



CITY OF EAST PALO ALTO
REDEVELOPMENT AGENCY
1960 Tate Street • East Palo Alto, CA 94303

August 25, 2011

Ana Matosantos, Director
Chris Hill
Department of Finance
915 L Street
Sacramento, CA 95814

John Chiang, Controller
Jones Kasonso
California State Controller's Office
P.O. Box 942850
Sacramento, CA 94250

Tom Huening, Auditor -Controller
Office of the County Auditor-Controller
County of San Mateo
555 County Center, 4th Floor
Redwood City, CA 94063

Subject: Notice of Enactment of a Continuation Ordinance by the City of Palo Alto pursuant to Health and Safety Code Section 34193(a) for the continuation of the Redevelopment Agency of the City of East Palo Alto

To Whom it May Concern:

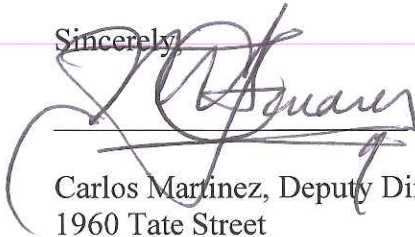
This communication serves as the formal notification that the City Council of the City of East Palo Alto (the "City"), at a public meeting held on July 19, 2011, acting under authority of Health and Safety Code Section 34193, enacted Ordinance No. 345 (the "Continuation Ordinance"), pursuant to which the City elected to participate in the Alterative Voluntary Redevelopment Program pursuant to Part 1.9 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "Community Redevelopment Law").

As a result of the City's adoption of the Continuation Ordinance, the Redevelopment Agency of the City of East Palo Alto will be exempt from Part 1.8 or Part 1.85 of the Community Redevelopment Law and shall be allowed to continue to operate.

This notice and the attached copy of the Continuation Ordinance are being sent to you in satisfaction of the requirement of Health and Safety Code Section 34193.1. If you have

questions regarding this notice or its contents please contact Carlos Martinez at (650) 853-3195 or cmartinez@cityofepa.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carlos Martinez', is written over a horizontal line. The signature is stylized and cursive.

Carlos Martinez, Deputy Director, Community Development Dept.
1960 Tate Street
East Palo Alto, CA 94303
(650) 853-3195
cmartinez@cityofepa.org

Attachment: Ordinance 345

ORDINANCE NO. 345

AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO ENACTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34193 TO ELECT AND IMPLEMENT PARTICIPATION BY THE CITY OF EAST PALO ALTO AND THE REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO IN THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "Redevelopment Law"), the City Council (the "City Council") of the City of East Palo Alto (the "City") adopted Ordinance No. 345 on July 19, 2011 declaring the need for the Redevelopment Agency of the City of East Palo Alto (the "Agency") to function in the City.

WHEREAS, also in accordance with the Redevelopment Law, the City Council adopted Ordinance No. 345 on July 19, 2011 adopting the Redevelopment Plan For the University Circle Redevelopment Project, Ordinance No. 345 on July 19, 2011 adopting the Redevelopment Plan for the Ravenswood Industrial Area Redevelopment Project and Ordinance No. 345 on July 19, 2011 adopting the Redevelopment Plan for the Gateway 101 Redevelopment Project (collectively the "Redevelopment Plans"), and the Agency is responsible for implementing the Redevelopment Plans pursuant to the Redevelopment Law.

WHEREAS, ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Voluntary Program Act"; and together with the Dissolution Act, the "Redevelopment Restructuring Acts") have been enacted to significantly modify the Redevelopment Law generally as follows:

1. The Dissolution Act first immediately suspends all new redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011; and
2. The Voluntary Program Act, through the addition of Part 1.9 to the Redevelopment Law (the "Alternative Voluntary Redevelopment Program"), then allows a redevelopment agency to avoid dissolution under the Dissolution Act by opting into an alternative voluntary redevelopment program requiring specified annual contributions to local school and special districts.

WHEREAS, specifically, Section 34193(a) of the Redevelopment Law (as added to the Redevelopment Law by the Voluntary Program Act) authorizes the City Council to enact an ordinance to comply with Part 1.9 of the Redevelopment Law, thereby exempting the Agency from the provisions of the Dissolution Act, and enabling the Agency to continue to exist and function under the Redevelopment Law, so long as the City and the Agency comply with the Alternative Voluntary Redevelopment Program set forth in Part 1.9 of the Redevelopment Law.

WHEREAS, through the adoption and enactment of this Ordinance, it is the intent of the City Council to enact the ordinance described in Section 34193(a) of the Redevelopment Law and to participate for itself and on behalf of the Agency in the Alternative Voluntary Redevelopment Program set forth in Part 1.9 of the Redevelopment Law.

WHEREAS, pursuant to Section 34193.2(b) of the Health and Safety Code the City of East Palo Alto understands that participation in the alternative voluntary redevelopment program requires the remittance of certain payments as set forth in the Redevelopment Law and also constitutes an agreement, on the part of the City in the event that the City fails to make a remittance required pursuant to Part 1.9 of the Redevelopment Law to assign its rights to any payments owed from the Agency, including, but not limited to, payments from loan agreements, to the State.

WHEREAS, the City Council does not intend by enactment of this Ordinance, to waive any rights of appeal regarding the amount of any remittance payments established by the California Department of Finance, as provided in the Voluntary Program Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO ORDAINS AS FOLLOWS:

SECTION 1. COMPLIANCE WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM

a. To the extent required by law to maintain the existence and powers of the Agency under the Redevelopment Law (including the Redevelopment Restructuring Acts), the City Council hereby enacts the ordinance authorized by Health and Safety Code Section 34193(a) whereby the City, on behalf of itself and the Agency, elects to and will comply with the provisions of Part 1.9 of the Redevelopment Law, including the making of the community remittance payments called for in Section 34194 of the Redevelopment Law (the "Remittance Payments"), and whereby the Agency will no longer be subject to dissolution or the other prohibitions and limitations of Parts 1.8 and 1.85 of the Redevelopment Law as added by the Dissolution Act.

b. It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the Redevelopment Law, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2 of the Redevelopment Law, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual Remittance Payments (the "Agency Transfer Payments") to enable the City to make the annual Remittance Payments. Unless otherwise specified by resolution of the City Council, it is the City Council's intent that the City's annual Remittance Payments shall be made exclusively from the Agency Transfer Payments, or from other funds that become available as a result of the City's receipt of the Agency Transfer Payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or other assets to make the Remittance Payments, it being understood by the City Council that any Remittance Payment will be funded solely from the Agency Transfer Payments and/or other assets transferred to the City in accordance with the Voluntary Program Act.

c. The City Council directs and authorizes the City Manager to take all necessary steps to comply with the provisions of Part 1.9 (commencing with Section 34192) of Division 24 of the Health and Safety Code.

d. The City Council directs the City Clerk to send a certified copy of this ordinance to the County of San Mateo Auditor Controller, the Controller of the State of California, and the California Department of Finance before October 1, 2011, as required by Section 34193.1 of the Health and Safety Code.

SECTION 2. CEQA

The City Council finds, under Title 14 of the California Code of Regulations, Section 15378(b)(4), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a Project, but instead consists of the creation and continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program. The appropriate environmental review shall be completed in accordance with CEQA prior to the commencement of any future Agency-supported project or program. The Council therefore directs that a Notice of Exemption be filed with the San Mateo County Clerk in accordance with the CEQA guidelines.

SECTION 3. CONSISTENCY WITH GENERAL PLAN

This Ordinance is consistent with the East Palo Alto General Plan and the General Plan's objectives, goals, policies and implementation programs.

SECTION 4. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The City Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, clauses or phrases be declared unconstitutional or invalid.

SECTION 5. ENACTMENT AND EFFECTIVE DATES

This Ordinance is enacted as of July 19, 2011 for purposes of Section 34193(a) of the Redevelopment Law, and shall take effect and will be enforced thirty (30) days after its adoption.

SECTION 6. PUBLICATION AND POSTING

The City Clerk is directed to post and/or publish this ordinance, as required by law.

Introduced at a regular City Council meeting held July 12, 2011, and adopted at a regular City Council meeting held July 19, 2011, by the following vote:

AYES: ABRICA, EVANS, WOODS, ROMERO, MARTINEZ

NOES: 0

ABSTAIN: 0

ABSENT: 0

SIGNED:



Carlos Romero, Mayor

ATTEST:



ML Gordon, City Manager/Clerk

APPROVED AS TO FORM:

Neelam Naidu, Deputy City Attorney
for Valerie J. Armento, Interim City Attorney