



**MINUTES OF THE JOINT CITY COUNCIL
SAN JOSE FINANCING AUTHORITY**

SAN JOSE, CALIFORNIA

TUESDAY, JUNE 22, 2010

The Council of the City of San José convened in regular joint session at 2:05 p.m. in the Council Chambers at City Hall.

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

Absent: Council Members - None.

2. (a) **Adopt a resolution of the City Council:**
 - (1) **Repealing Resolution No. 71579 of the City Council adopted on November 17, 2009.**
 - (2) **Authorizing the issuance of tax-exempt multifamily housing revenue bonds in two series designated as "City of San José Multifamily Housing Revenue Bonds (Orvieto Family Apartments), Series 2010B-1 and Series 2010B-2" in the aggregate principal amount not to exceed \$14,200,000 (individually, the "Series B-1 Bonds", the "Series B-2 Bonds" and collectively, "Bonds").**
 - (3) **Approving a loan of Bond proceeds to Orvieto Family Apartments, L.P., a California limited partnership (the "Borrower"), for financing a portion of the costs of constructing the Orvieto Family Apartments (the "Project") located at 80 Montecito Vista Drive in the City of San José (the "City").**
 - (4) **Approving in substantially final form the Series B-1 Senior Trust Indenture with Wells Fargo Bank, National Association, as Trustee (the "Trustee"), the Series B-2 Subordinate Trust Indenture with JP Morgan Chase Bank, N.A., as Bondowner Representative (the "Bondowner Representative"), the Series B-1 Financing Agreement among the City, the Borrower and the Trustee, the Series B-2 Loan Agreement among the City, the Borrower and the Bondowner Representative, Regulatory Agreement among the City, the Borrower and the Trustee, the Intercreditor Agreement among the City, the Trustee, Freddie Mac and the Bondowner Representative, the Bond Purchase Agreement among the City, the Borrower and RBC Capital Markets as Underwriter of the Series B-1 Bonds, and the Official Statement.**

2. (a) **Adopt a resolution of the City Council (Cont'd.)**
 - (5) **Authorizing the City Manager, Assistant Finance Director, Director of Housing or their designees to execute and, as appropriate, to negotiate, execute and deliver these bond documents and other related bond documents as necessary.**
 - (6) **Authorizing the Director of Housing, to negotiate and execute an agreement with the City of San José Financing Authority (the “Authority”) related to the groundlease revenues of the Project and ultimate disposition of the Project improvements and the Site.**
- (b) **Adopt a resolution of the City of San José Financing Authority Board (the “Authority Board”):**
 - (1) **Repealing Resolution No. 93 of the Authority Board adopted on November 17, 2009;**
 - (2) **Authorizing the Executive Director of the Authority, or designee, to acquire the Project site (the “Site”) from the Borrower and, with the Director of Housing, negotiate and execute a ground lease of the Site back to the Borrower for a term of up to 99 years with such other terms to be negotiated by the Executive Director of the Authority and the Director of Housing.**
 - (3) **Authorizing the Executive Director of the Authority and Director of Housing to negotiate and execute an agreement with the City related to the ground lease revenues from the Project and the ultimate disposition of the Project improvements and the Site.**

CEQA: Resolution No. 72877, Goble Lane Environmental Impact Report, File No. PP09-086. (Finance/Housing)
(Deferred from 6/15/10 – Item SJFA #2)

Documents Filed: Memorandum from Assistant Director of Finance Julia H. Cooper and Director of Housing Leslye Krutko, dated May 27, 2010, recommending adoption of resolutions.

Motion: Council Member Nguyen moved approval of the Staff recommendations. Council Member Herrera seconded the motion.

Public Comments: Jerry Mungai expressed opposition to more affordable housing units and subsidies.

Action: On a call for the question, the motion carried unanimously, [Resolution No. 75454](#), entitled: “A Resolution of the Council of the City of San José Authorizing the Issuance of Two Series of Multifamily Housing Revenue Bonds and the Loan of the Proceeds Thereof for the Financing of the Orvieto Family Apartments, Approving other Related Documents and Actions and Repealing Prior Resolution” and [SJFA Resolution No. 101](#), entitled: “A Resolution of the Financing Authority of the City of San José (1) Repealing Resolution No. 93 (2) Authorizing the Executive Director of the City of San José Financing Authority or Designee, To Acquire Property Located at 80 Montecito Vista Drive (Site) in the City of San José from Orvieto Family Apartments, L.P., and To

2. (Action Cont'd.)

Negotiate and Execute a Ground Lease of the Site Back to the Partnership for a Term of Up to 99 Years with Such Other Terms to be Negotiated by the Executive Director of the City of San José Financing Authority and the Director of Housing and (3) Authorizing the Executive Director of the City of San José and the Director of Housing to Negotiate and Execute an Agreement with the City of San José Related to the Ground Lease Revenues and the Ultimate Disposition of the Affordable Housing Project Improvements and the Property”, were adopted. (11-0.)

Mayor Reed adjourned the meeting at 2:07 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC
City Clerk

smd/06-22-10 JT-SJFA MIN

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