TO:       HONORABLE REDEVELOPMENT AGENCY BOARD
FROM:     EXECUTIVE DIRECTOR       DEPARTMENT: CITY MANAGER
DATE:     DECEMBER 13, 2004       CMR: 501:04
SUBJECT:  ANNUAL REDEVELOPMENT AGENCY MEETING AND REVIEW OF
          REDEVELOPMENT AGENCY ANNUAL REPORT

RECOMMENDATION

Agency staff recommends that the Palo Alto Redevelopment Agency Board:

1. Hold the annual meeting of the Palo Alto Redevelopment Agency for the activities for the
   year ending June 30, 2004 activities; and,
2. Review and accept the Palo Alto Redevelopment Agency Annual Report, which will be
   submitted to the California State Controller’s Office.

BACKGROUND

On July 9, 2001, the Palo Alto City Council adopted an ordinance declaring the need for a
redevelopment agency to function in Palo Alto. The Council also declared the City Council to
be the redevelopment agency and made the finding that the formation of a redevelopment agency
“will serve the public interest and promote the public safety and welfare in an effective manner”
in accordance with the Health and Safety Code section 33200.

On May 10, 2004, Article 3 of the Redevelopment Agency Bylaws were amended by the City
Council, acting as the Redevelopment Agency, to state that the annual meeting of the Agency
shall be held in the last quarter of each calendar year.

In addition, California State Redevelopment law requires that all redevelopment agencies,
including the City of Palo Alto Redevelopment Agency, file an annual report with the California
State Controller’s Office.

DISCUSSION

During the last fiscal year, staff has taken the following steps:

1. The Mayor’s Ad Hoc Retail Committee contained several action items indicating that
   the City of Palo Alto should be open to a sufficiently sized redevelopment project that
   meets State legal requirements and responds to City goals. Recognizing that the RDA
has already been established, the City will be ready if an appropriate project area is
developed. Staff remains convinced that redevelopment is one of several essential
strategies related to economic retention and revitalization.

2. Staff has begun the process of reviewing zones that would be appropriate and “right sized” project areas that meet the requirements of redevelopment. Following this review, it is anticipated that staff will return to City Council within the next six to nine months with recommendations about future directions for the redevelopment agency including the possibility of identifying possible project areas for further study.

3. The annual report required by California State Law Section 33080.1 of the Palo Alto Redevelopment Agency is attached to this staff report for review and acceptance by the Agency board. The report includes:

   • Independent Financial Audit Report
   • Fiscal Statement of Previous Year’s Achievements
   • Activities affecting Housing and Displacements

RESOURCE IMPACT

The existing cooperative agreement between the City and the Agency will be updated to include the $9,000 in expenditures incurred for fiscal year 2003-04. Staff does not anticipate incurring any new charges this fiscal year.

POLICY IMPLICATIONS

There are no policy implications at this time.

ATTACHMENTS

Attachment A: Redevelopment Agency of the City of Palo Alto Component Unit Financial Statements Unit Financial Statements
Attachment B: HCD Report on Low and Moderate Income Housing
Attachment C: Cooperative Agreement between the City and the Redevelopment Agency

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EXECUTIVE DIRECTOR APPROVAL: ______________________________
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Executive Director