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**Affordable Housing, Neighborhood Improvements and Job  
Creation Projects in Jeopardy**  
*California Lawmakers proposal to raid Local Redevelopment Funds  
to Balance State Budget*

**SAN JOSE, Calif.** – The San Jose Redevelopment Agency is appealing to California lawmakers to strongly consider and support maintaining redevelopment funds for the purpose of investing in local redevelopment initiatives that directly benefit the regional and statewide economy.

“Communities throughout California count on redevelopment funds to pull them out of the current economic downturn,” said Mayor Chuck Reed. “In San Jose, redevelopment investments have historically been the primary mechanism to generate new jobs, revitalize neighborhoods, and build affordable housing for working families. Any diversion of redevelopment funds will dramatically impact our local efforts to eliminate blight by generating jobs and building our oldest and most fragile areas into strong neighborhoods.”

The current proposal to divert Redevelopment Agency funds to balance the state's \$15.2 billion deficit will have a negative long-term economic impact not only in San Jose, but in other cities throughout the state of California. Statewide, redevelopment investments generate nearly \$1.6 billion in state and local taxes annually.

“The proposed cut would be devastating for San Jose residents and business owners who have been our partners in making improvements to this City, said Harry Mavrogenes, Executive Director, San Jose Redevelopment Agency.” “We want to let lawmakers know that redevelopment funds aren’t abstract dollars. These cuts will take money away from families, small businesses and neighborhoods.”

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Redevelopment agencies deploy their resources to improve communities and the economy by building infrastructure, funding affordable housing, creating jobs, and revitalizing deteriorated and neglected neighborhoods. Redevelopment funding also spurs private investment. Redevelopment investments typically leverage \$6 in private funds for every \$1 in public funds.

The San Jose Redevelopment Agency would lose \$10 million in annual tax increment revenue per year for three years, which would in turn, reduce the total amount of bond financing available to the Agency, resulting in a net loss of \$82 million in revenue over the next five years. This would greatly impact projects planned under the Agency's 5-year plan.

### **Impacted projects in San Jose's job growth areas**

- The North San Jose Area Redevelopment Policy: North San Jose is San Jose's Innovation Triangle, the City's largest employment center and economic engine. Loss of funding could jeopardize:
  - Up to 83,000 new jobs to San Jose, which are critical to building a more stable tax base in San Jose, bringing balance between jobs and housing;
  - 27 million square feet of new, "driving industry" research and development and office space for businesses that will help rebuild the economy in Silicon Valley and California;
  - \$75 million for new schools in North San Jose, which leverages an additional \$58 million in private funds;
  - Significant improvements to infrastructure and the transportation system to enable more people to use public transportation, improving traffic conditions and the local environment;
  - 1.7 million square feet of retail space;
  - Up to 32,000 new high-density residential units (20% or more of which will be affordable) in close proximity to employment centers;

**-more-**

- Approximately 12,000 new jobs in construction, design, and engineering to build housing, mixed-use developments, and R&D industrial facilities that will be created over the next five years as the North San Jose plan is realized.

**Impacted projects in the San Jose’s Downtown and Neighborhoods**

- More than \$47 million (in FY 2008-’09 alone), with more than 100 priority projects neighborhood improvements, such as building new community centers, expanding neighborhood parks, and revitalizing streetscapes, will be jeopardized;
- Expansion of the Convention Center, a \$250 million project that leverages \$125 million from San Jose hotels through a hotel-assessment, and major public improvements in downtown will not occur.

**About the San Jose Redevelopment Agency**

The Agency is dedicated to improving the quality of life for all who live and work in San Jose. Governed by the City Council, the Agency facilitates and oversees comprehensive programs for development to revitalize and strengthen quality of life and competitiveness for San Jose’s downtown, neighborhoods, and industrial areas. [www.sjredevelopment.org](http://www.sjredevelopment.org).

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