

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

SAN JOSE, CALIFORNIA

TUESDAY, MAY 3, 2011

The Council of the City of San José convened in Regular Joint Session at 4:15 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 - All Present.

2. **Adopt resolutions authorizing the City Manager, Executive Director of the Financing Authority, and the Executive Director of the Agency to negotiate and execute a First Amendment to the Loan Agreement by and among the City, Financing Authority and the Agency Related to the Supplemental Education Revenue Augmentation Fund dated May 6, 2010, to allow the second installment of the SERAF Loan to the Agency to be made with 20% Housing Funds, and later replenished with a loan of Commercial Paper proceeds from the Authority to the Housing Program.**

Documents Filed: (1) Memorandum from Mayor Reed, dated April 29, 2011, recommending approval of the Staff recommendations with direction to Staff. (2) Joint memorandum from City Manager Debra Figone and Redevelopment Agency Executive Director Harry S. Mavrogenes, dated April 22, 2011, recommending adoption of resolutions.

Public Comments: (1) Pat Saucedo (San José/Silicon Valley Chamber of Commerce) encouraged approval of the Mayor's recommendations. (2) David Wall expressed disagreement over what he feels are 'nested financial agreements'.

Financing Staff offered an overview of the Supplemental Education Revenue Augmentation Fund (SERAF) financing plan, and Council discussion ensued.

2. (Cont'd.)

Redevelopment Agency Executive Director Harry S. Mavrogenes responded to questions from Council, and City Attorney Richard Doyle explained the penalty the City is currently paying under protest and responded to questions.

Action: Upon motion by Council Member Rocha, seconded by Council Member Liccardo, and carried unanimously, Resolution No. 75794, entitled: “A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute a First Amendment to the Loan Agreement by and Among the City, City of San José Financing Authority, and the Redevelopment Agency of the City of San José Related to the Supplemental Education Revenue Augmentation Fund Dated May 6, 2010, to Allow the Second Installment of the SERAF Loan to the Agency to be Made with 20% Housing Funds, and Later Replenished with a Loan of Commercial Paper Proceeds from the Authority to the Housing Program if Necessary”, Financing Authority Resolution No. 112, entitled “A Resolution of the City of San José Financing Authority Authorizing the Executive Director of the Financing Authority to Negotiate and Execute a First Amendment to the Loan Agreement by and Among the City, City of San José Financing Authority, and the Redevelopment Agency of the City of San José Related to the Supplemental Education Revenue Augmentation Fund Dated May 6, 2010, to Allow the Second Installment of the SERAF Loan to the Agency to be Made with 20% Housing Funds, and Later Replenished with a Loan of Commercial Paper Proceeds from the Authority to the Housing Program if Necessary”, and Redevelopment Agency Resolution No. 6016, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Authorizing the Executive Director to Negotiate and Execute a First Amendment to the Loan Agreement by and Among the City, City of San José Financing Authority, and the Redevelopment Agency of the City of San José Related to the Supplemental Education Revenue Augmentation Fund Dated May 6, 2010, to Allow the Second Installment of the SERAF Loan to the Agency to be Made with 20% Housing Funds, and Later Replenished with a Loan of Commercial Paper Proceeds from the Authority to the Housing Program if Necessary”, were adopted. (10-1. Noes: Oliverio.)

Mayor Reed adjourned the Joint Council/Redevelopment Agency/San José Financing Authority Meeting at 4:54 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Dennis Hawkins, CMC
City Clerk

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