



001463

THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 9, 2008 REPORT NO: RTC 08-050
ATTENTION: Council President and Members of the City Council
Docket of April 15, 2008
SUBJECT: Annual Reports of the Redevelopment Agency
REFERENCE: May 4, 2007 memorandum to the Redevelopment Agency Chair and
Agency Members.

REQUESTED ACTION:

- 1.) Accept the Annual Reports of the Redevelopment Agency for fiscal years 2003 and 2004.
- 2.) Accept the Annual Financial Reports of the Redevelopment Agency for fiscal years 2003 and 2004. These reports are included as attachment to the respective Annual Reports referenced above.

STAFF RECOMMENDATION: Accept the reports.

SUMMARY:

California Redevelopment Law requires that redevelopment agencies present an Annual Report to its legislative body within six months of the end of each fiscal year. The Redevelopment Agency of the City of San Diego did not produce Annual Reports for recent years. This circumstance was reported to the Agency on May 4, 2007 and is attached as reference. The Agency recently initiated production of Annual Reports, the status of which is as follows:

Fiscal Years 2003 and 2004

The Agency Annual Reports for Fiscal Years 2003 and 2004 were distributed to the members of the City Council in hard-copy on December 31, 2007. These reports are accompanied by the corresponding Annual Financial Reports (audits) that were completed in 2007 (refer to Fiscal Year 2003 and 2004 Annual Reports - Attachment 3).

Fiscal Years 2005 and 2006

The Agency Annual Reports for Fiscal Years 2005 and 2006 are not available at this time. These reports will be produced within a reasonable time frame upon the issuance of the respective Annual Financial Reports (audits) and it is anticipated this will occur during 2008.

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Fiscal Year 2007

The Agency Annual Report for Fiscal Year 2007 is not available at this time though a preliminary report was issued to the City Council on December 31, 2007. The finalized report will be prepared and issued within a reasonable time frame upon the completion of the fiscal year 2007 audit, anticipated for later this year.

Notice of Major Violations

In accordance with California Redevelopment Law in Section 33080.2(a), "When the agency presents the annual report to the legislative body pursuant to Section 33080.1, the agency shall inform the legislative body of any major violations of this part based on the independent financial audit report. The agency shall inform the legislative body that the failure to correct a major violation of this part may result in filing of an action by the Attorney General pursuant to Section 33080.8."

The Agency Annual Reports for Fiscal Years 2003 and 2004 include a listing of the findings as stated in the respective Annual Financial Reports (audits), and a response to each finding as to systems or processes that have been put in place or will be implemented to correct and address each finding. The audits are found as Attachment 3 in both the 2003 and 2004 Agency Annual Reports, and the findings and responses are on pages 86-91 of the Fiscal Year 2003 Audit and pages 90-96 of the Fiscal Year 2004 audit.

Under California Redevelopment Law, the City Council is obliged to review the Agency Annual Reports and may take action on the reports. The recommendation of staff is for the reports to be accepted by the City Council.

FISCAL CONSIDERATIONS: None

PREVIOUS COUNCIL and/or COMMITTEE ACTION: At the March 27, 2007 meeting of the Redevelopment Agency, the Agency directed staff to respond to a public comment as to why annual reports for the Agency were not produced in recent years. Staff provided a response to the Agency Board on May 4, 2007. The reports submitted on December 31, 2007 reflect the progress of Agency staff in addressing the issue of backlogged reports. Additionally, the Annual Financial Reports for fiscal years 2003 and 2004 were reviewed by the Audit Committee on September 10, 2007. The Committee voted 3-0 to forward the reports to the Agency with a recommendation to receive and file the reports.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: The general public and investment community will have access to this information. The Agency is pleased to issue these reports and will continue to progress on the development and issuance of the remaining backlogged reports.

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Respectfully Submitted,

Janice L. Weinrick
Assistant Director,
City Planning & Community Investment,
Redevelopment Division

William Anderson
Deputy Chief Operating Officer
Land Use & Economic Development

Attachments:

1. Redevelopment Agency Annual Report - Fiscal Year 2003 (includes the Fiscal Year 2003 Annual Financial Report – Attachment 3)
2. Redevelopment Agency Annual Report - Fiscal Year 2004 (includes the Fiscal Year 2004 Annual Financial Report – Attachment 3)
3. May 4, 2007 Memorandum to the Redevelopment Agency on the subject of Agency Annual Reports



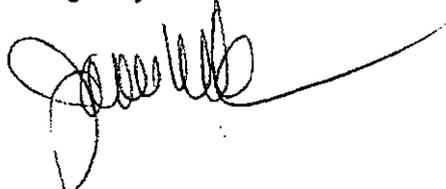
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001467

THE CITY OF SAN DIEGO

DATE: May 4, 2007

TO: Scott Peters, Redevelopment Agency Chair & Agency Members

FROM: Janice Weinrick, Deputy Executive Director
Redevelopment Agency 

SUBJECT: Agency Annual Reports

In response to public comment at the March 27, 2007 meeting of the Redevelopment Agency staff was requested to respond as to why annual reports for the Agency have not been issued for recent years.

As specified under California Redevelopment Law, the annual report consists of several components summarized here for simplicity as 1) an independent financial audit report, 2) a fiscal statement as defined per California Safety and Health Code Section 33080.5, and 3) a description of the Agency's activities pertaining to housing and the alleviation of blight, and other items as defined per California Safety and Health Code Section 33080.1.

ITEMS 1 & 2

Upon completion of the City's annual Comprehensive Annual Financial Report (CAFR), the Office of the Auditor and Comptroller produce the Agency's annual financial report consisting of items 1 and 2 above. As the Agency's finances are necessarily a component of the City's CAFR, the Agency's annual financial report cannot be completed without completion of the corresponding CAFR. **In short, the Agency financial reports for fiscal years 2003, 2004, 2005, and 2006 are delayed due to the much publicized delay with the City's CAFRs over the same time period.**

Though the Agency did not have independent financial audit reports (item 1) for the fiscal years 2003-2006, the Agency did produce financial statements (item 2) for those fiscal years and submitted these reports to the State in accordance with the law. The State's summary of the Agency's data through Fiscal Year 2005 is available at: <http://www.sco.ca.gov/ard/local/locprep/redevelop/reports/0405redevelop.pdf>. It is anticipated that the State's summary of FY 2006 data will be available online by August 2007.

The Agency consulted with the Office of the Auditor and Comptroller to gage when Agency financial reports for fiscal years 2003 - 2006 will be issued. It is anticipated that the Agency's financial report for Fiscal Year 2003 can be issued



Redevelopment Agency

1200 Third Avenue, Suite 1400, MS 560 • San Diego, CA 92101-4110

Tel (619) 236-6700 Fax (619) 533-3219

City Planning & Community Investment

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in approximately 30 days, now that the City's Fiscal Year 2003 CAFR has been issued. It is anticipated that the subsequent financial reports for the Agency will be issued per a similar schedule, dependent upon issuance of the corresponding City CAFR.

ITEM 3:

The reporting on Agency activities pertaining to housing and the alleviation of blight among other items (Item 3) is performed by Agency staff. This information has been compiled each fiscal year and reported to the State in accordance with the law. The State's summary of this data for the Agency is available online through Fiscal Year 2005 at <http://www.hcd.ca.gov/hpd/rda/04-05/rdasum04-05.pdf>. The State's summary of FY 2006 data should be available online by August 2007.

While the Agency compiled the available data (with exception of the independent financial audit reports which are not available to date for fiscal years 2003-2006) and consistently submitted the data to the State each fiscal year in accordance with the law, records indicate that the Agency has not presented annual reports as a formal agenda item to the City Council. As a practical matter, the information typically contained in these reports has been reviewed by the Agency (and thus the City Council) each year as a part of the review and approval of the Agency's annual budget.

FUTURE ACTIONS

1. The Office of the Auditor and Comptroller anticipates that they will be able to issue an Annual Financial Report for each backlogged year (fiscal years 2003-2006) within approximately sixty days of the issuance of the corresponding City CAFR.
2. The Agency will issue and present the Annual Report for Fiscal Year 2007 as required by law by December 31, 2007 even if, due to the backlogged City CAFRs, the Fiscal Year 2007 CAFR and Agency Annual Financial Reports are not available for inclusion. All available backlogged Annual Financial Reports (FY 2003-2006) will also be presented to the City Council at that time.

cc: Jaymie Bradford, Office of the Mayor
Jay Goldstone, Chief Financial Officer
Jim Waring, Deputy Chief Operating Officer, Land Use and Economic Development
Bill Anderson, Director, City Planning and Community Investment
Greg Levin, Deputy Comptroller
Rolando Charvel, Office of the Auditor and Comptroller

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DATE ISSUED: April 9, 2008 REPORT NO: RTC -
ATTENTION: Council President and Members of the City Council
Docket of April 15, 2008
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REFERENCE: May 4, 2007 memorandum to the Redevelopment Agency Chair and
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STAFF RECOMMENDATION: Accept the reports.

SUMMARY:

California Redevelopment Law requires that redevelopment agencies present an Annual Report to its legislative body within six months of the end of each fiscal year. The Redevelopment Agency of the City of San Diego did not produce Annual Reports for recent years. This circumstance was reported to the Agency on May 4, 2007 and is attached as reference. The Agency recently initiated production of Annual Reports, the status of which is as follows:

Fiscal Years 2003 and 2004

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Notice of Major Violations

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inform the legislative body of any major violations of this part based on the independent financial audit report. The agency shall inform the legislative body that the failure to correct a major violation of this part may result in filing of an action by the Attorney General pursuant to Section 33080.8.”

The Agency Annual Reports for Fiscal Years 2003 and 2004 include a listing of the findings as stated in the respective Annual Financial Reports (audits), and a response to each finding as to systems or processes that have been put in place or will be implemented to correct and address each finding. The audits are found as Attachment 3 in both the 2003 and 2004 Agency Annual Reports, and the findings and responses are on pages 86-91 of the Fiscal Year 2003 Audit and pages 90-96 of the Fiscal Year 2004 audit.

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FISCAL CONSIDERATIONS: None

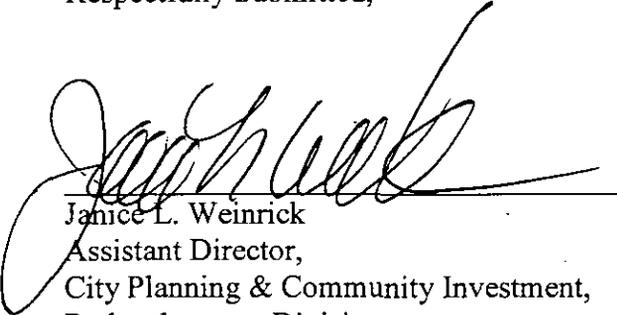
PREVIOUS COUNCIL and/or COMMITTEE ACTION: At the March 27, 2007 meeting of the Redevelopment Agency, the Agency directed staff to respond to a public comment as to why annual reports for the Agency were not produced in recent years. Staff provided a response to the Agency Board on May 4, 2007. The reports submitted on December 31, 2007 reflect the progress of Agency staff in addressing the issue of backlogged reports. Additionally, the Annual Financial Reports for fiscal years 2003 and 2004 were reviewed by the Audit Committee on September 10, 2007. The Committee voted 3-0 to forward the reports to the Agency with a recommendation to receive and file the reports.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: none

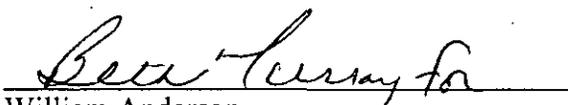
KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The general public and investment community will have access to this information. The Agency is pleased to issue these reports and will continue to progress on the development and issuance of the remaining backlogged reports.

Respectfully Submitted,



Janice L. Weinrick
Assistant Director,
City Planning & Community Investment,
Redevelopment Division



William Anderson
Deputy Chief Operating Officer
Land Use & Economic Development

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Attachments:

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REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO		1. CERTIFICATE NUMBER (for auditor's use only)
TO: CITY ATTORNEY	2. FROM: (ORIGINATING DEPARTMENT) CITY PLANNING & COMMUNITY INVESTMENT/ REDEVELOPMENT DIVISION	3. DATE February 14, 2008

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4. SUBJECT:
Annual Reports of the Redevelopment Agency

5. Primary Contact (Name, Phone & Mail Sta.) Scott Mercer, 23-66242 56D	6. Secondary Contact (Name, Phone & Mail Sta.) Edward Prendell, 23-66398 56D	7. Check BOX if REPORT TO COUNCIL IS ATTACHED <input checked="" type="checkbox"/>
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8. COMPLETE FOR ACCOUNTING PURPOSES					9. ADDITIONAL INFORMATION/ESTIMATED COST:	
FUND					Fiscal Impact: None	
DEPT.						
ORGANIZATION						
OBJECT ACCOUNT						
JOB ORDER						
C.I.P. NUMBER						
AMOUNT						

10. ROUTING AND APPROVALS							
ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED
1	Assistant Director, CP&CI, Redevelopment Division	Janice L. Wejarick <i>[Signature]</i>	2/19/08				
2	Deputy Chief Operating Officer, Land Use & Economic	William Anderson <i>[Signature]</i>	2/26/08	3	Auditor	Rolando Charvel <i>[Signature]</i>	2/26/08
				4	City Attorney	Huston Capella <i>[Signature]</i>	2/27/08
				5	Originating Department	Scott Mercer <i>[Signature]</i>	2/27/08
				6	Docket Coord:	<i>[Signature]</i>	2/27/08
					Council Liaison:	<i>[Signature]</i>	2/27/08
					COUNCIL PRESIDENT	<i>[Signature]</i>	4/15/08

11. PREPARATION OF: RESOLUTION(S) ORDINANCE(S) AGREEMENT(S) DEED(S)

1) Accept the Annual Reports of the Redevelopment Agency for fiscal years 2003 and 2004.

2) Accept the Annual Financial Reports for the Redevelopment Agency for fiscal years 2003 and 2004.

Docket of: April 15, 2008

11a. STAFF RECOMMENDATIONS:
Approve the Resolutions

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): 2, 3, 4, 5, 6, 7, 8

Community Planning Area(s):

Environmental Impact:

Housing Impact:

Other Issues:

City Clerk Instruction: Please send copies of the resolution(s) to Jeannette Santos, MS 56D and Scott Mercer, MS 56D

001475

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: April 9, 2008 REPORT NO: RTC-08-xxx
ATTENTION: Council President and Members of the City Council
Docket of April 15, 2008
ORIGINATING DEPARTMENT: City Planning & Community Investment, Redevelopment
Division
SUBJECT: Annual Reports of the Redevelopment Agency
COUNCIL DISTRICT(S): 2,3,4,6,7,8
CONTACT/PHONE NUMBER: Scott Mercer/619-236-6242

REQUESTED ACTION:

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STAFF RECOMMENDATION: Accept the reports.

EXECUTIVE SUMMARY:

California Redevelopment Law requires that redevelopment agencies present an Annual Report to its legislative body within six months of the end of each fiscal year. The Redevelopment Agency of the City of San Diego did not produce Annual Reports for recent years. This circumstance was reported to the Agency on May 4, 2007 and is attached to the Report to the City Council as reference. The Agency recently initiated production of Annual Reports, the status of which is as addressed in the Report to the City Council. The reports for fiscal years 2003 and 2004 have been completed and are ready for acceptance by the City Council.

FISCAL CONSIDERATIONS: None.

PREVIOUS AGENCY, COUNCIL and/or COMMITTEE ACTION:

At the March 27, 2007 meeting of the Redevelopment Agency, the Agency directed staff to respond to a public comment as to why annual reports for the Agency were not produced in recent years. Staff provided a response to the Agency Board on May 4, 2007. Additionally, the Annual Financial Reports for fiscal years 2003 and 2004 were reviewed by the Audit Committee on September 10, 2007. The Committee voted 3-0 to forward the reports to the Agency with a recommendation to receive and file the reports.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

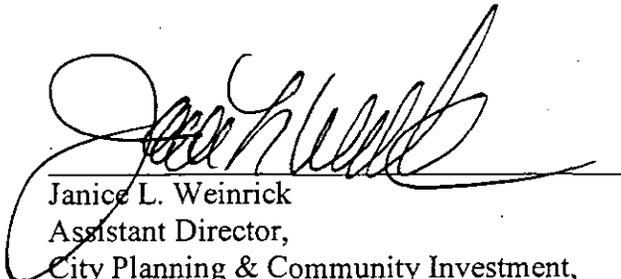
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Council President and City Council
Executive Summary
Page 2

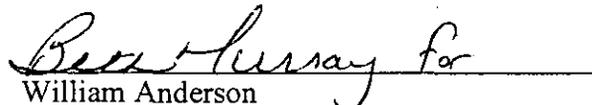
KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The general public and investment community will have access to this information. The Agency is pleased to issue these reports and will continue to progress on the development and issuance of the remaining backlogged reports.

Respectfully Submitted,



Janice L. Weinrick
Assistant Director,
City Planning & Community Investment,
Redevelopment Division



William Anderson
Deputy Chief Operating Officer
Land Use & Economic Development

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RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE CITY OF SAN DIEGO ACCEPTING THE ANNUAL REPORTS OF THE REDEVELOPMENT AGENCY FOR FISCAL YEARS 2003 AND 2004, AND ACCEPTING THE ANNUAL FINANCIAL REPORTS OF THE REDEVELOPMENT AGENCY FOR FISCAL YEARS 2003 AND 2004.

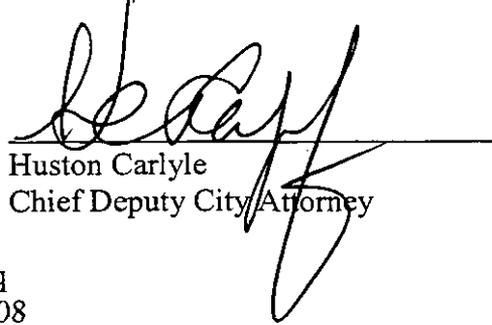
BE IT RESOLVED, by the Council of the City of San Diego, that the Fiscal Year 2003 and 2004 Annual Reports of the Redevelopment Agency of the City of San Diego, submitted pursuant to California Health and Safety Code, Division 24, Part I, are hereby accepted; copies of the Reports are on file in the office of the City Clerk as Document Nos. _____ and _____, respectively.

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that the Fiscal Year 2003 and 2004 Annual Financial Reports of the Redevelopment Agency of the City of San Diego, submitted pursuant to California Health and Safety Code, Division 24, Part I, are hereby accepted; copies of the Reports are on file in the office of the City Clerk as Document Nos. _____ and _____, respectively.

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that this activity is not a "project" and is therefore exempt from the California Environmental Quality Act ["CEQA"] pursuant to State CEQA Guidelines Section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Huston Carlyle
Chief Deputy City Attorney

HC:cfq
02/27/08
Or.Dept:R.A.
R-2008-570
MMS#5772

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

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The City of San Diego
Redevelopment Agency

ANNUAL REPORT



Fiscal Year 2004
(Issued in December 2007)

Available for viewing in the
Office of the City Clerk
Cab 2nd floor