

**For Immediate Release:**

**August 25, 2006**

**Contact:**

**David Vossbrink, (408) 535-4840  
Communications Director**

## **Mayor Gonzales Recommends Redevelopment Budget** *Continues commitment to neighborhoods, housing, and economic development*

*San José* --- San José Mayor Ron Gonzales has recommended a balanced budget that focuses Redevelopment Agency resources to strengthen neighborhoods, build affordable housing, expand businesses and create jobs, and build facilities for community use.

“These recommendations build on our hard work and partnerships over the past eight years to improve quality of life for San Jose residents and achieve our community’s vision for our neighborhoods, downtown, and prosperity in the future,” said Gonzales.

“Despite the challenges of the local recession and adverse state budgets in recent years, we have achieved outstanding results that reflect the ideas and priorities of both the City Council and our community.”

The two-year redevelopment budget includes \$43 million for Strong Neighborhood Initiative projects and \$12 million for other neighborhood improvements. In addition, \$57 million is proposed to be reserved for future SNI projects beyond the two-year plan. Since the program's inception, the Agency has invested \$53.4 million for more than 100 projects in 19 SNI neighborhoods.

Since 1999 the Redevelopment Agency has invested over \$278 million to improve San Jose neighborhoods. At an average annual investment of almost \$39 million, this is a fivefold increase for neighborhoods compared to the average during the previous eight years.

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The mayor recommended \$2 million to move ahead with a new community center to serve the Edenvale/Great Oaks neighborhood in South San Jose, \$2.24 million for the construction of the new Mayfair Community Center in East San Jose, as well as funding to support a feasibility study for a possible African-American Community Center.

Over the next two years, the mayor and the Redevelopment Agency have proposed more than \$70 million to continue building more affordable housing throughout San José. These funds will be administered by the San Jose Housing Department.

“We’re on pace to have nearly 12,000 affordable homes built, rehabilitated, or under construction since 1999, more than double the rate of affordable development in the prior decade,” said Gonzales.

“Private investment in affordable housing has nearly tripled compared to the decade before as a result of our commitment to partnership, and we’ve been recognized as the leading California city for our sustained success in delivering homes that are affordable to families at all income levels.”

The mayor also reemphasized the city’s commitment to quality, affordable childcare to help children become prepared to enter school through Smart Start San Jose centers. The Redevelopment Agency has created or upgraded 3,600 pre-school spaces since 1999, and this year’s budget calls for continued investment in San José children by funding \$1.25 million a year on Smart Start centers.

“We’ve worked in partnership with schools, businesses, and community organizations to increase the supply of quality childcare, especially in neighborhoods where the need is greatest for working families,” said Gonzales.

Assessed property values in San José redevelopment areas have increased by an estimated seven percent this year, compared to a one percent increase last year. This represents approximately \$1 billion more in assessed value over the prior year, due mainly to corporate expansion, new multifamily housing assessments, growth in home values, and the restoration of assessment appeals.

As a result, the Agency's property tax revenue in the coming fiscal year will increase by approximately \$11 million to an estimated \$160 million.

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New bonding capacity will enable the Redevelopment Agency to provide for \$100 million for projects in the SNI project areas, including \$43 million over the next two years; \$33 million to support economic diversification and infrastructure improvements through the Vision North San Jose Plan and the Biotech Initiative in Edenvale; an additional \$4.5 million to help downtown business revitalization; \$6.8 million to acquire property for a new downtown parking garage; and \$7.7 million to improve downtown public buildings and streets.

The budgets for the San José Redevelopment Agency capital improvement program and affordable housing are considered by the City Council in August, following the County Assessor's Office annual report regarding property tax assessments.

The City Council, sitting as the Board of the Agency, will act on the mayor's budget recommendations next Tuesday afternoon, August 29, in the City Council Chambers at San José City Hall.

The San Jose Redevelopment Agency is dedicated to improving the quality of life for all who live and work in San José. Working in close coordination with the City of San Jose, the Redevelopment Agency facilitates comprehensive development programs to revitalize downtown, neighborhoods, and industrial areas.

The mayor's budget message is available online at [www.sjmayor.org](http://www.sjmayor.org). For more information about the San Jose Redevelopment Agency and the budget, go to [www.sjredevelopment.org](http://www.sjredevelopment.org).

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