

San Jose may try to secure redevelopment funds

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SAN JOSE, Calif. (KGO) -- San Jose is thinking about following the lead of more than a dozen cities across the state to protect redevelopment funds before Gov. Jerry Brown's proposed budget effectively does away with the nearly 400 redevelopment agencies around the state. City leaders held a special emergency meeting Wednesday afternoon to vote on a collaborative agreement between the Redevelopment Agency or RDA and the city in an effort to protect \$58 million in projects already in development. Fremont approved a similar strategy on Monday night to commit \$121 million to lock in various projects.

They took a half step forward and will take more action at Tuesday's council meeting when more of the public can weigh in on the topic. Council members have nothing but praise for the development agency and its projects in San Jose.

Since 1977, the San Jose Redevelopment Agency or RDA has invested \$1.8 billion in the downtown area. Downtown is far from the urban pedestrian Mecca that many envisioned and there have been some highly publicized redevelopment failures such as the bust of the Pavilion in 1996, but there's also the Convention Center, HP Arena, and Adobe's expansion.

Redevelopment Agency Executive Director Harry Mavrogenes says, "The downtown of San Jose was a hole in the donut a few decades ago. Everything had gone. Were it not for redevelopment, you would not have all the development, all the jobs that are there now."

Given the state's \$28 billion deficit though, there is support for Brown's proposal to do away with redevelopment agencies and reprioritize the money.

Stephen McMahon, President of the San Jose Teacher's Association, says "We should be providing every student with a 21st century education and I don't think too many things can be that as a priority."

Other organizations that directly benefit from RDA funding say the governor's proposal is economically shortsighted. Since 1988, San Jose's RDA has contributed \$625 million to help build affordable housing in the city which has leveraged \$2.5 billion in other funding sources to create 19,000 affordable homes and apartment units.

Kevin Zwick with the Housing Trust of Santa Clara County says "Not only does it provide critical housing for seniors, homeless, the disabled and working families; it creates jobs and brings money to the local economy."

The idea that RDA money helps create jobs is one reason San Jose city leaders called this special meeting and voted unanimously to protect some projects before the state can raid the fund. The \$58 million the city might move to protect does have a component allocated to affordable housing projects.

"We are not the only city that's moving in this direction. We have major cities, including L.A., that are already taking a position," says Vice Mayor Madison Nguyen.

There will be much more discussion on the redevelopment issue and how to protect the funding at Tuesday's council meeting and Mayor Chuck Reed will be meeting with the governor in Sacramento on Jan. 26.

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