

RESOLUTION NO. 75216

A RESOLUTION OF THE CITY OF SAN JOSE (I) FINDING AND DETERMINING THAT SIGNIFICANT POVERTY, UNEMPLOYMENT, RATE OF HOME FORECLOSURES, AND GENERAL DISTRESS EXIST THROUGHOUT THE CITY OF SAN JOSE AS A CONSEQUENCE OF THE RECENT HOUSING MARKET COLLAPSE, THE IMPACT OF THE NATIONAL RECESSION AND THE FISCAL CRISIS EXPERIENCED BY THE STATE OF CALIFORNIA AND LOCAL COMMUNITIES, (II) DESIGNATING THE ENTIRE GEOGRAPHIC REGION OF THE CITY OF SAN JOSE AS AN ECONOMIC RECOVERY ZONE IN ORDER TO MAKE THE CITY ELIGIBLE TO RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS (RZEDB) AND RECOVERY ZONE FACILITY BONDS (RZFB AND (III) AUTHORIZING THE CITY MANAGER OR HER DESINGEE TO TAKE SUCH OTHER ACTIONS, INCLUDING NEGOTIATING AND EXECUTING AGREEMENTS AS MAY BE NECESSARY TO ENSURE THAT THE CITY OF SAN JOSE IS DESIGNATED A RECOVERY ZONE IN THE EVENT THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE REALLOCATES RZFB AND RZEDB FUNDING ACTIVITY.

WHEREAS, Section 1401 of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) added Sections 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended, authorizing states, counties and large municipalities to issue Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS, Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds may be used to finance certain "qualified economic development purposes" and certain "recovery zone property," generally for use within Recovery Zones; and

WHEREAS, a Recovery Zone is defined in Section 1400U-1 as: (i) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures, or general distress, (ii) any area designated by the issuer as economically distressed by reason of closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and (iii) any area for which a designation as an empowerment zone or renewal community is in effect as of the effective date of the Act, which effective date is February 17, 2009;and

WHEREAS, the City of San Jose was not allocated any Recovery Zone Economic Development Bonds or Recovery Zone Facility Bonds in the first allocation. There are

plans for the State of California to redistribute unused Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds from other municipalities and counties that did not use any or all of their allocation; and

WHEREAS, Internal Revenue Service Notice 2009-50 states that an issuer of Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds can make designations of Recovery Zones in any reasonable manner as it shall determine in good faith in its discretion; and

WHEREAS, City Council approval of Recovery Zone areas is required prior to authorizing the use of either Recovery Zone Economic Development Bonds or Recovery Zone Facility Bonds; and

WHEREAS, all requests for use of Recovery Zone funds shall be approved by the City Council in accordance with the rules or regulations relating to issuance of bonds or any financing documents relating to such issuance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. Finds and determines that significant poverty, unemployment, rate of home foreclosures, and general distress exist throughout the City of San Jose as a consequence of the recent housing market collapse, the impact of the national recession and the fiscal crisis experienced by the State of California and local communities, as more specifically set forth in the Report of the Director of the Office of Economic Development dated November 16, 2009.
2. The entire geographic region of the City of San Jose is designated as an Economic Recovery Zone in order to make the City eligible to issue Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds, as more specifically set forth in the Report of the Director of the Office of Economic Development dated November 16, 2009.
3. Authorizes the City Manager, or her designee, to take such other actions, including negotiating and executing agreements, as may be necessary to ensure that the City of San Jose is designated a Recovery Zone in the event the California Debt Limit Allocation Committee reallocates RZFB and RZEDB funding activity, as more specifically set forth in the Report of the Director of the Office of Economic Development dated November 16, 2009.

ADOPTED this 8th day of December, 2009, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,
KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE, REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST:



LEE PRICE, MMC
City Clerk