

SIXTEENTH AMENDED
GUADALUPE-AUZERAI
REDEVELOPMENT PLAN

THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN JOSE

JUNE 15, 1999

CITY COUNCIL AND REDEVELOPMENT AGENCY

Ron Gonzales, Mayor and Chair Redevelopment Agency Board

Frank Fiscalini, Vice-Mayor and Vice-Chair Redevelopment Agency Board

Linda J. LeZotte
Charlotte Powers
Cindy Chavez
Margie Matthews
Manny Diaz

Pat Dando
Alice Woody
John Diquisto
George Shirakawa

PLANNING COMMISSION

Brian Grayson, Chairperson

Gloria Chun Hoo
William Ress
Forrest Williams

Sharon Godbolt
Jay Ross
James Zetterquist

Debra Figone, Acting City Manager

Frank M. Taylor, Executive Director
The Redevelopment Agency of the City of San Jose

Sixteenth Amended Guadalupe-Auzerais Redevelopment Plan
Adopted June 15, 1999
City Council Ordinance No. 25888

TABLE OF CONTENTS

	<u>Page</u>	
100	Description of Project	
101	Introduction	1
102	Boundary Description.....	2
103	Existing Conditions	2
104	Summary of Plan Objectives	5
105	Summary of Proposed Activities	6
200	Land Use Plan	
201	Land Use Plan	8
202	Standards for Development	9
203	Circulation Plan.....	13
300	Project Proposals	
301	Owner Participation and Rehabilitation.....	15
302	Land Acquisition and Clearance	15
303	Redeveloper's Obligations	16
304	Program Development Activity	17
305	Project Improvements	18
306	Property Management.....	18
307	Land Disposition	18
308	Relocation Payments	18
400	Other Provisions	
401	Project Financing	19
402	Mitigation of Environmental Impacts	22
403	Duration of Plan	22
404	Enforcement of Plan.....	23
405	Nondiscrimination Clauses	23
406	Equal Employment Opportunity	23
407	Procedure for Amendment	23
408	Severability	23
500	Appendices	
501	Appendix A: Legal Description.....	24

TABLE OF CONTENTS (continued)

	<u>Page</u>
Figures	
1 Project Boundary Map	3

DESCRIPTION OF PROJECT

101. Introduction

The Guadalupe-Auzerais Redevelopment Plan represents efforts of the City of San Jose to fully revitalize the Downtown Core Area. This redevelopment plan promotes the current policies and strategies adopted by the City of San Jose's Council, Redevelopment Agency, and Planning Commission, which are so stated in the latest General Plan, the Downtown Strategy Plan 2010, as such Plans may be amended, updated or replaced from time to time, and other Downtown Core Area Redevelopment Projects.

The City of San Jose has conducted an in-depth analysis of the entire downtown core area, and this effort has led to the preparation of an urban design and marketing plan entitled "San Jose Center City Development Plan". This document reflects a concerted private and public planning effort to develop a realistic downtown development strategy that will create an atmosphere of economic vitality which will once again establish the City as the regional commercial and financial center of Santa Clara County. It is the result of close cooperation between community representatives on the Downtown Working Review Committee, the City Council and Redevelopment Agency, the City administration, and various professional consultants. This report was updated in 1992 with the Downtown Strategy Plan 2010.

The existing goals and policies for the Downtown Core Area emphasize that downtown San Jose will be the focal point for residents of the City. It will provide a source of identity to the entire community and serve as a central place for a variety of metropolitan activities. The fundamental goal, as stated in the General Plan, is ". . . economic revitalization of the core in order to create development opportunities, new jobs, new cultural, convention and entertainment activities, expanded tax base, and a new image and identity for the San Jose metropolitan area."

In the spirit of San Jose 2020 General Plan and the Downtown Strategy Plan, the Guadalupe-Auzerais Redevelopment Plan will facilitate the expansion of the City of San Jose Convention Center as well as encourage other public and private development. It also will be instrumental in establishing the theme for new development in the Downtown Core Area south of San Carlos Street. The intent of this plan is to encourage core area development which will support a quality environment that enhances the City as a desirable place to live and work, and further advance its stature as one of the major international cities in the State of California.

This Redevelopment Plan (hereafter called the "Plan") for the Guadalupe-Auzerais Redevelopment Project (hereafter called the "Project") has been prepared by the Redevelopment Agency of the City of San Jose (hereafter called the "Agency") pursuant to the Community Redevelopment Law of the California Health and Safety Code, and all applicable local laws and ordinances.

This plan conforms to the current General Plan of the City of San Jose insofar as the General Plan applies to the project.

102. Boundary Description

The boundaries of the project are shown on Figure 1, "Project Boundary Map", and are in accordance with the legal description contained in Appendix B of this redevelopment plan.

Basically, the project site is located in the southwestern section of the Downtown Core Area, and is bound by well recognized downtown landmarks. On its northern border is Park Center Plaza which serves as the financial hub of metropolitan San Jose.

The San Antonio Plaza Redevelopment Project briefly borders the site on the north. San Antonio is planned as the most intense node of urban development in the Core Area, containing major high-rise office and residential buildings. The San Antonio Plaza also provides a pedestrian mall which integrates San Jose State University, the Federal Court Building, the State office complex, and the San Jose Museum of Art with other centers of the Downtown Core.

A major commercial center occupies the area on the eastern side of this redevelopment project. This is the area where the Hotel Sainte Claire, the historical Fox Theater, and several fine restaurants are located.

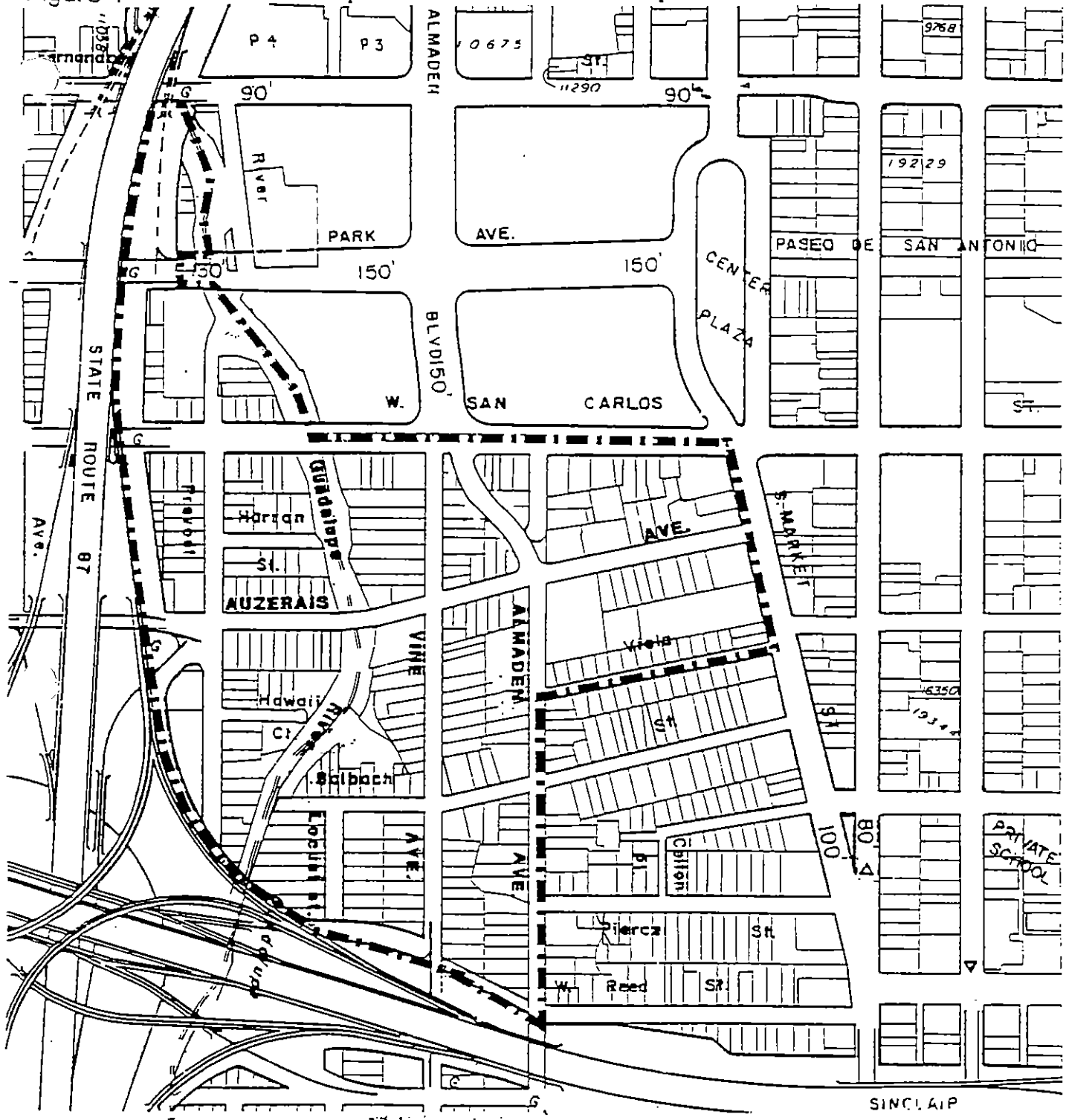
Interstate Route 280 and State Route 87 are located to the south and west of the project area, respectively.

103. Existing Conditions

The project area was surveyed to determine the physical conditions of existing structures and current land use patterns. This survey indicated that the project area has excessive substandard structures and incompatible mixtures of light industrial, commercial, and residential uses which have undergone major physical and economic decline since the late 1950's. Since the construction of State Routes 87 and 280, it has become one of the City's most isolated neighborhoods, suffering blight and deterioration caused by heavy commute traffic, deteriorated structures, inadequate lot sizes, and impaired investments.

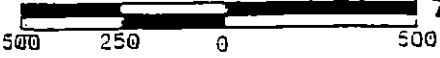
Figure 1

Guadalupe-Auzerais Redevelopment Area



Project Boundary Map

Department of City Planning
City of San Jose



The project area historically had been overlooked by downtown investors, and consequently required economic assistance in order to phase it into the Downtown Strategy Plan development scheme. In contrast, the adjacent area to the north has undergone significant improvements as a direct result of the Park Center Plaza Redevelopment Project.

1. Industrial Uses. The land use survey found that the existing industrial businesses lack an opportunity to expand at their present sites. The industrial uses within the project area are considered legal nonconforming because this area was originally zoned light industrial and then later rezoned commercial. The City's Zoning Ordinance requires a conditional use permit to expand legal nonconforming uses beyond existing conditions. However, these sites are hampered in that there is a lack of available land for parking and loading facilities, and a lack of adequate public access to support industrial activities. Overall, the useful life span of the remaining industrial uses are quite limited, and existing industrial facilities are approaching a high level of obsolescence.
2. Commercial. The existing commercial structures are several decades old with some firms occupying converted single family dwelling units. The structural integrity of most commercial sites does not promote effective rehabilitation or integration into commercial uses which are desirable within a Downtown Core Area setting. The project area survey identified nineteen businesses ranging in intensity from used auto lots and a 59-room hotel to art galleries and a tattoo shop.

Although the project area is primarily zoned C-3, actual commercial use is at a minimum. A number of factors explain why this area suffers from a prevalence of depreciated values, impaired investments, and lack of economic opportunity. The foremost cause is the existing urban design where commercial sites are relatively isolated and haphazardly dispersed throughout the project area, while inter-mixed with competing residential uses. This characteristic has led to an under-utilization of commercial properties, and has further caused stagnant conditions among existing businesses.

Basically, these commercial sites do not attract businesses which could reinforce each other and thus promote economic growth. Most of the businesses are not those typically found in a neighborhood commercial setting, nor could they compete with those businesses found either in the Downtown Core Area or in other cohesive commercial districts. As in the case of industrial sites, the commercial sites are also approaching a level of obsolescence.

3. Residential Uses. The project area has approximately 300 residences, more or less evenly disbursed between single family and multi-family units. These sites are particularly noted for their small lots with very limited yards, mudsill foundations, and a minimum of space between structures. In addition, the blocks are small, the streets are narrow, and

there is a high degree of traffic congestion. In some cases, parking is only allowed on one side of the street (Viola), and in other cases one way streets (Vine and Almaden) serve as major traffic thoroughfares through this neighborhood into the Downtown Core.

Since the late 1960's, the City has been concerned with maintaining and improving the quality of its existing housing stock. Two major studies were conducted in 1968 and 1977 to assess the actual structural conditions of the housing within the project area and measure the number of substandard units. These studies show that the housing stock in this area, built between 1880 and 1930, is among the oldest and most deteriorated within the City. At that time, structural deterioration had continued to such a point that this housing stock was far below the City's standards. In addition to such continuing deterioration, a trend developed indicating that the majority of these parcels were not receiving sufficient investments to maintain a stable assessed valuation. Such trends indicate that the project area is becoming more unstable and that a decline in the difference between land values and improvement values will cause increases in its relative tax burden on the City. Such factors, along with a lack of neighborhood amenities have contributed to major social and economic deterioration in the residential component of the project area.

4. Conclusion. In light of the foregoing analysis, the project area was found to have both physical and economic liabilities which constitute a major blighted area within the City of San Jose. Furthermore, it is clear that redevelopment efforts from the private sector have not been able to stimulate economic growth in the project area without the designation of a public project. From the City will come public facilities and services which will increase public use around the Convention Center. The City's public investments will also be a catalyst for private development proposals which offer a mixture of professional and low-skilled employment opportunities in hotels, office buildings, retail spaces, residential units, and entertainment, convention and tourist activities. This private-public partnership will thus serve to stimulate the major objective of the Downtown Strategy Plan which is to create a vital metropolitan center in San Jose that operates at night, as well as during the day. These findings serve as the backdrop to the major objectives of the Guadalupe-Auzerais Redevelopment Project which follow in Section 104.

104. Summary of Plan Objectives

This Plan sets forth the principal objectives and planning concepts of the Guadalupe-Auzerais Redevelopment Project, and illustrates how it will promote revitalization of the project area through the redevelopment process.

It is further evident in the land use and circulation concepts, discussed herein, that the Guadalupe-Auzerais Redevelopment Project will be instrumental in linking the Park Center public facilities and San Antonio projects to future

redevelopment efforts south of San Carlos Street. This project will also serve to set the theme for new development in the southern half of the Downtown Core Area and seek to achieve the following objectives:

1. Promote redevelopment and eliminate causes of physical and economic blight;
2. Support and enhance the values of private properties and improvements;
3. Create an attractive urban environment encouraging people to return to the downtown area;
4. Attract additional private investment into the project and adjoining areas; and
5. Administer a redevelopment program that insures the general welfare of the project throughout its duration, as well as to formulate and administer rules and regulations governing owner participation.

105. Summary of Proposed Activities

The overall objective of the Guadalupe-Auzerais Plan is to implement the policies and goals of the General Plan and the Downtown Strategy Plan. The primary types of redevelopment activities to be considered in this area will include:

1. Property acquisition for possible development of an expanded Convention Center, and other public projects.
2. Development and installation of public facilities such as the upgrading of streets and utilities.
3. Cooperation in the development of freeway ramp connectors to State Routes 87 and 280.
4. Preservation of the Guadalupe River as an open space element throughout the project area.
5. Coordination of flood control and public open space improvements along the Guadalupe River.
6. Aid in land assembly to help stimulate private development in the project areas which are not planned for public uses.
7. Development of a relocation program for residents and businesses which may be displaced by public facilities developed in this redevelopment area.

8. Demolition, removal, or clearance of certain existing buildings and structures on land acquired by the Agency.
9. Arrangement with proper authorities for the vacating and realigning of certain streets, other rights-of-way, and the underground placement of certain utilities. Establish needed reservation of certain areas for public streets, rights-of-ways, and other public purposes. Install and relocate certain necessary site improvements, utilities, and facilities.

LAND USE PLAN

201. Land Use Plan

A. General Provisions

The purpose of this Redevelopment Plan is to direct development in a manner which is consistent with, and which best supports, the San Jose 2020 General Plan, as amended (hereinafter referred to as "General Plan"). The General Plan, by this reference, is hereby incorporated into this Redevelopment Plan as if fully set forth herein.

The proposed land uses within the Project Area are those established by the General Plan, with which this Plan conforms. It is the intention of this Plan that the land uses permitted in the Project Area shall be as provided in the General Plan as it currently exists or as it may from time to time be amended.

The current land uses in the Project Area are Public/Quasi-Public and Core Area Commercial.

1. Public/Quasi-Public. This category is used to designate public land uses, including schools, colleges, corporation yards, libraries, fire stations, water treatment facilities, convention centers and auditoriums, museums, governmental offices and airports. Joint development projects which include public and private participation – such as an integrated convention center/hotel/restaurant complex – are allowed. This category is also used to designate lands used by some private entities, including public utilities and such institutions as churches, private schools and private hospitals. Only existing uses and ownerships are designated. New quasi-public uses may be established according to the Discretionary Alternate Use policies. The Discretionary Alternative Use Policy Section also describes the process for determining an appropriate alternate use of properties designated for Public/Quasi-Public use.
2. Core Area Commercial. This designation includes office, retail, and service uses in the Downtown Core Area. High-density commercial development is planned for the Park Center and San Antonio Plaza redevelopment areas, integrating a mix of office, hotel, commercial, recreational, and cultural activities to create a business and cultural center for San Jose. Retail sales should be located at ground level.

Lower intensity commercial uses are appropriate in outer parts of the Core Area, peripheral to the high intensity Park Center/San Antonio Plaza area.

These outer areas are intended to provide locations for commercial activities that are not necessarily a part of the most intensely developed portions of downtown, but which for functional reasons, need to be in close proximity to activities in the Downtown Core Area.

Development should incorporate pedestrian-oriented design features at street level. In the Core Area, commercial uses which are accessed by automobile, such as drive-up service windows or auto-oriented convenience markets, are not appropriate uses.

In areas where the Core Area Commercial designation and the Residential Support for the core Area designations overlap, mixed use development is appropriate as is development under either designation individually. For mixed use projects, residential uses should generally be located above non-residential uses.

202. Standards For Development

The following standards will be considered during the review of prospective development proposals and owner-participation agreements. The objective of these standards is to insure successful development of this project, while encouraging innovative design concepts which:

- o Promote quality design
- o Promote functional and attractive sites
- o Preserve the character of San Jose's heritage
- o Protect public investment and land values
- o Protect the natural environment

A. General Provisions

It is anticipated that major projects within this Redevelopment Area will be processed under the provisions of a comprehensive downtown zoning district. When this is not possible, both new development and redevelopment will use the development standards applicable to existing zoning while complying with this Plan and the current City General Plan. Limitations on type, size, height, number and proposed uses of buildings are established by the General Plan.

The purpose of a comprehensive downtown zoning district for implementation of this project is to ensure that development in the project area is planned, designed, constructed, and maintained in a manner which improves the quality, character, image, economic viability, and social health of San Jose's Downtown. It is further intended that each development within this project be compatible with its planned and existing surroundings in architectural style, scale, massing, articulation, fenestration, colors, building materials, textures, decoration, and signage.

The following development standards are intended to carry out these purposes. These standards are not intended to impose rigid requirements. Rather, they embrace the metropolitan intensity of the Downtown Core while recognizing unique project characteristics within this urban setting. Furthermore, such development standards are intended to protect public investments, improvements and facilities which are provided to foster redevelopment within this Redevelopment Area.

B. Permit Process

Future projects in this area are anticipated to be processed under the provisions of a comprehensive downtown zoning district. Such an approach will result in expeditious permit processing, using all appropriate City departments, commissions, agencies, and the City Council.

C. Airport Master Plan/Vicinity Area Plan

There are specific policy guidelines that apply to portions of the project area in the vicinity of San Jose Municipal Airport. The San Jose Airport Master Plan/Vicinity Area Plan and the Santa Clara County Airport Land Use Commission (ALUC) Land Use plan establish regulations on land use, building height, safety and noise insulation within the area adjacent to the Airport. Any development on land which presently is or subsequently comes under jurisdiction of the ALUC shall comply with Vicinity Area Plan regulations and requirements.

D. Streetscapes and Public Open Space

The document entitled, "San Jose Streetscape Guidelines" was developed as a part of the Center City Development Plan process. This document serves as the streetscape and public open space design manual for the project area, and is based on development objectives which maintain continuity and quality throughout the project.

The guidelines will be applied with a reasonable degree of flexibility which allows a variety of solutions to achieve the desired design standards, so long as the solutions comply with the spirit of those guidelines.

Essentially, the "San Jose Streetscape Guidelines" address the total visual experience of the Downtown Core Area. It seeks to quickly establish a unifying visual framework by ranking streets according to scale, intensity of activity, and character of use. Subsequently, this visual framework reinforces desirable existing activity; sets the tone for the character of future development; and further establishes a sense of place. The streetscape guidelines primarily recommend the design of streets and sidewalks. They also provide direction on appropriate designs for street furnishings which include paving, signs, lights, vegetation,

benches, and other amenities. In some cases, the streetscape may also include building facades, building mass, and intersections with open space, such as pedestrian ways, parks, and perhaps playgrounds.

The first step in developing a unified streetscape design is to rank each street. Streets are ranked according to physical scale, intensity of activity, and character of use. Character of use is based only on two factors, vehicular use and pedestrian use. The results establish a hierarchy ranging from exclusively vehicular to exclusively pedestrian. From this perspective, the streetscape guidelines formulate the integration of various streetscape elements. These elements consist of:

- o Sidewalks
- o Sidewalk Intersections/Crosswalks
- o Street Lighting
- o Planting
- o Amenities/Street Furniture
- o Neckdowns
- o Gateways
- o Information/Safety Elements
- o Historic Areas/Trails
- o Residential Streetscape

The Streetscape Guidelines will play an important role in this Redevelopment Project, particularly with regard to the City's Gateways. In the future, realigned Almaden Boulevard and San Carlos Street will serve as major gateways into both the project area and the Downtown Core Area. Each serves as a significant transition point which will reinforce the positive visual impact of those entering through the gateway. This project will apply several devices in establishing the character of the gateway by using any combination of the streetscape elements previously listed. The development standards for gateways will address the following:

- o Sidewalks and street intersections should have some special paving treatment.
- o Lighting should be particularly prominent, with intensified light levels and/or special fixtures reserved for Central Business District (CBD) gateways only.
- o Plant materials should be of a larger scale and/or more varied range of ornamental species than other CBD street plantings.
- o Amenities and furnishings should include such special elements as banners and signs which are more brightly-colored and/or of larger scale than those used in other areas of the CBD.

E. Setbacks

Minimum setbacks, typical in other zones for light and air easements, will not be required in this redevelopment plan. However, interruptions in building frontages from property lines may occur in order to integrate into project designs various parking, landscaping, open space, and streetscape requirements. Upper building stories may be allowed to cover such setback notches or interruptions in building facades.

F. Site Coverage

This redevelopment plan has no limitation in site coverage except for landscaping or off street parking facilities which may be required by downtown zoning provisions in effect when development applications are processed with the City. On-site open space or parking requirements will be determined on a case-by-case basis.

G. Off Street Parking and Loading Spaces

Each development shall provide off street parking and freight loading spaces in compliance with the City's Zoning Ordinances. During project review, the Agency will take into account factors such as: the availability of public parking spaces and transit services; the proportion of walk-in trade which the proposed uses may generate; the hours of operation of the proposed uses and the consistency of the proposed parking facilities with requirements established by a Parking Management Program as approved by the City Council.

H. Signs

All signs on development subject to a disposition and development agreement or a participation agreement must be designed to correspond with scale and location of architectural and landscaping features. Design standards for signs, shall comply with applicable zoning provisions. It is intended that such signs will promote the public health, safety, and general welfare, and improve the character and image of downtown San Jose.

203. Circulation Plan

The circulation plan for the Guadalupe-Auzerais Redevelopment Project Area, forms a transportation network consisting of facilities that provide regional access to the Downtown Core Area, and local circulation within the project area.

A. Regional Network

1. Interstate 280 (I-280) is an eight-lane freeway, located to the south of the project area, which originates in the County of San Francisco and terminates at the exchange of U.S. 101 and Interstate 680.

There are interchanges within the general vicinity of the project area that provide north and southbound accesses to I-280. In-bound access is located at Almaden Street for southbound I-280 traffic, and at Seventh for northbound I-280 traffic. Out-bound traffic can gain access to northbound I-280 at West Reed Street, and southbound I-280 at South Market Street. Other than improvements to State Route 87 exchange by the State, there are no plans for additional access to, or from, I-280 in the vicinity of the project area.

2. State Route 87 (SR-87), Guadalupe Parkway, is a limited access facility located northwest of the project area. This facility will eventually connect U.S. 101, I-280, and the remaining facilities of the Guadalupe Corridor Project, thus serving as a major transportation network for the Downtown Core Area.
3. Guadalupe Corridor Light Rail Transportation facilities pass through the project area. The northern and southern routes are along the centerline of State Route 87, then easterly along San Carlos Street to the transportation network of the Downtown Transit Mall on First and Second Streets, and continuing north through the Guadalupe Corridor to north county job centers.

B. Local Network

1. San Carlos Street is a four-lane, two-way arterial, which serves as an east-west gateway to the Downtown Core Area. This street also accommodates the Guadalupe Corridor Light Rail facility.
2. South Market Street is a four-lane, two-way arterial, which serves as a major north-south gateway of the Downtown Core Area.
3. Auzerais Avenue has been realigned to provide service access along the southerly side of the proposed Convention Center.
4. Almaden Boulevard serves the Downtown Core Area as a major arterial facility with median improvements and will become one of the most significant gateways into the Downtown Core Area, replacing the Almaden/Vine couplet.
5. San Fernando Street and Park Avenue are secondary east-west gateways of the Downtown Core Area. Each is a two-lane, two-way facility with parking on both sides. San Fernando Street is on the northern edge of the project area serving as an east-west

connector throughout the Core. Park Avenue traverses the northern project area and terminates at West Market.

6. Viola Street is a cul-de-sac at Market Street with access only from Almaden Avenue. This design will serve residential uses along Viola Street.
7. West Reed Street provides for local circulation to adjacent residential uses and within the project area, this street provides access to Almaden Avenue and northbound I-280.
8. Prevost Street was realigned along the eastern right-of-way of SR-87 and serve as a northbound freeway connector into and out of this part of the Core.

C. Other Networks

1. Pedestrian Corridor is the only other network plan within the project area. This corridor will be integrated into development efforts along the Guadalupe River, and San Carlos Street. The project intends to establish several pedestrian pathways which will directly link other existing and planned pathways within the Downtown Core Area.

PROJECT PROPOSALS

301. Owner Participation and Rehabilitation

The Agency shall extend reasonable preference to persons in the project area who are engaged in business and wish to reestablish such businesses within this redevelopment area, provided they otherwise meet the requirements prescribed by this redevelopment plan.

An owner or owners of property not subject to acquisition in the project area may participate in the redevelopment of property in the project area in conformance with the Plan and the "Rules For Owner Participation" which have been adopted by the Agency, and which may be amended from time to time. A copy of the rules is on file in the office of the Agency. In general, the rules permit owners to participate in redevelopment subject to the submission of proof to the Agency of their qualifications, including financial responsibility, to carry out their agreement with the Agency.

In the event an owner fails or refuses to cooperate in the redevelopment of his property, the Agency may acquire (by purchase, lease, grant, bequest, eminent domain or otherwise) all or a sufficient interest in the property in order to carry out the objectives of the Plan.

302. Land Acquisition and Clearance

- A. The Redevelopment Agency may purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain, or otherwise any real or personal property, any interest in property, and any improvements thereon, within the project area whenever such action is necessary in order:
1. To remove buildings which are structurally substandard.
 2. To remove buildings, other than buildings which are structurally substandard, in order to effectively remove blighting influences that include, but are not limited to the following:
 - a. Inadequate Street Layout: Buildings which must be acquired to resolve inadequacies in the existing street layout.
 - b. Physical Obsolescence: Buildings which are functionally obsolete and unsuitable for improvement or conversion.
 - c. Incompatible Uses of Land Use Relationships: Buildings which house uses or use relationships that exert a significant downgrading or otherwise harmful influence on the immediate area.

- d. Overcrowding of Buildings on Land: Buildings which exceed recommended standards of coverage.
 - e. Excessive Dwelling Unit Density: Buildings which contain more than the permitted number of dwelling units.
 - f. Continuously Vacant Structures: Buildings which have been boarded up or vacant for a period of time and produce a deleterious influence on adjacent uses or structures.
 - g. Improper Location on the Parcel: Buildings which are situated on the property in an improper manner, such as on or over property lines directly adjacent to another use or structure.
- 3. To provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
 - 4. To clear basically sound or deficient buildings to the extent necessary to assemble land into parcels of adequate size and shape to meet contemporary development needs and standards and to allow new construction to meet the objectives of this Redevelopment Plan.
- B. Commencing with the Fourteenth Amended Plan, the Agency may not employ eminent domain power over property in the Project Area on which any persons reside. Eminent domain proceedings, if used, must be commenced prior to December 15, 2010.
 - C. Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low and moderate income housing market as a part of the project, the Agency shall, within four (4) years of such destruction or removal, rehabilitate, develop or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of low or moderate income an equal number of replacement dwelling units at affordable housing costs, in accordance with Sections 33413 and 33413.5 of the State Community Redevelopment Law. The financial provisions for low and moderate income housing are discussed in Section 401 A(3) of this Plan.

303. Redeveloper's Obligations

In order to provide adequate safeguards to insure that the work of redevelopment will be carried out pursuant to the Redevelopment Plan, the disposition of the land by the Agency shall be subject to a Disposition Agreement which shall include the following provisions:

1. The purchase of land is for the purpose of redevelopment and not for speculation.
2. The land shall be built upon and improved in conformity with the provisions of the Plan.
3. Preliminary site and architectural plans, specifications, and final plans for the construction of improvements on the land shall be submitted to the Agency and City for review and approval. Thereby, the Agency and the City may determine the compliance of such plans and specifications with this Plan and other terms and conditions of Disposition Agreements.
4. The building of improvements shall be commenced and completed within a reasonable time as fixed by the Agency.
5. The Agency shall provide for the retention of control and the establishment of any restriction or covenants running with the land for land sold or leased for private use for such periods of time under such conditions as the Agency deems necessary to effectuate this redevelopment project.
6. Disposition Agreements shall contain other covenants, conditions, and restrictions which are prescribed by the City Council.

304. Program Development Activity

In order to enhance the economic opportunities within the project area, the Agency may develop and implement an investment strategy that will accomplish this objective.

Key elements of the program should include a detailed evaluation of existing conditions and an analysis of the investment opportunities to insure that the program that is implemented achieves the objectives of the project.

The Agency would retain the responsibility for developing and initiating the Program. Where appropriate, the Agency should work with the City, or contract with private firms to complete specific items required.

305. Project Improvements

The Agency and City will endeavor to provide those project improvements necessary to implement this plan. These improvements can include, but are not limited to such items as street improvements, sanitary and storm sewers, utility distribution facilities, public facilities of a project or area-wide nature, and transportation facilities.

306. Property Management

Property acquired by the Agency in the project shall be under the management and control of the Agency during its ownership of such property. This property may be rented or leased by the Agency, pending its conveyance for redevelopment.

307. Land Disposition

All real property acquired by the Agency shall be leased or sold, except property that will be conveyed to the City of San Jose.

Purchasers or lessees of property shall be obligated pursuant to appropriate disposition documents to develop and use the property for the purposes designated in the Plan, to begin development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of the Plan.

308. Relocation Payments

The Agency shall make relocation payments to persons (including individuals and families), business concerns and others displaced by the Project for moving expenses and direct losses of personal property and additional relocation payments as may be required by law. Such relocation payments shall be made pursuant to the California Relocation Assistance Law (Government Code Section 7260 et seq.) and Agency rules and regulations adopted pursuant thereto. The Agency may make such other payments as may be appropriate and for which funds are available.

OTHER PROVISIONS

401. Project Financing

A. Financing Provisions

General Provisions. The proposed financing for this project will be from a number of different sources. Immediate street improvements associated with typical commercial and residential development may be paid for by the developers either through direct contributions or through payment to assessment districts. In addition, the developers may be responsible for securing all private financing for on-site development of buildings, equipment, parking, and landscaped areas. Other development costs may be financed in part through the use of tax increment financing.

The City of San Jose may expend or advance monies for or in connection with the project in accordance with a Cooperation Agreement entered into between the City and the Agency and such expenditures and advances may be reimbursed to the City from proceeds of tax increment financing or any other source permitted by law. Those expenditures that are normally the responsibility of other jurisdictions, such as the Santa Clara Valley Water District, may be financed through joint agreements with those agencies.

The Agency may enter into an agreement with the City or other governmental entity to create a Joint Powers Authority for any purpose to carry out any part of this plan as permitted by law. The Agency may also provide financial contributions as authorized by Section 33401 of the Health and Safety Code.

1. Special Assessment. Portions of the cost of the street improvements and public utilities which are of direct benefit to private properties may be financed by special assessment and assessment bond proceedings under the Municipal Improvement Act of 1913 and the Improvement Act of 1915, respectively.
2. Bonds and Tax Increments. In order to pay for other project costs that may be incurred as a result of implementing the project proposals, the Agency may, from time to time, issue bonds, notes, interim certificates, debentures or other obligations for any of its corporate purposes, authorized by law. The Agency may also issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. No bonds shall be issued by the Agency unless the Agency determines and ascertains that there is sufficient monies available for the repayment of principal and interest when they become due and payable.

Taxes, if any, levied upon the taxable property in the Guadalupe-Auzerais project each year, by or for the benefit of the State of

California, the City of San Jose, County of Santa Clara, any district, or other public corporations shall be divided, as provided in Article 6, Chapter 6, Part I (The Community Redevelopment Law), of the Health and Safety Code of the State of California, and Section 19 of Article XIII, of the Constitution of the State of California, as each of the foregoing may thereafter be amended.

In a proceeding for the advance of monies, making of loans or the incurring of any indebtedness (whether funded, refunded, assumed or otherwise) by the Agency to finance or refinance the project in whole, or in part, that portion of taxes allocable by law, on the date of the making of said advances or loans, or the incurring of said indebtedness, may be irrevocably pledged for payment of the principal of and interest on such loans, advances, or indebtedness subject to the discretion of the Agency. The Agency has no taxing power, and its bonds are not a debt of the City of San Jose, the County of Santa Clara, the State of California or any political subdivision of the State, other than Agency and neither the City, the County, the State, or any other political subdivision is liable for them, nor in any event shall the bonds be payable out of any funds or properties, other than those of the Agency, and the bonds shall so state on their face.

The Agency may prepare and adopt a resolution authorizing the issuance of bonds and defining their terms. Such a resolution must be adopted prior to the sale of the bonds. The bonds shall be marketed in accordance with statutory requirements.

Agency may issue Tax Allocation Bonds for the following purposes:

- a. To pay for site improvements, project improvements and supporting facilities constructed at Agency's expense and to pay for all other expenditures made by Agency for or in connection with the project.
- b. With the consent of the Legislative Body, to pay all or part of the value of land, for and the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned, either within or without the project area, to the extent that such buildings, facilities, structures, or other improvements are of benefit to the project area.
- c. Reimbursement to the City of San Jose for monies expended or advanced.
- d. For any other purposes permitted by law and authorized by the Agency.

3. Funds For Low and Moderate Income Housing. Not less than twenty (20) percent of all taxes which are allocated to the Agency pursuant to Section 33670 of the California Health and Safety Code shall be used by the Agency for the purposes of increasing and improving the City's supply of low- and moderate-income housing to persons and families of low or moderate income and very low income households. All funds which are required to be used for the purposes of increasing the City's supply of low- and moderate-income housing shall be held in a separate Low- and Moderate-Income Housing Fund, and any interest earned by this fund shall accrue to the fund and may only be used in the manner prescribed in Section 33334.2 of the State Community Redevelopment Law.

B. Merger

1. Pursuant to Section 33486 of the California Health and Safety Code, this project has been merged with the Julian-Stockton Redevelopment Project, the Olinder Redevelopment Project, the San Antonio Redevelopment Project, the Rincon de los Esteros Redevelopment Project (exclusive of the property added to the Rincon de los Esteros Redevelopment Project on November 5, 1991, which was not merged), the Pueblo Uno Redevelopment Project, the Edenvale Redevelopment Project, the Alum Rock Avenue Redevelopment Project, the Century Center Redevelopment Project, the Market Gateway Redevelopment Project, the East Santa Clara Street Redevelopment Project and the Almaden Gateway, The Alameda, West San Carlos Redevelopment Project, Story Road Redevelopment Project, Japantown Redevelopment Project, Monterey Corridor Redevelopment Project, Park Center Redevelopment Project and Civic Plaza Redevelopment Project to permit the allocation of taxes from each of the Project Areas to the entire Merged Project Area for the purpose of paying the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Redevelopment Agency to finance or refinance in whole or in part, such merged redevelopment project except as provided in Sections 2 and 3 below.
2. Taxes attributable to the aforementioned Project Areas which are allocated to the Redevelopment Agency pursuant to Section 33670 shall be first used to comply with the terms of any bond resolution or other agreement pledging such taxes from such Project Areas.
3. Except as provided in Section 2 above, not less than twenty percent (20%) of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 shall be used

for the purposes set forth in California Health and Safety Code Section 33334.2.

C. Financing Limitations.

1. Any loans, advances or indebtedness to finance this Project in whole or in part shall be established on or before January 1, 2004, provided that repayment of such loans, advances or indebtedness may extend beyond this date.
2. Pursuant to Sections 33333.6(b) and (d) of the Health and Safety Code, the effectiveness of this Plan shall terminate on May 19, 2023. After such date, the Agency shall have no authority to act pursuant to this Plan except to pay previously incurred indebtedness, to enforce existing covenants, contracts or other obligations, and to take any other action that may otherwise be permitted by law.
3. Pursuant to Section 33333.6(c) and (d) of the Health and Safety Code, the Agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 after May 19, 2033, unless otherwise permitted by law.
4. Pursuant to Section 33486 of the Health and Safety Code, there shall be divided and allocated to the Agency under Section 33670 and 33333.4 of the Health and Safety Code of the State of California, an amount no greater than Seven Billion Six Hundred Million Dollars (\$7,600,000,000), for the Merged Redevelopment Project Area.
5. Pursuant to Section 33334.1 of the Health and Safety Code, no more than Ninety Million Dollars (\$90,000,000) of bonded indebtedness attributable to this Guadalupe Auzerais Project Area Plan may be outstanding at one time.

402. Mitigation of Environmental Impacts

The Downtown Strategy Plan EIR covers this Project Area.

403. Duration of Plan

The duration of this Plan is set forth in Section 401.C. Any declaration of restrictions formulated pursuant to this Plan may contain provisions for the extension of such Declaration of Restrictions for successive periods. Any contract or agreement for rehabilitation, owner participation, or redevelopment of property within the project area may require that the property will be devoted to the uses specified in the Plan for the duration of the Plan.

404. Enforcement of Plan

The provisions of the Plan and other documents formulated pursuant thereto may be enforced by the Agency in any manner authorized by law.

405. Nondiscrimination Clauses

All deeds, leases, or contracts, which the Agency proposes to enter into with respect to the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of any land in the Project Area shall contain the nondiscrimination clauses prescribed in Section 33436 of the California Community Redevelopment Law as amended, which provide that any lessee, grantee, or other contracting party, by or for itself, its heirs; executors, administrators, assigns, and all persons claiming through any of them, shall covenant that there shall be no discrimination against or segregation of any person or groups of persons on account of race, color, creed, sex, marital status, religion, or national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises.

406. Equal Employment Opportunity

It is the policy of the Agency to eliminate employment discrimination against any person or groups of persons because of race, color, marital status, religion, age, sex, physical or mental disability, medical condition, sexual orientation, national origin, or ancestry.

407. Procedure for Amendment

This Plan may be amended in any manner that is now, or hereafter permitted by law.

408. Severability

If any provision, section, subsection, subdivision, sentence, clause or phrase of the Plan is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portion or portions of the Plan.

APPENDIX A

Boundary Description

The boundaries of the project are shown on Figure 2, "Boundary Map", in accordance with the following legal description:

All that certain real property in the County of Santa Clara, State of California,

BEGINNING at the point of intersection of the centerline of San Carlos Street and the westerly line of W. Market Street; thence southerly along said westerly line of W. Market Street to its intersection with the southerly line of Viola Avenue; thence westerly along said southerly line of Viola Avenue to its intersection with the easterly line of Almaden Avenue; thence southerly along said easterly line of said Almaden Avenue to its intersection with the northerly right-of-way line with Interstate 280; thence westerly along said right-of-way line to its intersection with the easterly right-of-way line of State Route 87; thence northerly along said right-of-way line to its intersection with the southerly line of San Fernando Street; thence easterly along said line to the centerline of the Guadalupe River; thence southerly along said centerline to its intersection with the northerly right-of-way line of Park Avenue, 130 feet wide; thence westerly along said line 80 feet; thence southerly along a line parallel to and 80 feet distant from the centerline of the Guadalupe River to its intersection with the southerly line of Park Avenue; thence easterly to the centerline of the Guadalupe River; thence southerly along the centerline of the Guadalupe River to its intersection with the centerline of San Carlos Street; thence easterly along said centerline to the Point of Beginning.

REDEVELOPMENT PLAN CHRONOLOGY: GUADALUPE-AUZERAIS

Adopted May 19, 1983

(Original Plan)

City Ordinance No. 21325

Agency Resolution No. 2268

First Amendment

Adopted August 30, 1983

City Ordinance No. 21417

Agency Resolution No. 2295

(Merger: Guadalupe-Auzerais)

Second Amendment

Adopted November 15, 1983

City Ordinance No. 21496

Agency Resolution No. 2315

(Merger: Century Center, Market Gateway)

Third Amendment

Adopted December 18, 1986

City Ordinance No. 22412

Agency Resolution No. 2598

(Administrative and Financial Amendments)

(Appears as Section 607)

Fourth Amendment

Adopted April 7, 1988

City Ordinance No. 22761

Agency Resolution No. 2788

(Merger: Alum Rock, East Santa Clara)

Fifth Amendment

Adopted April 7, 1988

City Ordinance No. 22761.1

Agency Resolution No. 2789

(Merger: Almaden-Gateway)

(Appears as Section 401)

REDEVELOPMENT PLAN CHRONOLOGY: GUADALUPE-AUZERAI
(continued)

Sixth Amendment

Adopted February 5, 1991
City Ordinance No. 23703
(Merger: Story Road)

Seventh Amendment

Adopted March 5, 1991
City Ordinance No. 23732
(Merger: Alameda)

Eighth Amendment

Adopted April 9, 1991
City Ordinance No. 23761
(Merger: West San Carlos)

Ninth Amendment

Adopted November 19, 1992
City Ordinance No. 24224
(Technical re replacement housing)

Tenth Amendment

Adopted December 2, 1993
City Ordinance No. 24508
(Merger: Japantown)

Eleventh Amendment

Adopted December 13, 1994
City Ordinance No. 24767
(Financing Limitations and Technical Amendments)

Twelfth Amendment

Adopted December 13, 1994
City Ordinance No. 24774
(Merger: Monterey Corridor)

Thirteenth Amendment

Adopted June 25, 1996
City Ordinance No. 25112
(Merger: Park Center)

REDEVELOPMENT PLAN CHRONOLOGY: GUADALUPE-AUZERAIS
(continued)

Fourteenth Amendment

Adopted December 15, 1998
City Ordinance No. 25697
(Eminent domain extension)

Fifteenth Amendment

Adopted January 26, 1999
City Ordinance No. 25762
(Extend date to incur debt)

Sixteenth Amendment

Adopted June 15, 1999
City Ordinance No. 25888
(Merger: Civic Plaza)

Seventeenth Amendment

Adopted March 6, 2001
City Ordinance No. 26197
(Merger: Neighborhood Business Clusters)

Eighteenth Amendment

Adopted June 25, 2002
City Ordinance No. 26663
(Merger: Strong Neighborhoods Initiative)

Nineteenth Amendment

Adopted August 6, 2002
City Ordinance No. 26660
(Merger: Century Center Expanded Area)

Twentieth Amendment

Adopted October 22, 2002
City Ordinance No. 26765
(SB 211 – Delete date to incur debt)

Twenty-First Amendment

Adopted November 18, 2003
City Ordinance No. 27011
(SB 1045 – Extend date of plan effectiveness,
date to incur debt and receive property taxes)

REDEVELOPMENT PLAN CHRONOLOGY: GUADALUPE-AUZERAI
(continued)

Twenty-Second Amendment

Adopted April 5, 2005

City Ordinance No. 27389

(SB 1096 – Extend date of plan effectiveness,
date to incur debt and receive property taxes)