
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Options for Structuring the Redevelopment Agency

OVERVIEW

The Redevelopment Agency of the City of San Diego was created by the City Council in 1958 to alleviate conditions of urban blight and improve economic and physical conditions in designated areas of the City. The Redevelopment Agency is a separate legal entity from the City, with special powers defined under California Community Redevelopment Law (CRL).¹ However, pursuant to CRL, the City Council has declared itself to be the Board of Directors of the Redevelopment Agency.

The Redevelopment Agency consists of 17 project areas throughout the City of San Diego. Under the current structure, these project areas are managed by three operating entities: the City Redevelopment Department and two non-profit corporations, the Centre City Development Corporation (CCDC) and the Southeastern Economic Development Corporation (SEDC). The Agency itself has no direct employees; the City Redevelopment Department serves as staff to the Agency through an operating agreement. The City Redevelopment Department manages 11 project areas, and performs other, Agency-wide duties such as coordinating budget and reporting requirements. Created in 1975, CCDC manages two project areas focusing on downtown San Diego while SEDC, created in 1981, manages four project areas in the City's southeastern communities.

Prior to the Strong Mayor-Strong Council form of government, the Mayor presided over City Council meetings and served as the chair of the Redevelopment Agency. Pursuant to Agency bylaws, the City Manager served as Executive Director of the Redevelopment

¹ California Health and Safety Code Section 33000 *et seq.*

Agency. With the transition to the Strong Mayor-Strong Council form of government in January 2006, the Mayor was removed as a member of the City Council, and no longer served as chair of the Redevelopment Agency. Instead, the Mayor assumed the authority, power and responsibilities of the City Manager.

In order to create a role for the Mayor in redevelopment issues, the Agency bylaws were amended in November 2005 and the Mayor was appointed as Agency Executive Director for a six month period while alternative structures for the Redevelopment Agency were evaluated. Since then, restructuring efforts have stalled, and the Agency has extended the Mayor's designation as Executive Director on a temporary basis eight times, most recently in December 2010.

This report draws from work that was done under previous restructuring efforts, as well as additional IBA research, to provide a high-level overview of potential organizational models for the Redevelopment Agency. In addition, this report explores a number of potential options for creating an appropriate and permanent role for the Mayor in redevelopment issues.

FISCAL/POLICY DISCUSSION

Discussion on restructuring the Redevelopment Agency began in 2005. As part of the FY 2006 Budget, the City Manager proposed transferring the Redevelopment Division (now the Redevelopment Department) to an Agency outside of the City organization. The proposal was to be implemented in two phases: a budgetary restructuring whereby the Division was transferred out of the General Fund into a newly created Redevelopment Fund, followed by a policy decision on the transfer to an outside Agency.

While the budgetary restructuring was adopted as part of the FY 2006 Budget, the Council directed that the existing organizational structure remain in place for the first six months of the fiscal year pending further review and analysis. The issue was referred to the Public Safety & Neighborhood Services Committee, and the City Manager was directed to work with the Council to guide a planning process that would include a range of stakeholders and result in a mission-focused plan for the restructuring of the City's redevelopment and economic development functions. It was originally intended that any restructuring would be implemented in January 2006, along with other organizational changes triggered by the transition to the Strong Mayor-Strong Council form of government. However, the issue proved to be more complex than originally anticipated.

Over the next two and a half years, the issue of redevelopment restructuring was studied extensively through a number of public workshops and Committee meetings. Potential organizational structures were identified and evaluated in various reports by City and Agency staff, Committee consultants, the City Attorney, and the IBA. As part of the evaluation process, Agency staff also contracted with Clarion Associates and Waronzo Associates to analyze the current operation and management of the Redevelopment

Division, and provide recommendations on best practices². Later, Clarion Associated was retained to review the governance structures for redevelopment agencies in several other California cities, and to analyze the potential structures being considered for the City of San Diego³.

In April 2008, the issue was presented to the full Agency Board, along with a recommendation that Agency staff be directed to prepare necessary documents for implementation of the Agency-Employee model, and establishment of certain specific roles for the Mayor in that organizational structure. While staff made significant progress in identifying and moving forward with the many tasks and considerations involved with reorganizing the City Redevelopment Division, restructuring efforts eventually stalled and the Agency-Employee model was never implemented.

Options for Structuring the Redevelopment Agency

This report provides a high-level overview of six organizational models that may be considered for structuring the Redevelopment Agency. Many of these models were identified and evaluated in various reports and studies conducted under previous restructuring efforts. The six structural models reviewed in this report include:

1. City Redevelopment Structure (status quo)
2. Agency-Employee Model
3. Redevelopment Commission
4. Non-Profit Corporation
5. Merge with Housing Commission
6. Independent Agency Board

For simplicity, these structural options are described in their most basic form in order to highlight some of the main differences among the various models. In actuality, there are many variations and hybrids of these models that may ultimately be considered. The analysis in this report draws extensively from the past reports and studies, as well as new research. A number of these reports and studies were particularly instructive, including:

- The November 2006 *Restructuring Options Report* by Clarion Associates;
- The November 2007 staff report to the LU&H Committee (Report No. 07-178);
- The November 2007 LU&H Committee Consultant report (LU&H 07-04); and
- The April 2008 staff report to the Agency Board (RA-08-07)

The November 2006 *Restructuring Options Report* by Clarion Associates noted several criticisms of the current Redevelopment Agency structure, such as multiple levels of approval and lack of public input and accountability (related to CCDC and SEDC); and a rigid personnel structure and slower procedures (related to the City Redevelopment Division). In addition, the report identified other goals to be addressed in the evaluation

² *Focused Study of Redevelopment Practices*. Clarion Associates & Waronzof Associates, March 2006.

³ *San Diego Redevelopment Agency Restructuring Options Report*. Clarion Associates, November 2006.

of different structural models, including the role of the Mayor, responsiveness to opportunities, coordination with planning activities, and effective public input. Building upon this analysis, the November 2007 staff report to the LU&H Committee distilled these issues into six primary criteria that were used to evaluate different potential organizational structures. These criteria include:

- Staffing Flexibility
- Contracting Flexibility
- Decision-Making Accountability
- Management Efficiency and Cost Savings
- Integration with Planning Policy, and
- Role of the Mayor

While this report does not provide a detailed analysis of the structural models with respect to each of these six categories, it does describe the more significant aspects of each model, and discusses a number of potential advantages and disadvantages. In this respect, the fundamental goal of this report is to provide a foundation for more thorough and focused evaluation of the many options available for creating the most effective and efficient structure for providing redevelopment services in San Diego. Further legal and financial analysis will be required as different options are more thoroughly investigated.

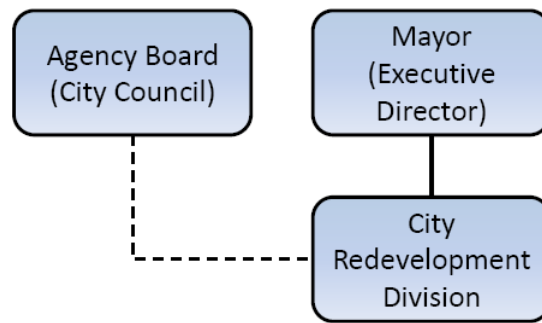
Determining the optimal structure of the Redevelopment Agency will be a challenging endeavor with many competing interests and perspectives. Certain characteristics are likely to be viewed as an advantage from one perspective, and a disadvantage from another. This is because there may be a natural tension between certain desired outcomes, such as strong public involvement and expedient decision-making. In addition, the *Restructuring Options Report* by Clarion Associates noted that some studies have not found a clear nexus between governance structure and agency effectiveness. Rather, many of the advantages and disadvantages found in different agencies relate to structures that have been crafted to fit the politics or the political history of the city. Clearly identifying the problems with the current structure will be helpful in crafting a more effective Agency organization.

Finally, this report makes no assumptions as to whether any potential restructuring will extend to CCDC and SEDC. Previous restructuring efforts focused solely on the City Redevelopment Division, and did not contemplate any fundamental changes to the existing corporation structure. However, in evaluating the most effective means of providing redevelopment services, all options should be considered. Under any organizational model, the current corporation structure can be retained, modified, or eliminated. Because each of the structural models discussed in this report can exist with or without the corporations, they are described in isolation. However, depending on what is ultimately decided with respect to the corporation structure, further analysis will be required to determine how each of the structural models will impact and interact with CCDC and SEDC.

City Redevelopment Structure

Perhaps the simplest option for Redevelopment Agency organization would be to maintain the structure that currently exists. The City Council would continue to serve as the Agency Board, and City staff would continue to manage redevelopment activities in 11 project areas on behalf of the Agency through an operating agreement. However, under this option, the Agency would appoint the Mayor as Executive Director on a more permanent basis.

Figure 1. City Redevelopment Structure



One of the more prominent characteristics of this structure is that redevelopment activities would generally be subject to the personnel regulations under the civil service system, which could result in a more rigid personnel structure. This could limit the City's ability to create and fill needed positions, or recruit staff with the necessary experience and expertise in redevelopment from the private sector or other redevelopment agencies. In addition, redevelopment activities could be constrained by slower City processes and procedures, or broadly imposed budgetary restrictions such as hiring freezes. For instance, in FY 2008 the Redevelopment Division requested seven new positions but only one was added to the budget, despite the fact that redevelopment is funded by tax increment.

However, there are also potential advantages to the City Redevelopment structure. One of the most significant advantages is the ability to integrate redevelopment with the planning policy, and other City functions such as economic development, land use and public works. In some cities, redevelopment drives planning policy through the amendment process rather than the other way around. In 2006, the City Planning and Community Investment (CPCI) Department was formed to integrate planning with redevelopment and economic development. In this manner, redevelopment is regarded as a tool to implement the community planning policies in redevelopment project areas. While City Redevelopment was recently removed as a division of CPCI and established as its own department, there remains a strong integration as both functions still exist within the City structure.

The most significant aspect of the City Redevelopment structure is that the Agency Executive Director – the Mayor – would not report to the Agency Board, but rather, be

accountable directly to the public as a citywide elected official. While this dynamic is somewhat analogous to the Strong Mayor form of government approved by voters, it would diminish the authority of the Agency Board. While the Agency Board does have the authority to appoint someone other than the Mayor as Executive Director, doing so under the City Redevelopment model could result in a dysfunctional reporting structure, or fail to achieve the Agency's objectives. Two hypothetical situations illustrate this point:

Example 1 – The Agency appoints a City employee as Executive Director instead of the Mayor. However, the Executive Director is still a City employee, and as such would ultimately still report to the Mayor, not to the Agency Board.

Example 2 – The Agency appoints an Executive Director that is not a City employee. While the Executive Director would then report to the Agency Board, redevelopment staff would still report to the Mayor. This could result in a dysfunctional reporting structure, with unclear lines of authority.

Determining whether it is appropriate for the Mayor to serve as the Executive Director is a fundamental questions that will need to be determined throughout this process. This issue is discussed in greater detail later in this report.

Agency-Employee Model

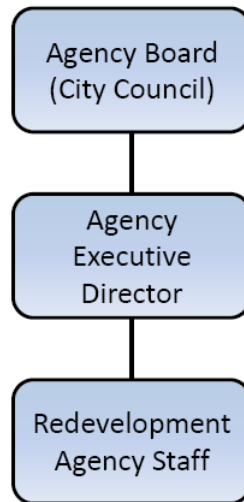
California Community Redevelopment Law provides redevelopment agencies the ability to hire their own employees, outside of the city or county structure. Health and Safety Code section 33126(a) states:

“An agency may select, appoint, and employ such permanent and temporary officers, agents, counsel, and employees as it requires, and determine their qualifications, duties, benefits, and compensation...”

Under the Agency-Employee model, the City Council would continue to serve as the Redevelopment Agency Board, but redevelopment staff would be employed by the Agency instead of the City. The Agency Executive Director would be appointed by, and report directly to the Agency Board. This is shown in the diagram on the following page.

One of the more salient features of this model is that Agency staff could operate outside of the civil service system, which would result in greater staffing flexibility and may allow the Agency to attract employees with more redevelopment experience and expertise. In addition, redevelopment activities would not be restricted by other City policies and procedures such as budgetary constraints, as described in the previous section. Overall, this could result in an Agency structure that is more nimble, and better positioned to respond quickly to market opportunities.

Figure 2. Agency-Employee Model



However, a potential concern with an Agency-Employee structure is that there may be less integration with City functions, which could lead to a divergence between redevelopment and planning policy, and conflicts with other City departments. However, this integration could be maintained and strengthened through an operating agreement or memorandum of understanding. In addition, there are a number of logistical considerations that would need to be addressed in transitioning away from the City Redevelopment structure. Such considerations include:

- Creating new compensation packages for Agency employees, including salary, health, insurance and retirement benefits, that are on par with comparable agencies.
- Establishing new administrative support functions such as human resources, payroll, accounting, and purchasing & contracting; and determining which services would continue to be provided by the City, such as planning, legal, and information technology.
- Developing policies and regulations to ensure effective operation and appropriate oversight, including purchasing & contracting, budget, debt management, and personnel;
- Preparing transition plans for current City Redevelopment employees, including meet & confer with labor organizations. A process would need to be established whereby employees could compare benefit and compensation plans, and review their options with respect to becoming an employee of the Agency or remaining with the City.

While these issues are not insurmountable, they are complex and will require a great deal of consideration and evaluation prior to being implemented. It should also be noted that these transition issues will largely apply to all of the structural options that are outside the City organization.

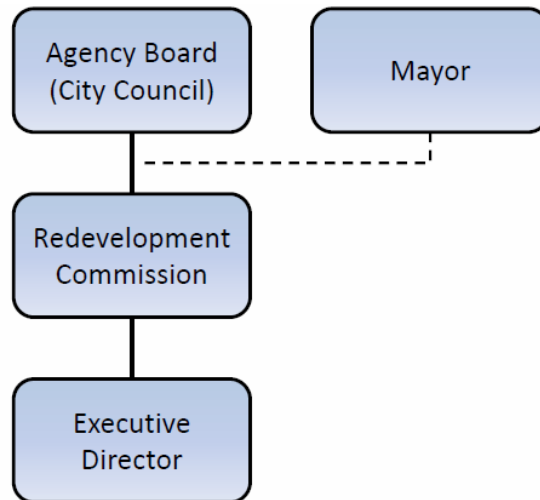
Redevelopment Commission

California Health and Safety Code section 33201(a) states:

“A legislative body which has declared itself to be the agency...may by ordinance create a community redevelopment commission. The ordinance shall establish the number of members of the commission, but not less than seven, their terms of office, and the method of their appointment and removal.”

Under this model, the City Council would continue to serve as the Agency Board, but would appoint a Redevelopment Commission to act as an advisory body and manage day-to-day operations. The Agency Executive Director could be appointed either by the Commission or by the Agency, and report directly to the Commission or jointly to the Commission and the Agency. Redevelopment staff would be employees of the Commission. This structure is illustrated below.

Figure 3. Redevelopment Commission



Under State law, a redevelopment commission is vested with certain authorities, such as preparing Redevelopment Plans for submission to the legislative body. However, the Agency may delegate additional responsibilities to the Commission as deemed appropriate.

A Redevelopment Commission would largely be analogous to the Housing Commission, which serves as an advisory body to the Housing Authority (City Council) and manages

day-to-day affairs. The Housing Commission has seven board members who are appointed by the Mayor and confirmed by the City Council. The Housing Authority appoints the President and CEO of the Housing Commission, who also is the Executive Director of the Housing Authority. The Housing Authority has delegated certain responsibilities and authorities to the Housing Commission in order to increase administrative efficiency and reduce the Housing Authority's workload.

A Redevelopment Commission model has many of the same characteristics as the Agency-Employee model, such as greater flexibility in staffing and fewer constraints from City policies and procedures. Many of the same transition issues would also need to be addressed, such as creating compensation packages for new positions, maintaining integration with certain City policies and functions, and developing transition plans for existing City Redevelopment staff.

The main difference between the Agency-Employee model and a Redevelopment Commission is that the Commission model would create a new layer of review and approval for many redevelopment project and activities. This may be beneficial for several reasons. First, the Agency could appoint commissioners with technical expertise, which could allow for more thorough review and vetting of proposed projects and activities. Second, the Agency could delegate certain authorities to the Commission in order to expedite more routine transactions and reduce Agency workload.

However, the creation of a Redevelopment Commission may also be viewed as a disadvantage. Creating an additional layer of review and approval could result in a longer approval process, and delay project implementation. In addition, there may be a perception of less accountability to the public, particularly on issues where the Commission has been delegated authority to make the final decision. According to prior staff reports, a frequent concern expressed in previous public meetings was the creation of another layer or buffer between the public and elected officials.

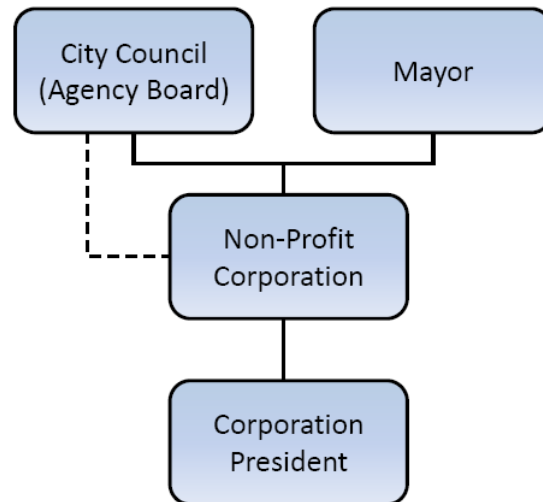
Non-Profit Corporation

The City could create another non-profit corporation to manage redevelopment activities on behalf of the Agency in the 11 project areas currently managed by the City Redevelopment Department. The corporation would be established and function in the same manner as CCDC and SEDC, and would be governed by an operating agreement with the Agency, and corporation bylaws. Under the Amended and Restated Bylaws for both CCDC and SEDC, corporation board members are nominated by the Mayor and confirmed by the City Council. Corporation Presidents are appointed by the Mayor, and confirmed by the two-thirds vote of the City Council.

A non-profit Corporation would be very similar in structure and operation to a Redevelopment Commission. It would be free of constraints of the civil service system and City policies and procedures, and face similar transition issues. It would also create

an additional layer of review and approval, and result in the creation of another organization.

Figure 4. Non-Profit Corporation



The biggest structural difference between the Commission and Corporation models is that under a Corporation model, the Agency would not have a centralized Executive Director to oversee and coordinate redevelopment activities. Instead, there would be three separate corporations managing redevelopment activities on behalf of the Agency, each with their own management and Board of Directors. This structure would also result in duplication of many administrative functions, as each corporation would have their own staff for human resources, payroll, purchasing & contracting, legal, financial management, etc.

There are a few possible variations of the basic Corporation model that could potentially address some of these issues; however, these options may create new challenges in their own right. Potential variations include:

- Appointing an Agency employee as Executive Director to provide oversight of the corporations, and coordinate redevelopment activities across the City. This would create centralized leadership that is accountable to the Agency, but could create an awkward dynamic between the Executive Director and the corporations, and result in unclear lines of authority.
- Merging all three corporations to create a single, consolidated redevelopment corporation. While this could eliminate redundancies in staffing and result in greater efficiency due to economies of scale, it may be difficult to appoint a corporation board that is representative of all project areas.

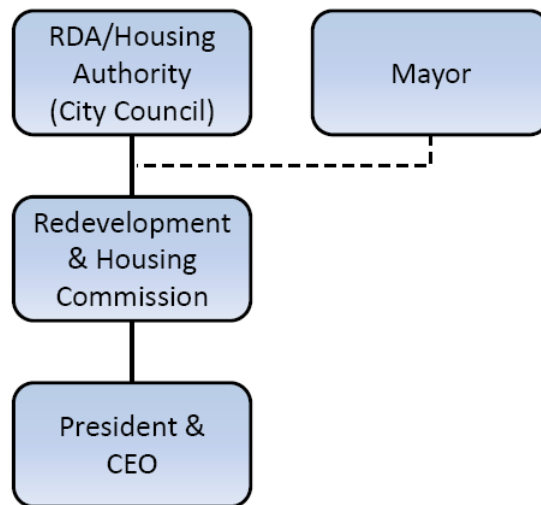
The most significant advantage of a Redevelopment Corporation model, in contrast to the Agency-Employee or Redevelopment Commission models, is that a corporation may bring a more entrepreneurial approach to redevelopment, and create the perception of being a more business-oriented organization. However, there may also be a concern that there is less accountability to the public, and that staff and board members owe fiduciary responsibility to the corporation rather than to the Agency.

Merge with Housing Commission

Another option for structuring the Redevelopment Agency is to merge the City’s redevelopment and housing functions. This could be accomplished in one of two ways.

First, the Agency could create a Redevelopment Commission as discussed previously, and appoint members to serve as both the Redevelopment Commission and the Housing Commission. Both Commissions would remain distinct legal entities with separate functions and authorities, but a single board would serve in both capacities, and convene as either body (or hold joint meetings) as appropriate. The City Council would continue to serve as both the Redevelopment Agency and the Housing Authority. The Council would appoint an executive officer to serve as the President and CEO of the merged Commission and Executive Director of both the Redevelopment Agency and Housing Authority. This model is used in the City of Sacramento.

Figure 5. Merged Redevelopment and Housing Commission

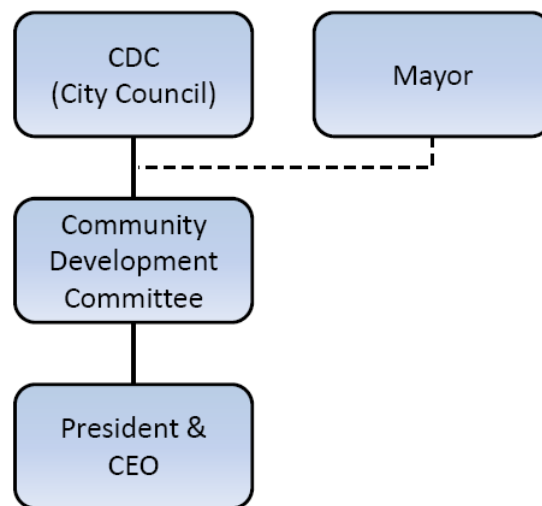


The second option for merging redevelopment and housing functions would be to create a Community Development Commission pursuant to Health & Safety Code section 34110 *et seq.* Like the Redevelopment Agency and the Housing Authority, a Community Development Commission (CDC) is a separate legal entity, with distinct powers and authorities. Health and Safety Code section 34112 states:

“The commission is created and established in order that a community may have the option of operating and governing its redevelopment agency and its housing authority, under a single operating entity and board.”

As with both the Redevelopment Agency and the Housing Authority, the City Council may appoint an independent CDC board, or may declare itself to be the Commission. If the Council declares itself to be the CDC, it may create a Community Development Committee, which would function in a similar capacity to a merged redevelopment and housing commission as described above. As authorized under State law, CDCs are often delegated additional authorities related to community and economic development activities. This model is used by the County of Los Angeles.

Figure 6. Community Development Corporation (CDC)



The difference between these two options is subtle but significant. Under the first option, the Redevelopment Agency and Housing Authority would continue to exist as separate legal entities. Under the second option, the Council would create a new legal entity that would be vested with the powers, duties and responsibilities of *both* the Redevelopment Agency and the Housing Authority. Both the Agency and the Authority would continue to exist, but would be dormant during the period that the CDC is enacted.

A merged Redevelopment and Housing Commission or CDC would have many of the same characteristics as the other structural models outside the City organization, such as greater staffing flexibility, freedom from City budgetary and policy constraints, and the creation of a new level of review and approval. There would also be similar transition issues. However, transitioning to a merged organization could be easier than with other models, since the necessary administrative and organizational structure already exists within the Housing Commission. Forming a merged organization would also avoid duplication of administrative functions, and may benefit from economies of scale.

Since a fundamental goal of redevelopment is the development of affordable housing, there may be benefits in merging with the Housing Commission. Consolidation of similar functions could result in better coordination and prioritization of affordable housing projects, and could potentially forge a stronger nexus between redevelopment and housing needs. However, a merged organizational structure may be viewed as a disadvantage if the affordable housing goals of the Redevelopment Agency and Housing Commission differ, or if there is a perception that redevelopment would not receive as much attention as housing.

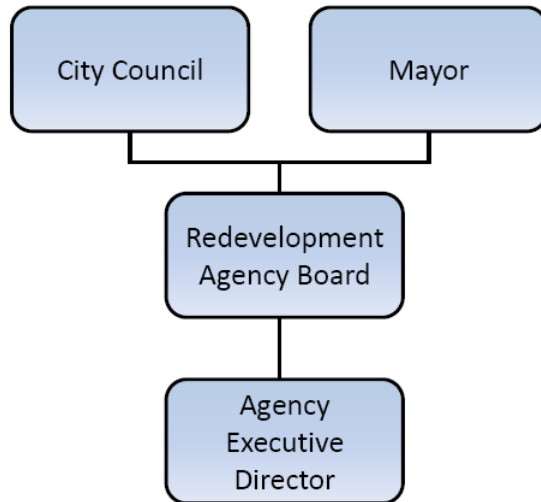
Independent Redevelopment Agency

Under Community Redevelopment Law, the legislative body may appoint an independent board to serve as the Redevelopment Agency. Health and Safety Code section 33203 states:

“A legislative body which has declared itself to be the agency...may at any time by resolution determine that it shall no longer function as an agency.”

If the City Council adopted a resolution declaring that it would no longer function as the Redevelopment Agency, an independent board composed of either five or seven community residents would be appointed as the Redevelopment Agency Board. The appointed Agency Board would then appoint an Executive Director, and redevelopment staff would be employed directly by the Agency as in the Agency-Employee model discussed previously.⁴

Figure 7. Independent Redevelopment Agency



⁴ The Agency would still have the option of contracting with the City for administration of redevelopment activities, but this would result in a rather complex and awkward structure, with obscure lines of authority.

Under this structure, the Council would maintain a role in setting redevelopment policy through the adoption of redevelopment plans for any new project areas, or amendments to redevelopment plans for existing project areas. In addition, Council approval would still be required certain actions such as the disposition of Agency-owned property, or the expenditure of tax increment funds for public improvements. However, other redevelopment activities, such as adopting Five-Year Implementation Plans and entering into consultant contracts, would be under the authority of the appointed Agency board.

Several large California cities have an independent Redevelopment Agency, including Los Angeles and San Francisco. The *Restructuring Options Report* by Clarion Associates notes that possible advantages of this structure could be in having more technical expertise on the Agency board, reducing the workload on the City Council, and further separating redevelopment decisions and activities from the City's political process. However, this structure also creates the potential for conflict between Agency and Council priorities, and there may be a perception of less accountability to the public on redevelopment issues.

Role of the Mayor

The Mayor's role in redevelopment is one of the most critical elements in the discussion of redevelopment restructuring. Under the Strong Mayor form of government the Mayor is chief executive of the City, responsible for managing day-to-day affairs and implementing City policy. However, the Redevelopment Agency is a separate legal entity governed by State law. Neither CRL nor Proposition F, which implemented the Strong Mayor form of government, provided a role for the Mayor in redevelopment, or defined the Mayor's relationship with the Redevelopment Agency. However, as a citywide elected official and the chief executive of the City, the Mayor should play a role in redevelopment issues.

Arguably the single biggest question with respect to the Mayor's role in redevelopment is whether or not the Mayor should serve as the Agency Executive Director. This issue was previously contemplated by both the City Council Transition Committee in 2005 and the Mayor's Charter Reform Committee in 2007, though in neither case were any definitive decisions produced. The Transition Committee ultimately recommended that the Mayor be appointed as Executive Director on an interim basis while alternative Agency structures were being evaluated. The Charter Review Committee adopted a proposal to amend the City Charter to institutionalize the Mayor's role as Executive Director, but recommended the issue for a future ballot.

An argument in favor of the Mayor serving as Executive Director of the Redevelopment Agency is that in adopting the Strong Mayor form of government, voters determined that the appropriate role for the Mayor was that of chief executive, responsible for day-to-day administration of City functions. Having the Mayor serve as Agency Executive Director would be consistent with the roles and responsibilities established by the voters when the

Strong Mayor form of government was approved. In addition, it may be argued that as the City's chief executive, the Mayor should also have day-to-day oversight of redevelopment activities to ensure that City and Agency interests are aligned, and that redevelopment activities are integrated and consistent with City functions.

However, the Redevelopment Agency is governed by State law, not the City Charter. State law specifically vests authority in the Agency Board to appoint such officers and employees as it deems necessary, including an Executive Director. If the Mayor were to serve as Executive Director, it could diminish the Agency Board's authority because as a citywide elected official the Mayor would ultimately be accountable to the voters. In addition, since the Agency and the City are separate legal entities with different goals and purposes, from time to time their interests may diverge. As a result, having the Mayor serve as Executive Director may raise issues regarding incompatibility of offices. Finally, given the complex and technical nature of CRL and redevelopment activities, it may be desirable to have a professional rather than a political Executive Director.

Even if not appointed as Agency Executive Director, there are a number of other ways in which the Mayor can have a meaningful role in redevelopment. Potential roles for the Mayor include:

- **“Ex Officio” Member of Agency** – The Mayor (or designee) could sit as an ex officio member of the Redevelopment Agency. This would allow the Mayor to attend Redevelopment Agency meetings and provide input and recommendations. However, as an ex officio member, the Mayor would not have voting rights.
- **Appointments of Board Members** – The Mayor could appoint members to a Redevelopment Commission or to the board of a non-profit Corporation, subject to Council approval;
- **Selection of Agency Executive Director** – The Mayor could also play a role in the selection and appointment of the Agency Executive Director or a Corporation President;
- **Review Agency Actions** – The Mayor can also play a significant procedural role in Agency matters by reviewing all Agency actions prior to docketing.

Overall, there are a number of ways that the Mayor can play a meaningful role in redevelopment, even if not serving as the Agency Executive Director. This list is by no means intended to be all inclusive; additional ideas and options will likely be developed through public input, and as the various structural models are evaluated. While all options will require further legal review, it is critical that an appropriate and permanent role for the Mayor in redevelopment issues be determined throughout this process.

CONCLUSION

With the establishment of the Redevelopment Agency Ad-Hoc Committee, the Agency has embarked upon a year-long effort to study alternative organizational structures in order to determine the most efficient and effective way of providing redevelopment services to the community. In addition, with San Diego voters electing to make the Strong Mayor form of government permanent in June 2010, an appropriate and permanent role for the Mayor in redevelopment issues needs to be defined.

Drawing from the work that was done under previous restructuring efforts, this report provides a high-level overview of some of the basic structural options that are available for Agency consideration. It is not intended to be an exhaustive evaluation of all the various options; but rather, to broadly describe the most salient aspects of each model, highlight some of the main differences, and discuss potential advantages and disadvantages. While several of the models have similar attributes, there are also stark differences that could dramatically impact how redevelopment functions. Some characteristics may be viewed as an advantage from one perspective, and a disadvantage from another. In addition, there will likely be a natural tension between certain desired outcomes, such as strong public involvement and expedient decision-making.

This report also reviews a number of potential roles for the Mayor in redevelopment. In this regard, perhaps the most significant question is whether or not the Mayor should continue to serve as Agency Executive Director on a more permanent basis. However, even if the Mayor does not continue to serve as Executive Director, there are a number of other ways in which the Mayor can play a meaningful role in redevelopment.

Determining the appropriate organizational structure will be a challenging endeavor, with many competing interests and perspectives that will need to be carefully weighed. This report is intended to be the starting point of a thorough review process, and to provide a foundation for more focused evaluation of the many options available for creating the most effective organizational structure for the Redevelopment Agency.

[SIGNED]

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