in the reporting period. Agency funding is

primarily derived from tax increment revenue and bond proceeds. Other revenue sources from secondary activities include: the sale of Agency-owned properties, developer payments, commercial and residential rent payments, parking facility payments and other miscellaneous activities.

LONG TERM DEBT AND FIXED ASSETS EXHIBITS:

Outstanding long-term debt and fixed assets are reported on Attachments C and D.

BALANCE SHEET (Attachment A):

Significant transactions include:

Cash, reported on the 'Cash and Investment' line and the Bond Proceeds line under the 'Restricted Assets' line, increased by \$5.2 million – cash transactions are presented in further detail in the accompanying Cash Flow report.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Attachment B):

Significant transactions include:

\$24.8 million	Tax increment received in November;
\$3.3 million	20% low-moderate housing portion of the November tax increment receipts transferred to the Housing Department (additional transfers occurred in December due to timing differences);
\$1.4 million	County tax sharing agreement portion accrued as payable to the County at a later date;
\$467,000	November capital program expenditures.

FUND BALANCE:

The Agency's overall fund balance for the month ending November 2011 was \$76.4 million. The net increase of \$17.8 million is the result of November activities described above and reflected in the attached statements.



ABRAHAM ANDRADE
Director of Finance

Attachments

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Balance Sheet
Governmental Funds
November 30, 2011

	General	Special Revenue	Debt Service		Capital Projects	Total	10/31/2011	Month Change
			Housing	Merged				
ASSETS								
Cash and investments	\$ 996,300	-	\$ -	\$ -	\$ 15,592,670	\$ 16,588,970	\$ 11,363,029	\$ 5,225,941
Receivables:								
Accrued interest	-	-	-	-	4,331,132	4,331,132	4,331,132	-
Due from other funds	-	-	-	-	135,147	135,147	135,147	-
Due from the City of San Jose	-	135,147	-	-	43,709	178,856	178,856	-
Other	310,757	-	-	-	192,927	503,684	499,633	4,051
Advances to the City of San Jose	-	-	-	-	-	-	-	-
Loans receivable, net	-	-	-	-	30,635,008	30,635,008	30,667,515	(32,507)
Deposits	-	-	-	-	734,475	734,475	734,475	-
Restricted Assets:								
Cash and investments-Escrow	-	-	10,429,602	42,088,182	4,511,400	57,029,183	43,323,056	13,706,128
Cash and investments-Bond Proceeds	-	-	-	-	8,231,240	8,231,240	8,219,097	12,143
TOTAL ASSETS	\$ 1,307,057	\$ 135,147	\$ 10,429,602	\$ 42,088,182	\$ 64,407,708	\$ 118,367,695	\$ 99,451,939	\$ 18,915,753
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	24,541	-	14,600	-	1,633,255	1,672,396	1,697,040	(24,643)
Deferred revenue/Restricted Cash Offset	-	-	-	-	34,557,168	34,557,168	34,569,991	(12,823)
Due to the City of San Jose	-	-	-	-	1,739,362	1,739,362	1,992,037	(252,675)
Due to the County of Santa Clara	-	-	-	-	1,422,048	1,422,048	-	1,422,048
Due to Other Govt'l Agencies	-	-	-	-	1,505,622	1,505,622	1,505,622	-
Deposits, retentions, and other payables	9,400	-	-	-	887,147	896,547	896,547	-
Due to other funds	-	135,147	-	-	-	135,147	135,147	-
Total liabilities	33,941	135,147	14,600	-	41,744,602	41,928,290	40,796,384	1,131,906
Fund Balance:								
Nonspendable	512,744	-	-	-	3,848,897	4,361,641	4,381,325	(19,683)
Restricted	-	-	10,415,002	42,088,182	8,231,240	60,734,424	47,050,758	13,683,666
Committed	466,664	-	-	-	3,257,820	3,724,484	3,724,484	-
Assigned	-	-	-	-	7,325,148	7,325,148	3,187,081	4,138,067
Unassigned	293,708	-	-	-	-	293,708	311,908	(18,200)
Total fund balances	1,273,116	-	10,415,002	42,088,182	22,663,105	76,439,405	58,655,555	17,783,850
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,307,057	\$ 135,147	\$ 10,429,602	\$ 42,088,182	\$ 64,407,708	\$ 118,367,695	\$ 99,451,939	\$ 18,915,756

Attachment B

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Period Ended November 30, 2011

	General	Special Revenue	Debt Service		Capital Projects	Total	10/31/2011	Month Change
			Housing	Merged				
REVENUES								
Tax increment	\$ -	\$ 3,303,267	\$ -	\$ 13,213,068	\$ 8,258,168	\$ 24,774,503	\$ -	\$ 24,774,503
Intergovernmental	-	-	16,689,933	-	-	16,689,933	16,243,888	446,044
Investment income	5,670	-	9,589	161,733	190,242	367,233	314,704	52,529
Grant revenue	-	-	-	-	25,734	25,734	-	25,734
Rent	318,855	-	-	-	(2,938)	315,916	317,181	(1,265)
Other	40	-	-	-	355,387	355,427	333,889	21,538
Total revenues	324,565	3,303,267	16,699,522	13,374,801	8,826,592	42,528,746	17,209,663	25,319,083
EXPENDITURES								
General government	312,993	-	-	-	-	312,993	233,336	79,657
Intergovernmental:								
Payments to the City of San Jose	-	3,303,267	-	-	-	3,303,267	-	3,303,267
Capital outlay:								
Project expenditures	-	-	-	-	3,014,817	3,014,817	2,548,279	466,538
Payments to the City of San Jose	-	-	-	-	150,000	150,000	150,000	-
Payments to the County of Santa Clara	-	-	-	-	1,422,048	1,422,048	-	1,422,048
Debt service:								
Principal repayment	-	-	9,460,000	61,200,000	1,675,000	72,335,000	72,335,000	-
Interest and fiscal charges	-	-	6,783,908	45,343,197	4,538,765	56,665,870	54,402,146	2,263,723
Total expenditures	312,993	3,303,267	16,243,908	106,543,197	10,800,630	137,203,994	129,668,761	7,535,233
DEFICIENCY OF REVENUES	11,572	-	455,613	(93,168,396)	(1,974,038)	(94,675,248)	(112,459,098)	17,783,850
UNDER EXPENDITURES								
OTHER FINANCING SOURCES (USES)								
Loan Proceeds	-	-	-	-	1,681,396	1,681,396	1,681,396	-
Sales of capital assets	-	-	-	-	11,268,355	11,268,355	11,268,355	-
Transfers in	-	-	-	15,362,656	-	15,362,656	15,362,656	-
Transfers out	-	-	-	0	(15,362,656)	(15,362,656)	(15,362,656)	-
Total other financing sources (uses)	-	-	-	15,362,656	(2,412,906)	12,949,750	12,949,751	-
CHANGE IN FUND BALANCES	11,572	-	455,612	(77,805,740)	(4,386,943)	(81,725,498)	(99,509,347)	17,783,850
FUND BALANCE - 6/30/2011	1,261,544	-	9,959,388	119,893,921	27,050,048	158,164,901	158,164,901	-
FUND BALANCE - 11/30/2011	\$ 1,273,116	\$ -	\$ 10,415,001	\$ 42,088,181	\$ 22,663,105	\$ 76,439,406	\$ 58,655,556	\$ 17,783,850

Redevelopment Agency of the City of San Jose
Financial Statements - Outstanding Long Term Debt

	Beginning Balance 10/31/2011	Principal Monthly Activity	Current Balance 11/30/2011
TAX ALLOCATION BONDS			
1993 Merged Area Refunding	18,195,000	0	18,195,000
1997 Merged	5,810,000	0	5,810,000
1997 Housing Series E	17,045,000	0	17,045,000
1999 Merged	12,920,000	0	12,920,000
2002 Merged	13,165,000	0	13,165,000
2003 Merged	127,545,000	0	127,545,000
2003 Housing Series J	34,910,000	0	34,910,000
2003 Housing Series K	5,905,000	0	5,905,000
2004 Merged Refunding	193,215,000	0	193,215,000
2005 Housing Series A	10,445,000	0	10,445,000
2005 Housing Series B	109,855,000	0	109,855,000
2005 Merged Refunding Series A/B	198,115,000	0	198,115,000
2006 Merged Series A-T/B	80,300,000	0	80,300,000
2006 Merged Refunding Series C, D	698,990,000	0	698,990,000
2007 Merged Refunding Series A-T	205,685,000	0	205,685,000
2008 Merged Series A/B	107,860,000	0	107,860,000
2010 Housing Series A	56,710,000	0	56,710,000
2010 Housing Series B	5,510,000	0	5,510,000
2010 Housing Series C	88,600,000	0	88,600,000
1996 Merged Series A & B	46,000,000	0	46,000,000
2003 Merged Revenue Series A & B	47,655,000	0	47,655,000
Total Tax Allocation Bonds	2,084,435,000	0	2,084,435,000
OTHER LONG TERM DEBT			
4th Street Parking Revenue, Series 2001A	34,297,500	0	34,297,500
2001 Convention Center Series F & G	129,020,000	0	129,020,000
HUD 108 Note Payable	29,745,000	0	29,745,000
CSCDA CRA/ERAF Loan ('05 & '06)	17,330,000	0	17,330,000
CSJ General Purpose Parking Fund Loan	13,528,294	0	13,528,294
Spec. Educ. Rev. Augment. Fund (SERAF) Loan	77,314,780	0	77,314,780
County Settlement Obligation	23,561,815	0	23,561,815
Other Notes Payable	9,122,388	0	9,122,388
Total Other Long Term Debt	333,919,777	0	333,919,777
TOTAL LONG TERM DEBT	2,418,354,777	0	2,418,354,777

San Jose Redevelopment Agency
Financial Statements - Fixed Assets

	Beginning Balance 10/31/2011	Monthly Activity-Net	Current Balance 11/30/2011
Land	66,088,286		66,088,286
Buildings & Public/Lease Improvements	97,493,768		97,493,768
Construction in Progress	19,987,725		19,987,725
Equipment	299,114		299,114
Total (Net Book Value)	<u>183,868,893</u>	<u>0</u>	<u>183,868,893</u>

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: ABRAHAM ANDRADE DIRECTOR OF FINANCE
SUBJECT: CAPITAL COST REPORT – NOVEMBER 2011	DATE: JANUARY 13, 2012

RECOMMENDATION

Accept the Capital Cost Report for November 2011.

BACKGROUND

The Capital Cost Report (Attachment A) contains a cost summary for each of the eight Redevelopment Project Areas that have budget line items and a total summary for the Agency. The report is updated monthly to reflect year-to-date expenditures and encumbrance balances, as compared to the amount appropriated by the Agency Board. The cost summary components are:

1. Column A: Total Funds Available; reflects each Project Area's adopted budget, rebudgets and budget adjustments as of the reporting month's close (November 30, 2011), and Carryover Encumbrances reflecting contractual commitments of prior years' outstanding funds (June 30, 2011).
2. Column B: Total Year-to-Date Expenditures captures the total amount expended from the start of the current fiscal year (July 1, 2011) through the reporting month's closing date (November 30, 2011). Negative current month expenditures on certain project lines are a result of adjustment and/or reclassification of prior month entries to the correct project lines.
3. Column C: Encumbrance Balance represents the outstanding contractual commitments as of November 30, 2011. The monthly appropriation balance report and unliquidated encumbrance report are the sources for this information.
4. Column D: Remaining Funds Available indicates the amount available to spend by appropriation for each Project Area. The year-to-date Expenditures

(Column B) and the Encumbrance Balance (Column C) are subtracted from the Total Funds Available (Column A), yielding the remaining funds available in the current year.

Provided in the Capital Cost Report are the total City and Agency project expenditures from July 1, 1977, through November 30, 2011, for current year budgeted projects and the percentage of total project expenditures to date in comparison to total project budget and non-redevelopment funding sources.

ANALYSIS

On June 28, 2011, Governor Brown signed two bills, Assembly Bill X1 26 and Assembly Bill X1 27, which among other things, suspended certain redevelopment activity and identified specific reporting requirements. This legislation also provided for the dissolution of redevelopment agencies and the establishment of "successor agencies" by October 1, 2011, unless the City made a payment to the State to avoid dissolution. The City of San Jose joined the California Redevelopment Association and others in challenging the constitutionality of the legislation. On December 29, 2011, California Supreme Court upheld ABX1 26 (the redevelopment "elimination" bill), but struck down ABX1 27, the bill that would have allowed agencies to remain in operation as long as they made a payment to the state. The California Supreme Court also amended certain dates contained in ABX1 26. For example, the October 1, 2011 date for dissolution of redevelopment agencies was changed to February 1, 2012. The bills were passed as part of the 2011-12 state budget.

Under AB X1 26, the Agency cannot enter into or amend contracts, renew or extend leases or other agreements except those allowable under administration operations. The Agency is allowed to make scheduled payments on bonds or other legally binding agreements, and to manage existing contracts, projects, and other obligations. The \$9.6 million of encumbrance balances for capital projects, as of November 30, 2011, are for existing legally binding agreements entered into prior to June 29, 2011.

Capital expenditures for November totaled \$467,000. This amount varies from the amount reported on the Cash Flow Projection because the Capital Cost report uses the accrual method of accounting. Major capital project expenditures for November include:

\$146,000 Payment to ACE Charter School per Owner Participation Agreement (OPA) for Agency assistance towards eligible costs in connection with construction of a new school facility;

\$156,000 Indirect operating costs related to capital projects.



ABRAHAM ANDRADE
Director of Finance

Attachment

November 30, 2011 (FY11-12)

Attachment A

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

**CAPITAL COST REPORT
REDEVELOPMENT AREA SUMMARY**

Total Project Areas/Programs	(A)				(B)		(C)		(D)
	Adopted Budget 2011-12	C/O Encumbrance 07/01/11	Total Funds Available 2011-12	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available		
Edenvale	973,000	315,869	1,288,869	32,935	737,030	315,869	235,970		
Julian/Stockton	3,383,639	2,531,022	5,914,661	0	25,734	2,500,000	3,388,927		
Merged Area Impact Program	4,288,700	2,272,196	6,560,896	79,214	751,384	3,077,637	2,731,874		
Neighborhood Investment Program	142,000	505,367	647,367	5,120	76,359	477,772	93,236		
Strong Neighborhoods Initiative	34,000	744,609	778,609	146,353	390,468	255,830	132,312		
Park Center Plaza	70,000	161,482	231,482	26,672	132,257	30,823	68,402		
Rincon de los Esteros	0	2,300,000	2,300,000	0	0	2,300,000	0		
San Antonio Plaza	260,000	125,787	385,787	19,837	103,133	240,510	42,144		
Direct & Indirect Operating Cost	2,400,000	431,596	2,831,596	156,407	948,452	444,057	1,439,087		
Totals:	11,551,339	9,387,928	20,939,267	466,538	3,164,817	9,642,498	8,131,952		

**EDENVALE REDEVELOPMENT AREA
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-11/11	% Total Budget Expended	Project	Adopted Budget 2011-12	C/O Encumbrance July 2011	Total Funds Available 2011-12	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	(C) Encumbrance Balance	(D) Remaining Funds Available	
												Appro. Number	Current Year
16,300,000	10,904,342	26,804,342	26,804,342	100%	1 - Assessment District/Interchange Impvts.	150,000	0	150,000	0	150,000	0	0	0
176,400	9,495,600	1,125,000	1,125,357	100%	2 IDT Lease	177,000	0	177,000	0	176,357	0	643	0
2,200,000	677,003	2,877,003	2,877,003	100%	3 BioCenter: Equipment Acquisitions and Tenant Improvements	246,000	0	246,000	0	246,000	0	0	0
2,000,000	2,085,000	4,085,000	3,835,000	94%	4 Edenvale Emerging Technologies Fund	0	250,000	250,000	0	0	250,000	0	0
870,000	1,661,224	2,473,224	2,170,025	88%	5 BioCenter Lease	400,000	65,869	465,869	32,935	164,673	65,869	235,327	0
TOTALS:						973,000	315,869	1,288,869	32,935	737,030	315,869	235,970	0

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

**JULIAN STOCKTON REDEVELOPMENT AREA
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj Exp. 7/77-11/11	% Total Budget Expended	Project	Appr. Number	Adopted Budget 2011-12	C/O Encumbrance July 2011	Total Funds Available 2011-12	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	(C) Encumbrance Balance	(D)
													Remaining Funds Available Current Year
2,512,000	1,433,765	2,765,375	2,172,858	79%	1 North San Pedro Proposed Housing/ Brandenburg	0756	3,383,639	2,531,022	5,914,661	0	25,734	2,500,000	3,388,927
TOTALS													3,388,927

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

**MERGED AREA IMPACT PROGRAM
CAPITAL COST REPORT**

Original Project Budget	Total Adjustments	Current Project Budget	Total Proj. Exp. 7/77-7/11	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2011-12	C/O Encumbrance July 2011	Total Funds Available 2011-12	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year
5,117,539	3,969,997	9,141,536	8,990,976	98%	1 San Jose Downtown Association	0087	206,160	206,160	0	55,800	150,590	0	
390,859	2,835,577	3,226,236	3,145,742	98%	2 Misc. Public Improvement	0168	25,000	15,021	40,021	0	9,527	11,827	18,688
8,523,579	-1,459,217	7,065,362	6,338,570	90%	3 Automatic Public Toilets	0284	588,000	0	588,000	1,160	8,344	514,500	67,156
25,450,000	-17,266,130	8,183,870	8,160,944	100%	4 Retail Strategy	0506	34,635	34,635	0	15,280	19,355	0	
4,665,866	5,493,228	10,160,094	9,824,985	97%	5 Assets Management	0677	330,000	87,352	417,352	12,998	82,243	73,268	281,841
5,000,000	-707,326	4,292,674	4,278,462	100%	6 Mixed Use Project Area Acquisitions	0792	14,213	14,213	0	0	0	14,213	0
2,000,000	448,906	2,448,906	2,445,798	100%	7 4th St. Pkng. Garage Marketing & Tenant Improvements	0793	3,118	3,118	0	0	0	3,118	0
1,000,000	1,177,073	2,177,073	1,838,800	84%	8 Real Estate and Relocation Services	0839	342,273	342,273	0	4,000	4,000	175,003	163,270
16,230,000	-11,727,792	27,957,792	27,648,692	99%	9 Land Banking for Future Development	0855	2,700	141,449	144,149	2,025	-84,951	188,646	10,454
2,000,000	204,593	2,204,593	2,203,863	100%	10 Downtown Streetscape	0870	3,193	3,193	0	0	3,193	0	0
600,000	261,019	861,019	843,007	98%	11 Competitive Art Capital Fund	0879	33,012	33,012	0	3,000	15,000	14,500	3,512
800,000	-387,706	412,294	386,434	94%	12 Project Support Studies	0888	25,860	25,860	0	0	0	16,460	7,400
400,000	7,504,112	7,904,112	7,269,738	92%	13 Autumn Street Infrastructure Funding Plan	0898	320,000	306,909	626,909	718	12,535	294,374	320,000
200,000	0	200,000	192,655	96%	14 African-American Community Center Feasibility Study	0900	170,000	170,000	0	0	162,655	0	7,345
150,000	212,913	362,913	321,500	89%	15 Arena Employee Parking	0937	70,000	413	70,413	5,800	29,000	0	41,413
2,500,000	-615,000	1,885,000	1,805,000	96%	16 Clean Tech Jobs Investment Fund	0939	150,000	150,000	0	0	70,000	80,000	0
1,500,000	1,950,000	2,550,000	652,568	26%	17 Emerging Technologies Fund	0944	1,500,000	539,812	2,039,812	13,600	142,400	401,100	1,499,312
2,125,000	3,893,209	6,018,209	5,985,070	99%	18 San Pedro Square Urban Market	0947	13,172	13,172	0	0	13,172	0	0
500,000	-50,667	449,334	310,776	69%	19 Plan Amendment Process	0948	141,220	141,220	0	0	2,660	138,560	1
600,000	367,713	967,713	942,184	98%	20 Municipal Stadium	0953	19,528	19,528	0	0	0	0	19,528
766,000	1,042,006	1,808,006	1,472,879	81%	21 San Jose Innovation Center - Lease	0957	503,000	24,854	527,854	39,895	192,727	20,154	314,979
950,000	0	950,000	0	0%	22 Center for Employment Training	0960	950,000	950,000	0	0	0	950,000	0
TOTALS							4,286,700	2,272,196	6,558,896	79,214	751,364	3,077,637	2,731,874

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

NEIGHBORHOOD BUSINESS INVESTMENT PROGRAM
CAPITAL COST REPORT

Original Project Budget	Total Adjustments	Current Project Budget	Total Proj. Exp. 7/77-11/11	% Total Budget Expended	Project	Appr. Number	Adopted Budget 2011-12	C/O Encumbrances July 2011	Total Funds Available 2011-12	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available	
													Current Year	Current Year
5,225,000	47,595,174	53,120,174	58,180,174	100%	1 Story Road: King and Story Implementation	0480		20,000	20,000	0	0	20,000	0	0
500,000	327,147	172,853	143,704	83%	2 The Alameda: Parking Solutions	0925	40,000	9,842	49,842	1,406	20,883	15,178	13,972	0
60,000	2,314,078	2,364,078	2,279,073	96%	3 Japantown: Corporation Yard	0688		85,004	85,004	0	0	85,004	0	0
39,600	183,272	222,872	184,243	83%	4 Japantown: Parking Lot Lease	0905	57,000	200	57,200	3,714	18,571	34,422	38,629	0
208,336	2,190,336	2,398,672	2,337,262	97%	5 NBD - Program Operations	0691	45,000	3,332	48,332	0	4,761	270,338	9,149	0
745,000	10,165,886	10,910,886	10,604,857	97%	6 NBD - Facade Improvements	0477		308,873	308,873	0	7,050	18,115	31,485	0
150,000	512,016	662,016	640,931	97%	7 NBD - Landscape Improvement	0652		33,115	33,115	0	15,000	34,717	0	0
60,000	1,308	1,308	1,374	29%	8 NBD- Implementation & Opportunity Sites	0961		45,000	45,000	0	10,283	477,772	0	0
					TOTALS		142,000	505,367	647,367	5,120	76,359	477,772	93,236	0

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

November 30, 2011 (FY11-12)

**STRONG NEIGHBORHOODS INITIATIVE AREAS
CAPITAL COST REPORT**

Agency Fund: 066

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj Exp. 7/77-11/11	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2011-12	C/O Encumbrance July 2011	Total Funds Available 2011-12	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	Encumbrance Balance	(D)
													Remaining Funds Available in Current Year
1,165,000	-589,877	555,123	557,820	99%	1 SNI - Outreach and Training	0811		7,303	7,303	0	0	7,303	0
910,000	4,343,828	5,253,828	4,694,296	89%	2 SNI - May/Jair	0830		737,306	737,306	146,353	390,468	248,526	98,312
3,405,000	-612,794	2,792,206	2,758,206	99%	3 SNI - Spartan/Keyes	0831	34,000		34,000	0	0	0	34,000
					TOTALS		34,000	744,609	778,609	146,353	380,488	255,830	132,312

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

**PARK CENTER REDEVELOPMENT AREA
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj. Exp. 7/77-11/11	% Total Budget Expended	Project	Appr. Number	Adopted Budget 2011-12	C/O Encumbrance July 2011	Total Funds Available 2011-12	(B)		(D) Remaining Funds Available Current Year	
										Current Month Expenditures November 2011	Total Year-to-Date Expenditures		
38,624	44,186	79,810	407,256	85%	1 Adobe: Water Monitoring	0890	70,000	39,083	109,083	26,672	37,940	23,159	47,984
200,000	12,014,670	12,214,670	12,190,599	100%	2 Civic Auditorium	0874		116,601	116,601	0	94,317	4,086	18,198
500,000	2,264,021	2,764,021	68,000	92%	3 Montgomery Theatre	0949		5,798	5,798	0	0	3,578	2,220
					TOTALS		70,000	161,482	231,482	26,672	132,257	30,823	68,402

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

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

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj. Exp. 7/77-11/11	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2011-12	C/O Encumbrance July 2011	Total Funds Available 2011-12	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	(C) Encumbrance Balance	(D)	
													Remaining Funds Available Current Year	
1,000,000	2,000,000	3,000,000	0	0%	1 Emerging Technologies Fund	0960		800,000	800,000	0	0	800,000	0	
1,000,000	3,150,000	4,150,000	2,650,000	64%	2 Industrial Development Opportunities	0927		1,500,000	1,500,000	0	0	1,500,000	0	
TOTALS													0	
									2,300,000	0	0	0	2,300,000	0

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

**SAN ANTONIO REDEVELOPMENT AREA
CAPITAL COST REPORT**

Original* Project Budget	Total Adjustments	Current Project Budget	Total Proj.Exp. 7/77-11/11	% Total Budget Expended	Project	Appro. Number	Adopted Budget 2011-12	C/O Encumbrance July 2011	(A)		(B)		(C)		(D)	
									Total Funds Available 2011-12	C/O Encumbrance July 2011	Current Month Expenditures November 2011	Total Year-to-Date Expenditures	Encumbrance Balance	Remaining Funds Available Current Year		
270,000	704,837	974,837	681,783	71%	1 Block 3: Central Place Parking Garage	0940	260,000	125,787	385,787	19,837	103,133	240,510	42,144			
					TOTALS		260,000	125,787	385,787	19,837	103,133	240,510	42,144			

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

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: ABRAHAM ANDRADE DIRECTOR OF FINANCE
SUBJECT: CASH FLOW PROJECTION – NOVEMBER 2011	DATE: JANUARY 13, 2012

RECOMMENDATION

Accept the Cash Flow Projection for November 2011.

BACKGROUND

The attached Cash Flow Projection is a forecast of expected cash receipts and payments for FY 2011-2012. This document is also used by the City's Finance Treasury Division to facilitate its investment decisions in investing the Agency's money sent to the City's Cash and Investment Pool. These projections are subject to change due to internal and external circumstances, such as changing economic conditions, which may affect revenues and/or expenditures.

The figures in the Cash Flow Projection can be expected to differ from the figures in the Adopted Budget. For example, the total on the Capital Projects Expenditure line item in the Cash Flow Projection will not equal the total of the Capital Expenditures in the Adopted Budget, because the capital budget primarily tracks encumbrances (commitments) rather than cash payments. The budget shows the full amount of a contract in the year awarded while the Cash Flow Projection shows payments made over the life of the contract which can extend beyond a single fiscal year.

In addition, the figures in the actual columns of the Cash Flow Projection differ from the financial statements due to the method of recognizing revenues and expenditures. The figures reported in the Cash Flow Projections are actual cash transactions, whereas the financial statements are based on accrual method of accounting whereby revenues and expenditures are recognized when earned and incurred regardless of timing of receipts and disbursements.

On June 28, 2011, Governor Brown signed two bills, Assembly Bill X1 26 and Assembly Bill X1 27, which suspended redevelopment activity and identified specific reporting requirements. This legislation also provided for the dissolution

of redevelopment agencies and the establishment of "successor agencies" by October 1, 2011, unless the City made a payment to the State to avoid dissolution. The City of San Jose joined the California Redevelopment Association and others in challenging the constitutionality of the legislation. On December 29, 2011, California Supreme Court upheld ABX1 26 (the redevelopment "elimination" bill), but struck down ABX1 27, the bill that would have allowed agencies to remain in operation as long as they made a payment to the state. The California Supreme Court also amended certain dates contained in ABX1 26. For example, the October 1, 2011 date for dissolution of redevelopment agencies was changed to February 1, 2012. The bills were passed as part of the 2011-12 state budget.

In accordance with AB X1 26, the Agency was required to prepare an Enforceable Obligation Payment Schedule (EOPS) which summarized the obligations of the Agency from July 1, 2011 to December 31, 2011. The EOPS was approved by the Agency Board/City Council on August 23, 2011 and was submitted to the County Auditor-Controller and the State Department of Finance on August 26, 2011. The projected payments presented in the attached one-year Cash Flow Projection Schedule are consistent with those listed in the EOPS.

To avoid the need to redeem the 2003 and 1996 Bonds on November 25, 2011, JP Morgan Chase Bank agreed on October 24, 2011 to extend the 2003 and 1996 Letters of Credit to July 1, 2012 without changing any of the terms of the reimbursement agreements in effect.

ANALYSIS

The Agency's cash and investments balance increased by a net amount of \$5.2 million in November 2011, ending the month at \$24.8 million. Cash receipts totaled \$24.9 million, which included Tax Increment of \$24.8 million; and \$133,000 in miscellaneous revenue.

Cash disbursements totaled approximately \$19.7 million, which included \$13.2 million transfer to Fiscal Agent for Debt Service payment; \$3.3 million representing 20% of tax increment transferred to City's Housing Department; \$2.2 million payment to City of San Jose for State of California ERAF Loan; \$432,000 in capital project expenditures and \$468,000 in operating costs. Cash outlay may differ from the accompanying Financial Statements and Capital Cost Report that utilize the accrual method of accounting.

Major capital project and operating cash expenditures include:

\$253,000 Payment to City of San Jose for the final payment of FY2010-11, June 2011 support services;

\$200,000 Payment for operating expenditures;

\$146,000 Payment to ACE Charter School per Owner Participation Agreement (OPA) for Agency assistance towards eligible costs in connection with construction of a new school facility.

Differences between these amounts and the amounts reported on the accompanying cost report may be attributable to the 10% retention customarily withheld on construction payments or timing differences resulting from expenses recorded at the end of the month but not paid until the following month.


ABRAHAM ANDRADE
Director of Finance

Attachment

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE													
Cash Flow Projections for Fiscal Year 2011-2012													
Cash and Investment - Unrestricted													
(Dollars Expressed in Thousands)													
ACTUAL						FORECAST						Total	
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Total
	\$ 28,757	\$ 23,522	\$ 8,935	\$ 15,145	\$ 19,582	\$ 24,820	\$ 12,148	\$ 11,347	\$ 5,037	\$ 9,020	\$ 9,097	\$ 8,504	
CASH AND INVESTMENTS:													
Beginning Balance													
Cash Receipts - Sources													
Tax Increments	-	-	-	-	24,775	42,160	20,734	-	24,182	41,039	-	21,878	174,768
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income (City Pool)	-	2	103	-	2	-	149	-	-	148	-	149	553
Interest Income (Other)	30	-	-	2	12	-	210	-	-	210	-	210	674
Return from Bond Trustee	-	-	-	-	-	-	-	-	-	-	1,584	6,023	7,607
City Loan/Advances	1,700	-	-	77	-	-	77	-	10,095	77	-	-	12,026
CSJ-4th St. Garage Loan	-	-	1,681	-	-	-	-	1,700	-	-	-	-	3,381
Central Place Lot - Sale of Land	-	-	5,110	-	-	-	-	-	-	-	-	-	5,110
Fountain Alley Lot - Sale of Land	-	-	-	6,158	-	-	-	-	-	-	-	-	6,158
E. Santa Clara Site - Sale of Land (HUD Collateral)	-	-	-	-	-	-	3,500	-	-	-	-	-	3,500
Other	245	474	117	116	119	120	150	200	150	150	200	150	2,191
Total Cash Receipts	1,975	476	7,011	6,353	24,908	42,280	24,820	1,900	34,427	41,624	1,784	28,410	215,968
Cash Payments - Uses													
Capital Project Expenditures	1,561	877	515	845	432	717	3,772	456	3,171	209	203	940	13,698
Capital Indirect Operating Costs	220	330	284	452	468	217	533	203	356	208	209	188	3,668
Severance payments upon termination of RDA	-	-	-	-	-	-	491	-	-	-	-	-	491
Transfer To Housing - 20% Tax Increment	-	-	-	-	3,303	10,084	4,147	-	4,836	8,208	-	4,376	34,954
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	13,213	40,334	16,587	-	19,346	32,831	-	17,502	139,813
Transfer To Fiscal Agent for Debt Service (US Bank)	3,197	-	-	-	-	3,600	-	-	-	-	-	-	6,797
CSJ-4th St. Garage Bonds Debt Service	-	1,681	-	-	-	-	-	1,700	-	-	-	-	3,381
State of CA - ERAF Loan Repayment	-	-	-	-	2,245	-	-	-	2,245	-	-	-	4,490
HUD 108 Loan Interest/ Principal Payment	1,700	-	-	77	-	-	77	-	-	77	-	-	1,931
AB 1290 Pass-Through	-	-	-	-	-	-	-	-	-	-	-	-	-
Letters of Credit/ Fiscal Agent Fees	532	10	2	542	9	-	14	2,657	490	14	-	495	2,657
Arena Pass-Through	-	-	-	-	-	-	-	-	-	-	-	355	355
County Administration Fee	-	-	-	-	-	-	-	-	-	-	1,963	-	1,963
Convention Center Bonds Debt Service	-	-	-	-	-	-	-	3,194	-	-	-	-	3,194
Total Cash Payments	7,210	15,063	801	1,916	19,670	54,952	25,621	8,210	30,444	41,547	2,377	23,856	231,668
Monthly Activity - Net	(5,235)	(14,587)	6,210	4,437	5,238	(12,672)	(801)	(6,310)	3,983	77	(593)	4,554	
Ending Balance	\$ 23,522	\$ 8,935	\$ 15,145	\$ 19,582	\$ 24,820	\$ 12,148	\$ 11,347	\$ 5,037	\$ 9,020	\$ 9,097	\$ 8,504	\$ 13,058	

