



**BOARD MEETING MINUTES
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY**

SAN JOSE, CALIFORNIA

THURSDAY, MAY 26, 2016

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José convened at 10:00 a.m. in the Council Chambers at San Jose City Hall.

1. Call to Order and Roll Call

BOARD MEMBERS PRESENT

Tony Estremera, Chair, Santa Clara Valley Water District

Ed Maduli, Vice Chair California Community Colleges

John Guthrie, County of Santa Clara

Abraham Andrade, City of San José

Debbie Cauble (Alternate), County of Santa Clara

Jim Shannon, City of San José

Matthew Tinsley, Santa Clara County Office of Education (10:05 a.m.)

ABSENT BOARD MEMBERS:

All Present.

STAFF PRESENT

Richard Doyle, Successor Agency General Counsel

Richard Keit, Successor Agency Managing Director

David Sykes, representing Successor Agency Executive Officer

Julia Cooper, Successor Agency Chief Financial Officer

Ruth Krantz, Deputy Clerk of the Board

2. Closed Session

None.

Access the video, the agenda and related reports for this meeting by visiting the City's website at <https://ca-sanjose.civicplus.com/index.aspx?NID=3566>. For information on any ordinance that is not hyperlinked to this document, please contact the Office of the City Clerk at (408) 535-1266.

3. Adoption of Agenda

Upon motion by Board Member Shannon, Seconded by Board Member Guthrie and carried unanimously, the agenda was adopted. (6-0-1. Absent: Tinsley)

Board Member Cauble moved that Item 7.3 be deferred and moved to the next meeting of the Oversight Board. The motion was seconded by Board Member Guthrie and carried unanimously. (6-0-1. Absent: Tinsley)

4. Approval of Minutes

Documents Filed: Oversight Board Minutes dated April 28, 2016.

Action: Upon motion by Board Member Shannon, seconded by Board Member Guthrie and carried unanimously, the Minutes of April 28, 2016 were approved. (6-0-1. Absent: Tinsley)

5. Consent Calendar

None.

6. Items Scheduled for Action/Discussion

6.1 Approval of the Sale of Real Property Located at 92 South Montgomery Street and Almaden Boulevard Landscape Area

Documents Filed: Memorandum from Successor Agency Managing Director Richard A. Keit, dated May 20, 2016, recommending adoption of resolutions.

Successor Agency Managing Director Richard A. Keit provided an overview.

Action: Upon motion by Board Member Snow, seconded by Board Member Guthrie and carried unanimously, Oversight Board Resolution No. 2016-05-1118, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Approving the Sale of Real Property Located at 92 South Montgomery Street Owned by the Successor Agency to the Highest Bidder, Imwalle Annex HBD, LLC, for a Purchase Price of \$613,000"; and Oversight Board Resolution No. 2016-05-1119, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Approving the Sale of Real Property Located at Almaden Boulevard (APN 264-3-101) Owned by the Successor Agency to the Highest Bidder, Lawrence Wu, for a Purchase Price of \$508,000", were adopted. (7-1.)

6.2 Proposed Reinstatement of the Supplemental Education Revenue Augmentation Fund Loan Agreement.

Documents Filed: (1) Joint memorandum from Successor Agency Chief Financial Officer Julia Cooper and Director of Housing Jacky Morales-Ferrand dated May 20, 2016, recommending adoption of resolutions. (2) Letter from sv@home dated May 23, 2016, requesting delaying action on this item.

Successor Agency Managing Director Richard A. Keit provided an overview, and Successor Agency Chief Financial Officer Julia Cooper and Director of Housing Jacky Morales-Ferrand continued the presentation and responded to questions.

Deputy County Executive, James Williams, offered support to the staffs' recommendations.

Public Comment: Mathew Reed, representing the Sacred Housing Action Committee offered criticism of the recommendations and stressed the need for permanent affordable housing.

Motion: Board Member Guthrie moved approval of an alternate resolution for option (d) as indicated below in "Action" in addition to Staffs' recommendations for options (a) and (b). Board Member Cauble seconded the motion.

Action: On a call for the question and carried unanimously, Items (a), (b) and option (d) as modified, were approved, and Oversight Board Resolution No. 2016-05-1120, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José (A) Approving the Repayment Schedule For the 2011 Housing Fund Loan In the Amount Of \$12,815,668 Plus Accrued Interest, A Housing Asset Of the City As the Successor Housing Agency, Pursuant To Health And Safety Code Section 34171 (D) (1) (G); And (B) Approving A Partial Reinstatement Of A Loan Agreement By And Between the Successor Agency and the City Of San Jose Related To the Supplemental Education Revenue Augmentation Fund ("SERAF Loan") Reinstating the Inter Fund Loan, A Portion Of the 2010 SERAF Loan, In the Principal Amount Of \$10,000,000, With Terms And A Repayment Schedule To Conform To the Requirements Of Health And Safety Code Section 34191.4, And Making Necessary Findings", and Oversight Board Resolution No. 2016-05-1121, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Directing the Successor Agency to Remove the Portion of the Supplemental Education Review Augmentation Fund Payments Loaned in the Amounts Totaling Approximately \$52 Million From its Financial Statements, and Making Necessary Findings", were adopted. (7-0.)

6.3 Refunding of Successor Agency Bonds and Agreement with Financial Advisors

Documents Filed: Memorandum from Successor Agency Chief Financial Officer Julia Cooper, dated May 20, 2016, recommending adoption of a resolution.

6.3 (Cont'd.)

Successor Agency Chief Financial Officer Julia Cooper offered background on the Agreement with Public Financial Management and Ross Financial, and Assistant Finance Director, Derek Hansel, provided a presentation.

Action: Upon motion by Board Member Tinsley, seconded by Board Member Andrade and carried unanimously, Oversight Board Resolution No. 2016-05-1122, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Authorizing the Successor Agency to Negotiate and Execute Agreements with Public Financial Management and Ross Financial as Co-Financial Advisors, to Assist Successor Agency Staff with the Evaluation of Bond Refunding Alternatives", was adopted. (7-0.)

6.4 Disposition of Real Property Located at 300 South Almaden Boulevard

Documents Filed: (1) Joint memorandum from Successor Agency Managing Director Richard A. Keit and Successor Agency Chief Financial Officer Julia Cooper, dated April 22, 2016, recommending adoption of a resolution. (2) Two letters from DiNapoli Capital Partners, dated May 17, 2016 and January 11, 2016, regarding the property located at 300 South Almaden Boulevard.

Successor Agency Managing Director Richard A. Keit provided an overview, and Assistant Finance Director, Derek Hansel, provided input regarding the methodology used for the appraisal.

Deputy County Executive, James Williams provided comments, and an appraiser from Valbridge Property Advisors, Yvonne J. Broszus, MAI, indicated the standard appraisal methodology used and responded to questions from the Board.

Public Comment: Matt DiNapoli, representing DiNapoli Capital Partners, offered background and support to the appraisal methodology used.

Motion: Board Member Cauble moved approval of Action (c) to approve a purchase and sale agreement with the County to sell such real property to the County of Santa Clara for the appraised value of \$96,000, and for the Board to revisit the property disposition process at the next meeting of the Oversight Board regarding whether to continue with the direct sale methodology or to go to competitive bid on all properties. Board Member Guthrie seconded the motion.

Action: On a call for the question, the motion carried, and Oversight Board Resolution No. 2016-05-1123, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Approving a Purchase and Sale Agreement with the County of Santa Clara to Sell the Real Property Located at 300 South Almaden Boulevard (APN 264-29-109) to the County of Santa Clara for the Appraised Value of Ninety Six Thousand Dollars (\$96,000)", was adopted. (5-2. Noes: Andrade, Shannon.)

7. Reports and Correspondence

7.1 Response to DOF's 2016-17 Annual Determination Letter

Documents Filed: Letter to Justyn Howard, Assistant Program Budget Manager, from Julia Cooper and Richard Keit, dated May 2, 2016, regarding the ROPS Determination Letter.

No action required.

7.2 Verification of Insufficiency of Funds (ROPS 16-17A)

Documents Filed: Letter from Alan Minato, Controller – Treasurer, County of Santa Clara Finance Agency, to the State Controller's Office, regarding Verification of Insufficiency of Funds for July 1, 2016 – December 31, 2016.

No action required.

7.3 Asset Disposition Schedule & List of Other Assets

Documents Filed: Successor Agency to the Redevelopment Agency List of All Assets Not on Asset Disposition Schedule, dated May 26, 2016.

Action: Deferred to the next meeting of the Oversight Board.

7.4 Oversight Board Referral Items

Documents Filed: Information memorandum Successor Agency Managing Director Richard A. Keit, dated May 20, 2016, outlining the current list of referral items from the previous meeting/s of the Board.

No action required.

8. Future Agenda Items

Discussion of alternatives for the administration process, the property process and Asset Disposition Schedule and List of Other Assets.

9. Open Forum

None.

10. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency adjourned at 11:35 a.m.

Minutes Recorded, Prepared and Respectfully Submitted by,



ATTEST:

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY
TONI J. TABER, CLERK OF THE BOARD

Ruth Krantz, Deputy Clerk of the Board

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