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>> Mayor Reed: On we would have to have an eight votes to continue on this shortened notice. And so that's the order in which we would do things before we start to take action, if we don't get eight votes we're done. Really I think before we can have that vote on whether to proceed. Councilmembers have to get that background information. Let me give you background information where I've been involved. Last Friday we had a conference call with the big ten mayors, which is a semi organized group of the mayors of the ten largest cities in California, in preparation for a meeting with the governor on the 26th, next week, on the 26th of January. During that meeting there were several of the mayors who had information about what they believed the legislature might be doing with the governor's proposal to terminate redevelopment agencies and there were several that thought that the legislature would take that issue up today and deal with it in an extraordinary way that could possibly terminate agencies immediately, and certainly cause some difficulty for us in our contractual obligations and the things that we are already in the middle of. There were also a couple of mayors who didn't think the legislature would take it up this week. But nevertheless, since that meeting Friday morning, about a dozen cities have taken very quick action, including the City of Los Angeles, their Redevelopment Agency took action and there are others that took action over the weekend. And I don't know what the total count is but a lot of cities have felt the necessity of moving ahead with some sort of action in anticipation of what the state might do. This morning, when we had a chance to compare notes or yesterday morning we had a chance to talk to our staff and compare notes, we were getting similar kinds of information at the time, and thought it was appropriate to call a special meeting to at least give our city council an opportunity to act if it seemed to be necessary. Now, of course, this is a very fast-moving question, both to the state legislature and locally. And things have changed a bit, I think, in Sacramento, and exactly where the legislature is, what the legislature might do I think is still subject of some question. But I think that is -- goes to the question of whether or not we need to act on 24 hours notice, or if we could take a little more time. And -- excuse me -- so today at the Rules Committee meeting, a couple hours ago, well, more like an hour ago, we did agendize for Tuesday the items that are in front of us today. First, because we didn't know if we'd get a quorum for today. And second, we weren't sure we could get eight votes for today. So we do have agenda -- we had previously agendized council direction and direction to staff regarding state budget proposals so we agendized that agenda item so we could take additional action if the council so chose. We are not in a box today in terms of we absolutely have to do this

today perhaps but I think that's part of the discussion we need to have before we decide whether or not to proceed with the meeting. With that I'd like to turn it over to our executive director to talk about the background and circumstances that go to calling this meeting before we get into that.

>> Harry Mavrogenes: Thank you, Mr. Mayor, members of the board. I appreciate your willingness to take the time to do this today. And again, we were trying to react. This is not a normal way to do business. We like to give plenty of notice. But the actions that we had contemplated for today basically are to protect the program that you all have very thoroughly looked at, our three-year spending plan, and to be able to assure as much as we can that we can implement that plan for you in the event that the legislature passes any legislation that might preclude us from entering into further contracts. Some of our projects in our \$58 million spending plan are already in contract, and they probably are safe. Others are not yet in contract, and we wanted the opportunity to use the co-op agreement which is something that we do on a regular basis, on any given Tuesday, we have a co-op agreement with the city to do a small park improvement, or other things where the money is transferred to the city, in order for that expenditure to occur, and for the project to be implemented. So consider this having been a request to do a co-op agreement on a much larger scale. Of course, because of that scale, it's very complicated. And the City Manager and I, and our staffs, have worked together. There are still a lot of details to be worked out. So while we have that item on the agenda today for the actual co-op agreement, we will probably ask that that be deferred to next Tuesday to give us a little more time to work out the various details that ensue, whether it involves specific projects, assets that we have that we are also looking at protecting the City's resources as well, should we be stopped from implementing projects, any of our funds be taken. So it's very important that we have this out in front of you. As the mayor indicated, it appears that some of the immediate pressure may be off. It appears that the legislature may not take the action, as we thought, as early. But it looks like now, after February 7th, they might take something up. At the same time, I sent you an article, a little while ago, that indicated that the governor has reached out to local governments through the league of cities saying let's talk, and let's see what else can be done. Certainly, to us, that's a much better approach than annihilation, which is what he was talking about before, with 425 agencies all of a sudden disappearing, July 1st. That's a result which we are very concerned about. We object strongly to, particularly at a time when our efforts to

eliminate blight through job creation and other things we're doing in the community are very important to keeping this economy going. And I have sent you articles over the last few weeks on jobs we've lost to other states because state incentives are being provided there, and none are provided here in California. So back to the task at hand. We would ask you to consider several items. Again, I will be referring -- deferring item B the co-op agreement to next Tuesday. But we do have some other items relevant to giving myself, the housing director and the City Manager authority to negotiate and execute agreements in the meantime, that may be necessary to protect specific projects that are in our capital plan, the housing director also has an item, E, on a very specific housing project. We can address that shortly as well. I will also point out to you a supplemental memorandum that was passed out on item C which clarifies a little further, per our attorney's request, that the solicitation that we just went out for, for the six parcels relative to the downtown parcels we're selling, that I be authorized to enter into purchase and sale agreements with the highest bidder or, if the highest bidder is not within an acceptable range of fair market value that I can reject those bids. Those bids are due January 31st, and it might be a good idea to give ourselves the flexibility to do those contracts as quickly as possible, should legislation come forward. I'd like to turn it over now to the City Attorney to see if he can add anything else.

>> City Attorney Doyle: I just want to talk briefly about process, because there's some questions that have been raised as to compliance with law. The first issue is the Brown Act. And the Brown Act allows a special meeting to be noticed. And this is not an emergency meeting it is a special meeting under the Brown Act, with 24 hours' notice. That was done. So there is compliance with state law. Separately, the city's own sunshine requirements provide that, if the -- and this is where the two-thirds vote comes in -- under the city's own sunshine requirements, that if you are going to hear something that must be resolved in less than four days, you need to make a finding by two-thirds vote that that in fact is the case. And that's what the mayor talked about at the very beginning. So that's the process issue. I just think it's important for the record that the council understand that.

>> Mayor Reed: Thank you. Thank you. Anything else from the staff before we open this up for some council discussion? Okay. Couple things that I wanted to add. One of the items that we're concerned about

being able to do is to meet our obligations to not just bond holders but our other obligations including those to the county of Santa Clara and I do want to acknowledge that we did get a letter hand delivered from Santa Clara County, objecting to some of the matters in front of us today. But they're not the only ones that we have obligations to that we want to make sure that we can fulfill, notwithstanding what the legislature might do. Secondly, as you know I'm a fan of the ten-day rule, definitely not a fan of the one-day rule. I don't even like four days' notice because it's important for people to be able to know what we're doing and get engaged in it and everybody to be able to weigh in on it. Unfortunately, we're pressed for time on this. Because of what's happening in Sacramento. Which is why I thought it was appropriate to give the notice. But I think it's certainly a good question of whether or not we have to take action today or we can postpone it until Tuesday or some later time. I think that's certainly appropriate discussion before we vote on whether or not to waive our sunshine and proceed on this. So with that, I would like just to finally note our proposition 22, which the city supported and was approved by the voters about 61% yes, way back in November. That's like two whole months ago, has already been forgotten apparently by the legislature and the governor. I just want to read the statement of purpose of that because it's kind of interesting. The purpose of this measure is to conclusively and completely prohibit state politicians in Sacramento from seizing, diverting, shifting, borrowing, transferring, suspending, or otherwise taking or interfering with revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. So that's what the voters thought they were doing. And we'll see, I think, as this plays out there will probably be some judges who have opinions about the effect of the California constitution on any of these proposed actions but we're faced with the governor's proposal and potential with the legislative action. So here we are and with that I would like to open it up for anybody else who had any comments, questions or the need for a meeting or the short-notice period on it. I'm sorry, I don't have that up. Councilmember Constant.

>> Councilmember Constant: Thank you. Well, when the notice came out yesterday, and, you know, doing as quick a research as I could on it, I saw the potential need for us to be moving really quickly. But given the I guess progress or lack of progress depending which perspective you're looking at it from, whether you're looking at it from Sacramento or looking at it from San José's perspective, I'm not 100% clear that we still

meet the portion that says an issue has arisen that must be resolved in less than four days. And I -- that part has become a little more vague to me now. So my question is, very straightforward: Of the items that we have potentially before us today, which of those issues must be resolved in less than four days, and why? Because we have a council meeting in, what, five days or six days, whatever it is, next Tuesday which it's on the agenda. I just need to be able to have that answer clear in my mind before I'm prepared to vote.

>> City Attorney Doyle: Councilmember, and it's really I don't know the latest from Sacramento. It's very fluid and I'm going to let staff address this issue. Yesterday when it was noticed there was a concern that the legislature may take action as soon as Thursday. That was the discussion. And if that has changed then I think the circumstances have changed. With respect to the specific items before you, the executive director's already mentioned that the cooperation agreement is not prepared to go, and the City Manager and the executive director are going to bring that back I believe on Tuesday or that's the goal. As to item B I'm going to let Harry talk about. As to item D, that would be related to the necessary findings that you have to make related to the -- if you do take action under C and so they're related and then item E and I believe the housing director this item was agenda'd next week as well and I don't believe it's as urgent as you thought if in fact the legislature isn't going to move on anything in the next few days.

>> Leslye Corsiglia, director of housing. It's really the issue that the agency is facing or not, will the legislature act or not. We have federal foreclosure money, neighborhood stabilization program money that must be spent, and we need to have a 20% match for that. And so we were afraid that if we didn't go quickly we risked up to \$25 million in federal funds. So that's why we put it on. We do have an item on for next Tuesday right now that is the second half of that project which is the NSP moneys but we have a memo ready to go, that would combine both. So it could also be heard on Tuesday.

>> City Attorney Doyle: So councilmember, the real issue is how comfortable are we that the legislature won't take action. And you know, it's -- the chaos hasn't been created by us. It's been created by the uncertainty in Sacramento.

>> Councilmember Constant: So I guess maybe my question would go to Betsy maybe. I understand there was a very short legislative session yesterday from 4:00 to 5:00 and there was another session today and in neither of these sessions did those come up and my understanding is that the legislative rules committee met today, and in order for any action to be taken this week, it would have had to have been presented at the Rules Committee. Did that happen?

>> Betsy Shotwell: I don't know. Betsy Shotwell, Director of Intergovernmental Relations. Councilmember, I don't know to that fact. But the rules and -- rules are waived, and you know, I don't have an answer to that. I know our lobbyist is watching. But I can check and see if there's any further information about that. I'm going hour to hour as is Harry referenced as far as the what ifs and I don't have a crystal ball but I can check on that.

>> Councilmember Constant: I guess my biggest concern is the wording of our ordinance is pretty clear in the must be resolved within four days and that's my vagueness that I'm struggling with.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: I appreciate Councilmember Constant's perspective. Point's well taken. I think the concern is, we may not know if the must is a must, until it happens. And then we'll know in retrospect we should have acted. And that's a bit challenging. I think we're pretty clear about what we don't know at this point which is, we're not very clear about what can or cannot happen in Sacramento between now and the next time we meet. So I guess my question for Rick, and I guess as a suggestion as to how we might proceed is, if we were to go forward today and approve as recommended everything that's in the memo, could we cure any potential defect on Tuesday, with a reconsideration of the same issues, by that point having given additional notice and opportunity for the public to comment, the county and anyone else who wants to come forward, that point we can either reaffirm our prior decision or rescind it, would that cure us -- cure any -- or any apparent legal problems we might encounter if in fact we learn subsequently we didn't really need to vote today?

>> City Attorney Doyle: Yes I mean your -- your-as the mayor mentioned the rules committee he agendized the same items for Tuesday out of an abundance of caution. I want to get on the record that the county has issued a letter their objections are on the record and would carry forward to next Tuesday as well, just so that's clear.

>> Councilmember Liccardo: Okay. Well, for purposes of continuing the discussion I'd be happy to put a motion on the floor, which would -- which would resolve that there is an issue which has arisen which must be resolved in less than four days, and that the council and agency board should consider the items in B through E. And I just make that motion for the purpose of discussion.

>> Second.

>> Mayor Reed: All right, we have a motion on the floor to deal with the timing of this, not the substance of any of the matters in front of us. Further discussion on that motion? All in favor? Opposed, none opposed, okay. On the substance of what it is we need to do. A couple of things, we have a lot of obligations, it is not clear from what the governor has proposed, and what the legislative response has been to the governor's proposal, what the legislature might pass that could interfere with our ability to meet our obligations. There are certainly limits to what the legislature could do in our own constitution and under the California and federal constitutions, about impairment of contracts. So presumably the bonded debt holders are going to get paid no matter what the legislature does. I think that's important for everybody to understand, that I believe that's embodied in the governor's proposal and I don't think there's any way the legislature can take the money away from the people who have a security interest in it in the form of these bonds and the set-asides. But beyond that we also have other obligations. We have contracts, we have other things that we have committed to do, things we promised to do. I mentioned the Santa Clara County being one of those. There are funds that are owed from the agency to the city, substantial amounts. And then we have the programs that we've been trying to implement that we have approved. We have items that are just about to be agendized and are already on the agenda that we need to complete based on commitments that we've

made, both budgetary and contractual and it's not clear what the legislature might do in that regard. The second thing is, it's not clear what the limits of legislative powers are to act retroactively and I would expect whatever they do, whenever they do it will have some sort of retroactive date. And whether or not anything we do here today can withstand a retroactive action by the legislature is another one of those questions which I'm saying is a lot of work for lawyers and judges to sort this out. But nevertheless, we need to take the steps necessary to protect our obligations and, right now, it appears to me that the legislature's not going to take action this week, that we could wait till Tuesday if necessary. But it is a bit of a gamble as to what they may or may not do. Because while they have rules in Sacramento sometimes those rules get waived and they take pretty quick action sometimes and we never really know what they might do. But on the substance of what they're proposing to do, which is to take redevelopment dollars and spend it, however the legislature decides to do that, and then promise to give it back to local government in a future budget. So taking money this year, and promising to give it back in a future budget is one of the oldest tricks in the budget gimmick book. And I can't put any faith that, if they take redevelopment funds, that we're ever going to see a nickel of it back, that Santa Clara County will ever see a nickel of it back because the legislature doesn't have a really great track record of doing that, even though they have promised it. And since they do a one-year budget, all we're going to know is what they do in year one. So the prospects of it coming back I think are pretty slim. And if you look at how we have spent the money in San José, we have a great track record of creating jobs, of improving our community, building the infrastructure, and supporting the policies and practices of this council through redevelopment budget. There are certainly complaints that have been made around agencies around the state, over 400 of them. I don't -- I'm not going to try to analyze that and defend all that. All I know is what we've done and the importance of redevelopment funding in keeping jobs in San José. And let me give you one example, or a couple of examples of that. We just added to the agenda on Tuesday's agenda, today at Rules Committee, a contract with SunPower. Now, SunPower is the producer of the world's most efficient solar cell. They are a multibillion dollar company that employs thousands of people. Over the past year I have been working with SunPower as have many others, the redevelopment staff or the office of economic development staff in order to keep their company here in San José, to keep those jobs here. And we were able to do that, and retain some jobs. It is on the agenda for Tuesday. But the relative small funding from the City of San José that we're able to put together. At the

same time SunPower was talking to us, they were also talking to Austin, Texas, and in that case, the state of Texas put more money into the transaction than we were able to put together out of all of our sources. And that is a very common unfortunately situation that we find ourselves in when our staff are trying to convince our local companies to stay here and grow here. We like to keep the jobs that are being created by Silicon Valley companies especially the clean tech companies right here in the valley. Redevelopment funding and the enterprise zone which is another whole topic are two of the few, very few tools that we have to do that. And it makes a real difference in these transactions for us to be able to do that, if the State of California decides to take away redevelopment funds, that will be one of the serious impacts to job creation and job growth in the state of California. And I compare California and Texas, for example, over the last decade, Texas jobs have increased by 1 million. The job count in California is zero, net zero. Actually it's negative. But they must be doing something different in Texas, that's all I know because they're growing employment and we are not. But when we compete with Texas we have to compete not just with a city but with the entire state, because they have funds to do that. There's not much available in California. So you know that's my highest priority for redevelopment. I know other people have different priorities for how we do our redevelopment spending. That's why we have budgets. And council's very familiar with our budget priorities because we just went through that budget process. But the importance of these local dollars to local economies are very high. And these have been local funds for many, many years, once again, the state is going to local government to try to take the funds, startling in light of proposition 22 and what the voters said just a couple of months ago. But I know these are difficult times in Sacramento. And I will be going to Sacramento to meet with the governor on the 26th of January, and I, and the other mayors of the big ten cities welcome his request to come to the table. But we need to be at the table, and we do not want to have others negotiating on our behalf, either in the legislature or elsewhere. That we have our interests to protect and the interests of the people of our cities to protect. So we'll be going to Sacramento on the 26th. We'll certainly start the discussions with the governor at that time among the big ten mayors to protect local revenues. And the things that we've been able to do with our redevelopment funding. Now, whether or not we need to take action today, or Tuesday, I think you can make a pretty good argument that it could wait till Tuesday. But you know, it is a gamble because you really never know what's going to happen in

Sacramento until it happens. Sometimes it takes a long time and sometimes it happens very quickly. Councilmember Nguyen.

>> Councilmember Nguyen: Thank you, mayor. I just wanted to piggyback on what -- on your comments regarding I think more now, more than ever we really need to protect the interest of our city, given the fact that we're being put in a position that if we're looking at sacrificing long term sustainability for our city versus short term solutions or helping short term solutions in Sacramento, that's not our priority. That shouldn't be our priority. That's what we elected legislators in Sacramento to do. And I think that this is the time for us to really get behind the RDA, RDA staff. We talked a lot about the benefits that the different various programs that the RDA, what they were to bring to our city. So for me, for no other reason than to support them at this time, is to give the city flexibility, and more choices in the near future depending on what the legislature is going to do in regards to what's going to happen to our city. And the thing is we're not the only city that's moving this direction. We have major cities including L.A. who is already taking a position to move forward, with allocating funds to -- for some of the major projects. And I think that we're moving in the right direction. It's very upsetting when we have to choose between the RDA and school funding. That's like choosing between food and water. We need both to survive. And we can't have a great school if our neighborhood is filled with blight, if our neighborhoods are not safe, and if our neighborhoods are infested with crime. And so there has to be some type of balance, in terms of how we can move forward. And so I think this is the time where we, as a council, should get behind what the RDA is trying to do and really help them and show a lot of support in moving in that direction. Thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you. I'd like to second that thinking. I'm very kind of excited about the fact that 17 cities have stood up and said, no, you can't do this. Some of those cities haven't finished their consideration, but there are six more major cities that were in consideration of this. This is a one-time shot for Sacramento, with unintended consequences of prohibiting future moneys for them. The governor is asking for his -- for ideas and thoughts. And this is a great way to make that happen. Especially with the

mayor going to Sacramento next week, and our letters, I hope, I don't know if any of you have seen the letters that were sent from Harry, addressed to the various representatives for our city. I do hope you'll take a look at those, sign them and get them off. I thought it was a great idea Harry and thank you for doing that. Also, our state is already in jeopardy with no guarantee of how it's going to work out. But when you mentioned the fact that there has been a lot of action on the part of Texas and Arizona to sway people from our state to theirs, one has to keep in mind that it's not exactly fair, because Texas meets every two years for their budget. So it may be that they will have the same problems we are having next year, when they have to -- when actually the rubber meets the road. So there's no guarantee that things will be rosy there in a year. And it's time to -- to let the governor know, and if he's asking for alternatives, and one that comes to mind very, very quickly is the oil severance tax. We're the only state within the confines of the United States that does not charge an oil severance fee, which I believe, I haven't done all the math yet, would come out to more money than robbing our Redevelopment Agencies. So with that, I'm 100% in agreement with the mayor and I think we need to get on the band wagon now. I think it's better to be safe than to be sorry.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. Yeah, I'm -- I'm -- support what's already been said. Redevelopment supports our economic development. That's what we need now. We need more not less of it. That helps build a healthier economy. I want to be sure that the dollars stay in San José. I don't have any certainty at all from what I'm hearing from the Governor's Office that this money would ever make its way back here. We absolutely need it. We need the projects that are moving forward, moving forward, the convection center project, the charter school that's planned, the housing project that's planned the other things that are on the table that are going to seriously help our economy and also recognizing all the great things that our redevelopment has done in the past so I'm very supportive of it. I think prop 22, you know, sent a clear message that we did not want money taken from the city, from redevelopment going back to the state. And now they're basically trying to eliminate redevelopment. So I am in support of whatever action we need to take today to make sure our funds stay here and we continue our economic development activity in the future.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. I'm also in agreement with having to move forward and taking action today. I think we're in a very unique situation, and have been over the last ten years, where we actually use our redevelopment funding to put into the neighborhoods and eliminate blight. What we've known as traditional blight, deterioration of neighborhoods, deterioration of older, tired business districts. We've been able to successfully do that. Perhaps if other jurisdictions across the state had been able to do that, maybe we wouldn't be having this conversation because you're showing that that's a good use of redevelopment funding. So whatever we -- whatever action we do today, I'm in support of making a decision on supporting RDA. I do have a question for the director. The funding for the SNIs, and you know whatever they have in the pipeline for their top ten projects, for example, in District 5 there's the ace project, would that be covered under item C?

>> Harry Mavrogenes: Yes, I believe it would. The intent of C and as amended would be to cover projects that we can do a signature for, that are already in the approved plan. And so yes.

>> Councilmember Campos: Okay, thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Let me thank city and agency staff for their work as well and I also would like to say hello to my former colleagues at the agency. A few dared me to say that in a public meeting and I did it and I won that bet. I'm sorry, not a bet, I won that dare, so to speak. I was just in Sacramento today for a luncheon and the governor spoke and generally what he said was much of the same we've already heard so there wasn't any new information. Just four hours ago. But I'd have -- I have a few questions in terms of what this action should we proceed would mean to I guess the relationship to an agency and the city. And is this the appropriate time or should I wait for a motion?

>> Mayor Reed: I think it's time.

>> Councilmember Rocha: Okay. Does this action relieve any authority of the agency to the city? In terms of its funding, its work program, its budgeting, its projects et cetera?

>> City Attorney Doyle: Councilmember and let me just chime in first. Item number B which was the cooperation agreement which was intended to just in case, that's being deferred until -- recommended to be deferred until Tuesday. That agreement isn't ready to go so --

>> Councilmember Rocha: But whatever's in that --

>> City Attorney Doyle: It wouldn't cede authority of that, the agency would be in the position to transfer the ability to -- for the city to effectively carry out agreements that the agency or programs that the agency would have on its table. And so the answer is, yes, to the extent that it's necessary to move forward, and the city can carry those programs out. And that there's funding available, the city would carry them out.

>> Harry Mavrogenes: That would be in the situation if the agency was put out of existence. The idea in the co-op agreement would be this goes into effect if the governor's current proposal happens and agencies get put out of existence, that there is some sort of method to continue and complete the projects.

>> Councilmember Rocha: So that's only under those circumstances?

>> Harry Mavrogenes: Right.

>> Councilmember Rocha: And if those circumstances don't happen, then all authority remains with the agency regardless of the actions we take?

>> City Attorney Doyle: That would have been our intent in the agreement.

>> Councilmember Rocha: And we'll see that language in the co-op on Tuesday?

>> City Attorney Doyle: That is being negotiated or being discussed with the city.

>> Councilmember Rocha: But if we proceed on action today -- well, okay. I'll save that for Tuesday.

>> City Attorney Doyle: The point is, is we don't have an agreement and we need to work it out amongst staff.

>> Councilmember Rocha: Okay then I guess I'll defer all those questions until Tuesday. Thank you.

>> Mayor Reed: Ideally you'll have a draft of that before you show up on Tuesday so you can read it in advance which most of us like to do. Councilmember Liccardo.

>> Councilmember Liccardo: I concur with the comments made by my colleagues. I'd like to make a motion to approve staff recommendations B C D and E.

>> Councilmember Herrera: Second.

>> Mayor Reed: B is the one they want to defer because we're not ready there.

>> Councilmember Liccardo: For give me, I meant to say C DA E.

>> Councilmember Herrera: Second.

>> Mayor Reed: We have a motion on the floor to approve item C D and E and Harry you want to talk about the -- there is a supplemental memorandum.

>> Harry Mavrogenes: I mentioned that earlier. On item C we have a supplemental memo that further clarifies the authority to include the parcels that are in the solicitation, we would like that approval also.

>> Councilmember Liccardo: Yes, absolutely, that being incorporated as part of the motion. Thank you.

>> Mayor Reed: Further discussion? All in favor? Opposed? None opposed, that's approved. Staff I know you probably can't answer this question but it would certainly really be good if we had whatever cooperation agreement we're going to consider on Tuesday out by Friday so that we have the weekend to look at it. And of course, on Tuesday, if we're not prepared to take action we can defer that for the following meeting, if need be but at least we'll be in a position where we can react to whatever it is the state might decide to do. Hopefully, we'll get some additional clarification from the governor on the 26th when we meet with him. I think I might have a speaker card. I do have a couple. Ann Reynolds, passes. We do have the letter officially in the record. Betsy Shotwell, no.

>> Betsy Shotwell: Thank you mayor. I just spoke with the lobbyist, Roxann Miller, the senate and the assembly did not take it up however the senate is meeting and the contact person we would need to get that information from is in the meeting currently as we speak. I can't tell you what's going to happen. It is a tossup.

>> Mayor Reed: Okay, we have a request to speak from Greg Lipman and Andrea, whose last name I can't read, the handwriting, it's probably my eyes. Come on down please.

>> Good afternoon, mayor, executive director Mavrogenes and councilmembers. Greg lipman from Ace Charter School and I'm here to just briefly say that all of those folks who couldn't be here for this quickly organized meeting, part of the ace community, on behalf of all of them I just want to say thank you for all

your efforts to try to secure these projects moving forward and we at ace certainly hope you will do everything in your power to make the ace project and the other very important citywide projects happen, so thank you very much.

>> Mayor Reed: Andrea and you are going to tell us your last name so can I make my notes here.

>> Apologize for my handwriting first, Andrea Papanistasio, director of real estate development at Eden Housing. And I would like to say thank you very much for moving this item forward an urgency item. Redevelopment Agency funding is one of the most important things that we somewhere to fund affordable housing and for this development at Ford and Monterey for 20 special needs households we have a commitment from HUD. The NSP 2 money that we are going to commit, we believe was there on Tuesday has a very hard deadline to be fully leased by February of 2013. So the down side risk if the state were to take this funding away before it was committed would be tremendous -- you know traumatic for the project so I really appreciate your efforts to come and meet today on such short notice and support this project. Thank you very much.

>> Mayor Reed: Thank you. That concludes the open forum. I just had one comment about the affordable housing program. We have one of the most successful affordable housing programs in the state because we have worked very diligently to spend those dollars and create affordable housing. That apparently is not the case with all of the redevelopment agencies around the state and that is part of the problems that we see because we're getting blamed for things that other people have done. When I met with governor Schwarzenegger a year or so ago, talking about redevelopment funding, his comment was, there's money just laying around in the housing funds in particular. And so I know that is an issue at the state, that there are funds that are not being spent on affordable housing but let's just say that San José is again a leader in building affordable housing. We're very proud of our affordable housing program and we don't have any money just laying around. Anything else before we close? We've done the open forum, I think we've covered all of the business items. Clerk, City Attorney, everybody, can we quit? Okay, we're concluded, we're

adjourned. And those of you who haven't noticed, there will be a swearing-in in the rotunda for our new District Attorney, Jeff Rosen, at about 5:30 to 6:00, something like that.