TO: HONORABLE REDEVELOPMENT AGENCY BOARD
FROM: EXECUTIVE DIRECTOR DEPARTMENT: CITY MANAGER
DATE: DECEMBER 12, 2005 CMR: 437:05
SUBJECT: ANNUAL REDEVELOPMENT AGENCY MEETING AND REVIEW OF REDEVELOPMENT AGENCY ANNUAL REPORT RECOMMENDATION

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, 2005; 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 was 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 (RDA), file an annual report with the California State Controller’s Office.

**DISCUSSION**

The Mayor’s Ad Hoc Retail Attraction Committee recommendations included providing incentives and developing strategies to attract and retain businesses in the City of Palo Alto. One specific action in particular, the development of a specific redevelopment project study area, if feasible, would be to promote retail activity which addresses City objectives.

Staff has initiated the process of reviewing zones that would be appropriate and “right sized” project areas that meet the economic and physical blight requirements of redevelopment. It is anticipated that staff will return to the City Council within the next six to nine months with recommendations about future directions for the RDA. After reviewing several areas, the area being further analyzed for feasibility is the Fry’s/El Camino Real/Cal Ventura area.

In addition to these activities, 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 $8500 in expenditures incurred for fiscal year 2004-05. 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