RECOMMENDATION
Staff recommends that the Redevelopment Agency Board adopt the resolution adopting the
budget for the Palo Alto Redevelopment Agency for fiscal year 2008-09 (Attachment 1).

BACKGROUND
On July 9, 2001, the Palo Alto City Council adopted an ordinance declaring the need for a
redevelopment agency. City Council also declared that it would act as the Agency Board 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 September 19, 2001, the Edgewood Redevelopment Project Area was designated as a Survey
Area and the process for the adoption of the Redevelopment Plan was initiated. The
Redevelopment Plan for Edgewood Plaza was not ultimately adopted by the City Council. The
City has no Redevelopment Project Areas.

DISCUSSION
Redevelopment law requires that each agency adopt an annual budget that contains the activities
to be financed by the Low and Moderate Income Housing Fund, proposed expenditures and
indebtedness, anticipated revenues, a work program and a comparison between the previous
year’s achievements and goals. Since Palo Alto does not have a Redevelopment Project Area,
there are no activities to be reported. However, as required by law, the Agency is subject to an
annual audit and must report all financial transactions to the State Controller.

The expenditures and indebtedness of the Agency must be in conformance with the proposed
budget, and the City Council, acting as the Agency Board, must approve the annual budget.
**RESOURCE IMPACT**
Funding in the amount of $8,500 for the Palo Alto Redevelopment Agency is advanced by the City of Palo Alto and is considered a loan from the City to the Agency to cover expenses related to staffing cost, development activities and agency administration. The loans are to be re-paid from tax-increment revenues that will be collected in future years if the City were to adopt a Project Area. In accordance with City procedures, a corporate agreement has been established between the City and the Agency. Expenses incurred on behalf of the Redevelopment Agency will be incorporated into the loan agreement for prior years.

**POLICY IMPLICATIONS**
This recommendation does not represent any change to existing City policies.

**ENVIRONMENTAL ASSESSMENT**
This is not a project under the California Environmental Quality Act and therefore environmental review is not required.

**ATTACHMENTS**
Attachment 1 – Resolution Adopting Agency Budget for 2008-09
   Exhibit A – Proposed Redevelopment Agency Budget for 2008-09

PREPARED BY: ________________________________
DALE WONG
Senior Financial Analyst

CITY MANAGER APPROVAL: ________________________________
STEVE EMSLIE and KELLY MORARIU
Deputy City Managers