

CITY SERVICE AREA

COMMUNITY & ECONOMIC DEVELOPMENT

Mission: To manage the growth and change of the City of San José to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings.

Undergrounding Project

*Tully Rd. West of Kenoga Dr.
Tully Community Center/Ball Fields*



Before Undergrounding

The Developer Assisted Projects Capital Program reimburses developers for the construction of street improvements throughout the City, encourages the undergrounding of existing overhead utilities, and facilitates funding of development-related public improvement construction through special districts. As part of the Community and Economic Development City Service Area, the major objective of the capital program is to ensure that residential developments within San José include the construction of public improvements necessary to maintain or improve the infrastructure of the City.

Developers who construct residential dwelling units pay contributions to the Residential Construction Tax Contribution Fund. In turn, payments from the fund are made to developers who construct eligible improvements if those improvements are contiguous to existing or proposed residential development.



After Undergrounding

Underground Utility Districts are established using fees collected from developers. Undergrounding projects are prioritized within a five-year plan based on several criteria, the most important of which is the value of fees collected within the proposed Underground District. Other criteria include whether the underground work can be coordinated with other capital improvements such as street widening, and equity in the amount of undergrounding approved among City Council Districts.

The Contingent Lien District Fund is used to facilitate cost sharing agreements through special districts between private parties regarding the construction of significant public improvements as required by the City for development projects. As funds are collected, projects are constructed as specified by the original district agreements.

CSA CAPITAL PROGRAM

- Developer Assisted Projects

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PROGRAM HIGHLIGHTS

Developer Assisted Projects Capital Program

2023-2027 Adopted CIP: \$19.9 million

Undergrounding Projects – Rule 20A (Through Rule 20A, the California Public Utilities Commission requires Pacific Gas and Electric (PG&E) to set aside funds annually to finance the undergrounding of overhead electrical facilities located on public streets within the City of San José.)

- Monterey Rd. Rule 20A Underground Utility District
- Lincoln Ave. Rule 20A Underground Utility District
- Kirk Park Rule 20A Underground Utility District
- White Rd. Rule 20A Underground Utility District
- Delmas Ave./Park Ave. 20A Underground Utility District

Undergrounding Projects – Rule 20B (Rule 20B Underground Utility Districts combine several smaller undergrounding projects into one large project to benefit from economies of scale.)

- McKee Rd./Jose Figueres Ave. Rule 20B Underground Utility District
- Delmas Ave./Park Ave. Rule 20B Underground Utility District
- Meridian Ave. Rule 20B Underground Utility District
- Pearl Ave./Hillsdale Ave. Rule 20B Underground Utility District

Residential Construction Tax Contribution Fund Street Improvement Projects

- Hillsdale Avenue (Communications Hill, KB Homes)

Contingent Lien Projects

- Quimby/Fowler Creek Riparian Restoration

Recent Accomplishments

- ◇ Substructure construction of the Delmas Ave. /Park Ave. Rule 20B, completed summer 2021.

CSA OUTCOME

(Supported by the Capital Program)

- ✓ Safe, Healthy, Attractive, and Vital Community

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PERFORMANCE MEASURES

A set of consistent and comprehensive performance measurements along with targets and goals have been established for the entire capital program and adopted for each individual CSA. Measures focus on schedule (cycle time) and project delivery cost. Please see Budget Guide section narrative for additional information on capital performance measures.

Outcome: Quality CIP Projects Delivered On-Time and On-Budget

5 Year Strategic Goals	2020-2021 Actual ¹	2021-2022 Target	2021-2022 Estimate	2022-2023 Target	5-Year Goal	
Community and Economic Development CSA delivers quality Capital Improvement Program (CIP) projects on-time and on-budget ²	1. % of CIP projects that are completed within the approved baseline budget ³	N/A	90%	N/A	90%	90%

¹ The 2020-2021 Actual number of projects may vary from the 2020-2021 Estimate, as documented in the 2021-2022 Adopted Budget, because of revision to the date of estimated beneficial use of the project being revised and the project expected to be delivered in the following fiscal year. Also, the number of projects may change with the inclusion of projects in the 2020-2021 Actual not originally included in the 2020-2021 Adopted Budget Estimate due to incomplete project information at that time.

² Projects are considered “delivered” when they are available for their intended use and are considered “on schedule” if delivered within two months of baseline schedule.

³ Projects are considered “completed” when final cost accounting has occurred, and the project has been accepted. Projects are considered “on budget” when the total expenditures do not exceed 101% of the baseline budget.

For the purposes of reporting performance measures, Developer Assisted Projects (DAP) in the CIP are generally captured in the Transportation and Aviation Services (TAS) CSA performance measures. These projects appear the TAS CSA because the work performed to deliver the DAP is done by the roadway and street light engineering staff. However, projects related to the Contingent Lien District will be tracked within this CSA and will be reported on when they are completed.

Capital Program Summary by City Service

Community and Economic Development

	<u>2022-2023 Budget</u>	<u>2023-2027 CIP Budget</u>	<u>Total Budget (All Years)</u>	<u>Start Date</u>	<u>End Date</u>
<u>Developer Assisted Projects</u>					
Capital Program and Public Works Department Support Service Costs	173,000	678,000	*	Ongoing	Ongoing
City Hall Debt Service Fund	12,000	60,000	*	Ongoing	Ongoing
Contingent Lien District Administration	35,000	155,000	*	Ongoing	Ongoing
Evergreen Creek District Reserve	1,119,110	1,119,110	1,119,110	N/A	N/A
Evergreen Specific Plan District Reserve	160,420	160,420	160,420	N/A	N/A
General Fund - Interest Income	24,000	120,000	*	Ongoing	Ongoing
PG&E/Private Electrical Service Panel Conversion Reimbursement	3,000	336,000	*	Ongoing	Ongoing
Reimbursement to Developers for Center Strip Paving	100,000	500,000	*	Ongoing	Ongoing
Reimbursement to Developers for Landscaping	150,000	750,000	*	Ongoing	Ongoing
Residential Program Administration	35,000	175,000	*	Ongoing	Ongoing
Silicon Valley Bridge District Reserve	283,399	283,399	283,399	N/A	N/A
Silver Creek Development District 1A Reserve	276,801	276,801	276,801	N/A	N/A
Silver Creek Development District 1B Reserve	189,891	189,891	189,891	N/A	N/A
Street Improvements for New Development	100,000	500,000	*	Ongoing	Ongoing
Underground Utility Administration (20A)	325,000	1,775,000	*	Ongoing	Ongoing
Underground Utility Administration (20B)	105,000	575,000	*	Ongoing	Ongoing
Underground Utility Program (20B)	<u>2,207,000</u>	<u>8,628,000</u>	*	Ongoing	Ongoing
Total: Construction/Non-Construction	5,298,621	16,281,621			
Ending Fund Balance	<u>9,220,363</u>	<u>3,590,363</u>	**		
Total: Developer Assisted Projects	14,518,984	19,871,984	**		
CSA Total: Construction/Non-Construction	5,298,621	16,281,621	**		
Ending Fund Balance	<u>9,220,363</u>	<u>3,590,363</u>	**		
CSA Total:	<u><u>14,518,984</u></u>	<u><u>19,871,984</u></u>	**		

* Total Budget information is not provided due to the ongoing nature of this project.

** The 2022-2023 through 2025-2026 Ending Balance are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.