

**SPECIAL MINUTES OF THE JOINT CITY COUNCIL
REDEVELOPMENT AGENCY
SAN JOSE FINANCING AUTHORITY**

SAN JOSE, CALIFORNIA

WEDNESDAY, JANUARY 19, 2011

The Council of the City of San José convened in special joint session at 4:03 p.m. in the Council Chambers at City Hall.

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

Absent: Council Members - All Present.

Staff: City Attorney Richard Doyle, Redevelopment Agency Executive Director Harry S. Mavrogenes, City Manager Debra Figone, Director of Housing Leslye Corsiglia, Director of Intergovernmental Relations Betsy Shotwell, City Clerk Dennis D. Hawkins and Deputy City Clerk Susan M. Davis.

ORDERS OF THE DAY

Upon motion by Council Member Liccardo, seconded by Council Member Herrera and carried unanimously, the Orders of the Day and the Amended Agenda were approved. (11-0.)

- 1.1 In response to the Governor’s proposed State budget package and proposals for FY 2011-12, which include recommending the elimination of redevelopment agencies “to realign the delivery of state services to counties and local governments” and eliminate a projected State deficit of \$25.4 billion, the City Manager and Agency Executive Director recommend the following actions intended to provide flexibility to fund the Agency’s existing debt obligations and to reaffirm the Agency’s obligations and appropriation of funding for its previously approved FY 2010-11 Operating Budget, its Three-Year Capital Improvement Plan and other contractual obligations.**

- 1.1 (a) **City Council and Agency Board by motion, makes a good faith, reasonable determination by a 2/3 vote of the body that an issue has arisen that must be resolved in less than 4 days. (8 votes required)**

Action: Upon motion by Council Member Liccardo, seconded by Council Member Herrera and carried unanimously, all items on the agenda were approved and moved forward for discussion. (11-0.)

- (b) **Approval of a Cooperation Agreement between the City of San Jose and the San Jose Redevelopment Agency relating to funding certain Redevelopment Agency capital improvements, public improvements and obligations located within currently designated redevelopment project areas.**

Action: Deferred to January 25, 2011.

- (d) **Adoption of a resolution by the City Council making certain findings and determinations as may be necessary.**

CEQA: Not a Project. [MERGED]

Action: No resolution adopted at this time.

- (c) **Adoption of resolutions by the Agency Board, the San Jose Financing Authority Board and the City Council authorizing the Agency Executive Director, the City Manager, the Executive Director of the Financing Authority and the Housing Department Director to negotiate and execute agreements necessary to protect and secure existing obligations and to acquire, construct, develop and implement projects specified in the Agency and City's approved capital improvement plan and City's 5 year affordable housing plan as specified herein.**

- (e) **Authorize the Director of Housing to negotiate and execute agreements in the amount of \$1.43 million of Low- and Moderate-Income Housing funds ("20% funds") to Eden Housing or its affiliate for the Ford & Monterey Special Needs Housing Project ("Project") in order to meet federal Stimulus ("NSP2") timeframes; and make a finding that the use of 20% Low- and Moderate-Income Housing Funds outside a redevelopment project area for the affordable housing to be provided by the Project and its Phase II benefits the Agency's redevelopment project areas. CEQA: Mitigated Negative Declaration, PDC09-022.**

Documents Filed: (1) Memorandum from Redevelopment Agency Executive Director Harry S. Mavrogenes and City Manager Debra Figone, dated January 19, 2011, recommending actions as stated above in Item 1.1. (2) Supplemental memorandum from Redevelopment Agency Executive Director Harry S. Mavrogenes, dated January 19, 2011, recommending that the Executive Director be given the authority to negotiate and execute agreements necessary to protect and secure existing obligations. (3) Letter from Miguel Marquez, Santa Clara County Counsel, dated January 19, 2011, voicing the County's objections to any action that establishes, or purports to establish, any additional indebtedness for the San José Redevelopment Agency.

1.1 (Cont'd.)

Mayor Reed provided opening remarks and provided background information.

Executive Director of the Redevelopment Agency Harry Mavrogenes presented the background and circumstances.

City Attorney Richard Doyle clarified issues relating to the Brown Act noticing.

Council discussion ensued.

City Attorney Richard Doyle, Director of Housing Leslye Corsiglia and Director of Intergovernmental Relations Betsy Shotwell responded to Council questions and comments.

Motion: Council Member Liccardo moved approval of the Staff recommendations in Items 1.1(c)(d) and (e). Council Member Herrera seconded the motion.

Redevelopment Agency Executive Director Harry S. Mavrogenes requested to amend the motion to include his supplemental memorandum dated January 19, 2011. Council Members Liccardo and Herrera accepted the amendment.

Action: On a call for the question, the motion carried unanimously, Redevelopment Agency Resolution No. 6000, entitled: "A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Authorizing the Executive Director, the City Manager, the Executive Director of the Financing Authority and the Housing Department Director to Negotiate and Execute Agreements as Necessary to Protect and Secure Existing Obligations and To Acquire, Construct and Develop and Implement Projects Specified In the Agency and City's Approved Capital Improvement Plan and the City's Five-Year Affordable Housing Plan As Specified Herein"; SJFA Resolution No. 108, entitled: "A Resolution of the City of San José Financing Authority Authorizing the Executive Director of the Financing Authority to Negotiate and Execute Agreements Necessary to Protect and Secure Existing Obligations"; Council Resolution No. 75697, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager and the Housing Department Director To Negotiate and Execute Agreements Necessary to Protect and Secure Existing Obligations and To Acquire, Construct, Develop and Implement Projects Specified in the City of San José's Five-Year Affordable Housing Plan" and Council Resolution No. 75698, entitled: "A Resolution of the Council of the City of San José Authorizing the Director of Housing to Negotiate and Execute Agreements with Eden Housing or Its Affiliate for the Ford & Monterey Special Needs Housing Project", were adopted, and the supplemental memorandum from Redevelopment Agency Executive Director Harry S. Mavrogenes, dated January 19, 2011, was approved. (11-0.)

OPEN FORUM

Speaking in support to the Staff recommendations were: Greg Lippman, Ace Charter School and Andrea Papanastassiou.

ADJOURNMENT

The Council of the City of San José/Redevelopment Agency Board/San José Financing Authority Joint Meeting was adjourned at 4:47 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Dennis D. Hawkins, CMC
City Clerk

smd/01-19-11 SPEC MIN

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