

DATE ISSUED: July 19, 2002 REPORT NO. 02-168
ATTENTION: Public Safety & Neighborhood Services Committee
Agenda of July 24, 2002
SUBJECT: Council Policy #900-09 Implementation Status

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE COUNCIL.

BACKGROUND

Council Policy (CP) #900-09 "Community Reinvestment" (Attachment 1) was adopted by resolution on April 15, 1991 (R-277695). It sets forth the City's role, strategy and policies to encourage and assist financial institutions to comply with the letter and spirit of the federal Community Reinvestment Act of 1977 (CRA) and support City community economic development initiatives. On November 5, 2001, the City Council amended CP #900-09 (R-295687), in accordance with the Public Safety and Neighborhood Services Committee's recommendations, to broaden the range of covered financial institutions beyond CRA-regulated banks and to address the role of the San Diego City/County Reinvestment Task Force (RTF) in CP #900-09 implementation. On January 9, 2002, the Committee directed the City Manager and the RTF each to provide a mid-year status of their respective CP #900-09 implementation efforts.

DISCUSSION

After convening a series of discussions including the City Treasurer, the Risk Management Department, the City Attorney's Office and the Community & Economic Development Department, on May 20, 2002, the City Manager distributed a memorandum providing guidance regarding CP #900-09 (Attachment 2). The memo included sample RFP language developed by the City Treasurer regarding the particular changes to CP #900-09 and informed departments entering into new contracts with financial institutions whose total annual compensation is

reasonably projected to exceed \$100,000 and whose total assets exceed \$250 million that they are to: a) request San Diego-specific reinvestment programs as part of the contracting process; b) consider any data related to CP #900-09-covered reinvestment activities provided by the financial institutions; and c) make the information thus received available to the RTF, upon its request, for compilation and analysis.

Although no such new qualifying financial institution contracts were entered into by City Departments during the first half of calendar year 2002, a preliminary list of the types of potential CP #900-09-qualified financial institution contracts that may arise in the future has been developed (Attachment 3). The City Manager will continue to monitor these contracts.

The RTF will separately report on the status of its CP #900-09 implementation efforts.

Respectfully submitted,

Hank Cunningham
Director
Community and Economic Development

Approved: Bruce Herring
Deputy City Manager

CUNNINGHAM/JK/MAS

Attachments:

1. Council Policy #900-09 "Community Reinvestment";
2. May 20 Qualifying Financial Services Contracts Memorandum;
3. List of Potential Qualifying Financial Services Contracts