



**MINUTES OF THE CITY COUNCIL**

**JOINT/REDEVELOPMENT AGENCY  
PROPOSED FY 2009-2010 REVISED OPERATING BUDGET  
AND REVISED CAPITAL BUDGET  
FY 2010-2015 CAPITAL IMPROVEMENT PROGRAM  
BUDGET STUDY SESSION**

**SAN JOSÉ, CALIFORNIA**

**MONDAY, NOVEMBER 9, 2009**

The Council of the City of San José convened in a Study session at 9:05 a.m. in the Council Chambers at City Hall.

Present: Council Members - Campos, Chirco, Constant, Herrera, Kalra, Liccardo, Oliverio, Pyle; Reed.

Absent: Council Members - Chu, Nguyen. (Excused)

Staff: City Attorney Richard Doyle, City Manager Debra Figone, Redevelopment Agency Executive Director Harry S. Mavrogenes, Redevelopment Agency Assistant Executive Director John Weis, Redevelopment Agency Deputy Executive Director Abi Maghamfar, Redevelopment Agency Deputy Executive Director Janet Kern, Redevelopment Agency Chief Financial Officer David Baum, City Clerk Lee Price and Legislative Secretary Ruth Krantz.

**Opening Comments**

Mayor Reed and Redevelopment Agency Executive Director Harry S. Mavrogenes presented opening remarks.

Access the video, the agenda and related reports for this meeting by visiting the City's website at <http://www.sanjoseca.gov/clerk/agenda.asp> or <http://www.sanjoseca.gov/clerk/MeetingArchive.asp>. For information on any ordinance that is not hyperlinked to this document, please contact the Office of the City Clerk at (408) 535-1266.

## **Redevelopment Agency Presentation**

Redevelopment Agency Assistant Executive Director John Weis presented background information and investments made by project areas.

Redevelopment Agency Chief Financial Officer David Baum continued the budget overview and discussed guiding principles as approved by the Mayor and Council.

Redevelopment Agency Executive Director Harry S. Mavrogenes summarized the Agency's Source and Use Statement and discussed the payback of Housing Funds.

Redevelopment Agency Chief Financial Officer David Baum offered forecasts and revenue projections as provided by Spectrum Economics. Additional goals and investment strategies for FY 2010-2015 were outlined.

## **City Manager's Presentation**

City Manager Debra Figone offered a presentation on Housing Fund policy issues and considerations for City funds.

Discussion followed regarding the impact of the proposed budget on economic development.

Staff responded to questions from Council.

## **Public Comments**

Mayor Reed opened the floor for public testimony.

Public Comments: Former Mayor Susan Hammer and Greg Lippman expressed appreciation for the Agency's support of Ace Charter School. Erik Larsen (AFSCME), Michael Mulcahy and Dan Fenton (San Jose Convention & Visitors Bureau/Team San José) spoke in support of moving the Convention Center project forward. John Guthrie, Finance Director for the County of Santa Clara, expressed concerns over the Agency's fiscal obligations to the County of Santa Clara. Bob Brownstein urged greater public input in the budget process to better reflect community values. Urging the City and Redevelopment Agency to meet affordable housing obligations were Kevin Zwick (Housing Trust of Santa Clara County) and James Zahradka (Law Foundation of Silicon Valley). Bonnie Mace (Housing Commission Chair) spoke in opposition to taking money from the housing fund and asked that other alternatives be explored to ensure that essential housing services are maintained. Elizabeth Monley (Downtown Parking Board Chair) reported that a special meeting of the Downtown Parking Board will be held November 16, 2009 to discuss a policy recommendation for the City regarding the depletion of the Capital Development Fund.

Council discussion followed.

Chief Development Officer Paul Krutko responded to questions from Council.

Redevelopment Agency Executive Director Harry S. Mavrogenes and Redevelopment Agency Chief Financial Officer David Baum responded to questions regarding fiscal obligations to the County of Santa Clara.

Director of Housing Leslye Krutko responded to questions regarding construction bonds.

### **Closing Remarks**

Mayor Reed offered closing comments and expressed appreciation to City and Redevelopment Agency staff for their collaborative work on this effort.

Mayor Reed adjourned the study session at 12:00 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC  
City Clerk

rmk/11-09-09/MIN

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## ATTACHMENT A

### Documents Filed:

- (1) Memorandum from Council Member Liccardo, dated November 9, 2009, presenting questions to the Redevelopment Agency regarding the RDA budget.
- (2) Memorandum from Council Member Liccardo, dated November 9, 2009, recommending funding changes to the RDA budget for Strong Neighborhoods Initiative – Five Wounds/Brookwood Terrace.
- (3) Memorandum from Council Member Oliverio, dated November 12, 2009, recommending funding changes to the RDA budget, recommending all RDA funding be prioritized for economic development.
- (4) Memorandum from Council Member Chu, dated November 12, 2009, recommending renegotiation of RDA contracts.
- (5) Memorandum from Council Member Campos, dated November 12, 2009, recommending formation of working group coordinating facilities needs for East Valley/680 NAC, Mayfair NAC, Gateway East NAC.
- (6) Memorandum from Council Member Campos, dated November 12, 2009, recommending funding changes for Housing Trust of Santa Clara County's Multi-Family Rental Housing Loan and First Time Homebuyer Programs.
- (7) Memorandum from Council Member Campos, dated November 12, 2009, recommending funding changes to the RDA budget for Strong Neighborhoods Initiative – Hillview Park Play Structure.
- (8) Memorandum from Council Member Nguyen, dated November 12, 2009, recommending funding changes to the RDA budget for San Jose Municipal Stadium.
- (9) Joint memorandum from Council Members Nguyen and Liccardo, dated November 12, 2009, recommending funding changes to the RDA budget for Senter Road Interstate 280 Interchange Connection.
- (10) Memorandum from Council Member Liccardo, dated November 12, 2009, recommending funding changes to the RDA budget for Neighborhood Business District façade improvements.
- (11) Joint memorandum from Council Members Liccardo and Pyle, dated November 12, 2009, posing questions to the City Manager on RDA budgetary decisions on City services and operations.
- (12) Memorandum from Council Member Kalra, dated November 12, 2009, recommending Redevelopment Agency Staff to submit Staff reports identifying RDA budget encumbrances.
- (13) The Redevelopment Agency of the City of San José “Proposed 2009-2010 Revised Capital Budget, 2010-2015 Capital Improvement Program and 2009-2010 Revised Operating Budget”..
- (14) Staff PowerPoint presentation of the “Proposed FY 2009-2010 Revised Operating Budget, Revised Capital Budget and FY 2010-2015 Capital Improvement Program”, dated November 9, 2009..
- (15) PowerPoint presentation by City Manager Debra Figone, “Policy Issues and Considerations for City Funds”, dated November 9, 2009.
- (16) Letter from James Zahradka II, Law Foundation of Silicon Valley, dated November 6, 2009, regarding allocation of RDA budget proposals