

**REDEVELOPMENT AGENCY
OF THE CITY OF SAN DIEGO**

ANNUAL REPORT



FISCAL YEAR 2005
(Issued in July 2008)

TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2005

Redevelopment Agency Officials as of Issuance of Report...3
Redevelopment Agency Officials as of June 30, 2005...4
Redevelopment Project Area Map...5

REDEVELOPMENT AGENCY ANNUAL REPORT

Introduction...6
Redevelopment Agency Overview...6
Reports Submitted to the State of California...8
Financial Overview...9
Blight Alleviation Report...13
Low and Moderate Housing Fund...13
Project Area Information...14
Barrio Logan Project Area...15
Central Imperial Project Area...16
Centre City Project Area...18
City Heights Project Area...20
College Community Project Area...22
College Grove Project Area...23
Crossroads Project Area...24
Gateway Center West Project Area...25
Grantville Project Area...26
Horton Plaza Project Area...27
Linda Vista Project Area...29
Mount Hope Project Area...30
Naval Training Center Project Area...31
North Bay Project Area...32
North Park Project Area...33
San Ysidro Project Area...34
Southcrest Project Area...35
Annual Financial Audit Report...36
Appendices...39

Redevelopment Agency of the City of San Diego

Roster of Officials
(as of the issuance of this report)

BOARD OF DIRECTORS

Scott Peters
Member

Kevin Faulconer
Member

Toni Atkins
Member

Anthony Young
Member

Brian Maienschein
Member

Donna Frye
Member

Jim Madaffer
Member

Ben Hueso
Member

OFFICIALS

Jerry Sanders
Executive Director

William Anderson
Assistant Executive Director

Janice L. Weinrick
Deputy Executive Director

Michael Aguirre
General Counsel

Redevelopment Agency of the City of San Diego

Roster of Officials
As of Year Ended June 30, 2005

BOARD OF DIRECTORS

Dick Murphy*
Chairperson

Board Members

Scott Peters
Member

Michael Zucchet*
Member

Toni Atkins
Member

Tony Young
Member

Brian Maienschein
Member

Donna Frye
Member

Jim Madaffer
Member

Ralph Inzunza*
Member

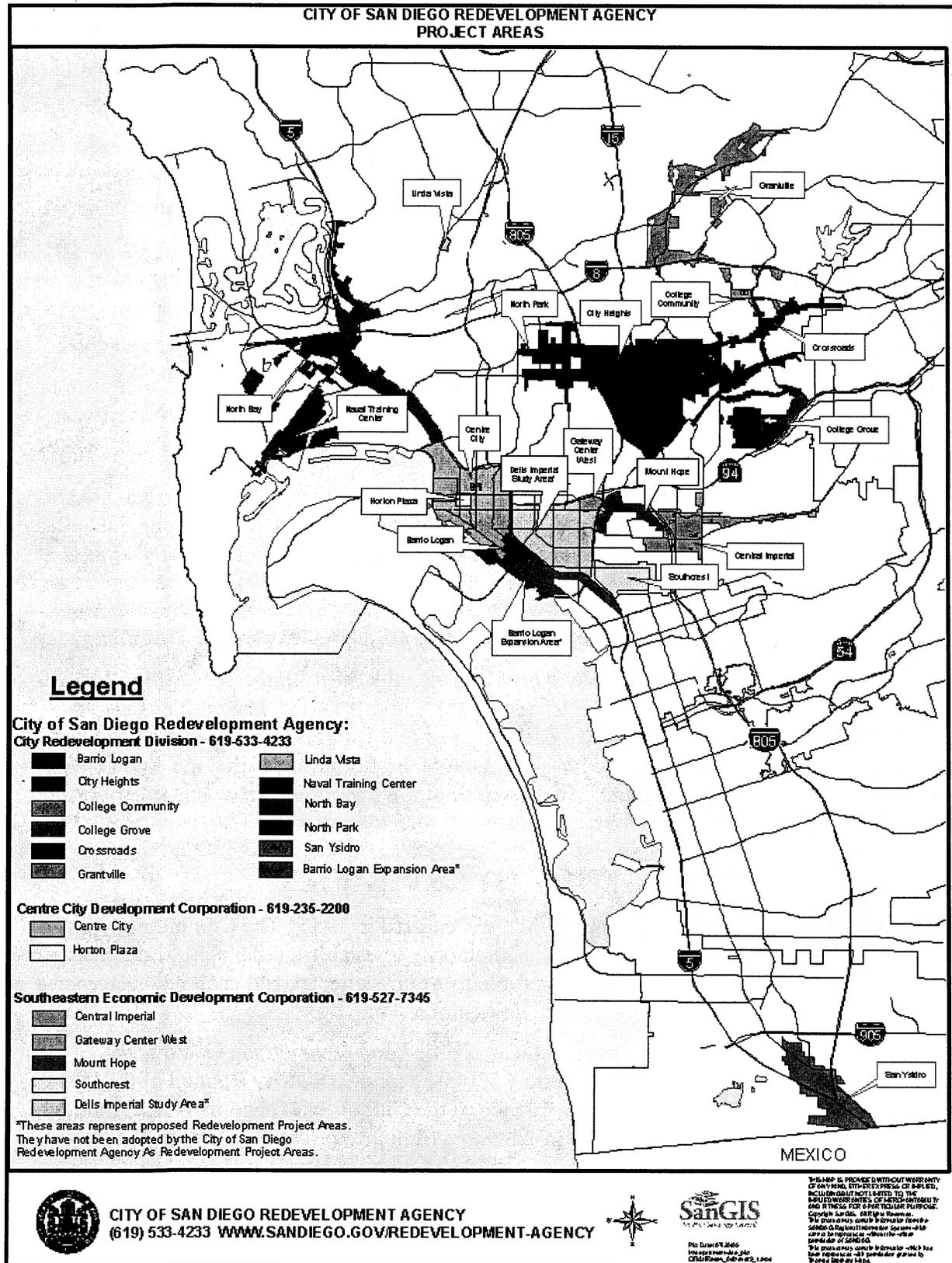
OFFICIALS

P. Lamont Ewell*
Executive Director

Michael Aguirre
General Counsel

* Individuals are no longer employees of the Redevelopment Agency.

Redevelopment Project Area Map¹



¹ Redevelopment Project Map is reflecting all the project areas as of the issuance of this report.

INTRODUCTION

The Redevelopment Agency is required to present to its legislative body an annual report within six (6) months of the end of the agency's fiscal year (California Health & Safety Code, Section 33080.1). California Redevelopment Law (CRL) at Health and Safety Code Section 33080.1 requires that the annual report shall contain the following:

1. The independent financial audit report for the previous fiscal year.
2. A fiscal statement for the previous fiscal year that lists the amount of outstanding indebtedness and tax increment revenues generated by the agency and in each project area.
3. Description of the agency's activities in the previous year affecting housing and displacement.
4. Report on the actions and activities to alleviating blight during the previous fiscal year.
5. List the status on all loans made by the Agency that were \$50,000 or more, that were in default, or not in compliance with the terms of the loan during the previous fiscal year.
6. Description of the total number and nature of the properties that the agency owns and the properties acquired in the previous fiscal year.
7. Any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities. *Note: Staff performed a search of the Agency's archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found consistently and as a result jobs information is contained in this report for applicable project areas only.*

In May 2008, the Redevelopment Agency Annual Financial Report for the year ending June 30, 2005 (Audit) was issued. The report identified two (2) findings for the year ending June 30, 2005 (refer to the Redevelopment Agency of the City of San Diego, *Annual Financial Report – Fiscal Year Ended June 30, 2005*, Page 94 - 95). One of the findings was that the Annual Report was not submitted to the City Council. The issuance of this report addresses this specific Audit compliance finding.

REDEVELOPMENT AGENCY OVERVIEW

The California Community Redevelopment Act was enacted in 1945. The Community Redevelopment Act gave cities and counties the authority to establish redevelopment agencies, gave these agencies the authority to address problems of urban decay, and enabled the agencies to apply for grants and loans from the federal government.

In 1951, the Community Redevelopment Act was codified and renamed the Community Redevelopment Law (Health and Safety Code § 33000 et seq.). The City Council of the City of San Diego established the Redevelopment Agency of the City of San Diego in 1958. Although City Council members serve as the Board of Directors of the Redevelopment Agency, the Agency is a separate, legally constituted body which operates under the authority granted by redevelopment law.

Agency Organization

The City Council is the Board of Directors of the Redevelopment Agency. Project implementation and administration for the Redevelopment Agency are provided by three separate and distinct organizations:

- Centre City Development Corporation (CCDC);
- Redevelopment Division (The Redevelopment Division of the City of San Diego, City Planning & Community Investment Department);
- Southeastern Economic Development Corporation (SEDC).

Both CCDC and SEDC are public non-profit organizations established by the City Council, with the City of San Diego as the sole member of each corporation.

Centre City Development Corporation (CCDC)

In 1975, the City Council established the Centre City Development Corporation as a non-profit public corporation to implement redevelopment projects in the downtown area. The Corporation is governed by a seven-member Board of Directors appointed by the City Council. CCDC administers the Centre City and Horton Plaza project areas.

Redevelopment Division

In 1958, the City Council established the Redevelopment Agency to implement redevelopment projects within the City of San Diego. The Redevelopment Division of the City Planning & Community Investment Department performs general administration for the Redevelopment Agency, coordinates budget and reporting requirements, and maintains the Agency's meeting docket and official records.² During Fiscal Year 2005, the Redevelopment Division administered the following eleven (11) project areas:

- Barrio Logan
- City Heights
- College Community
- College Grove
- Crossroads
- Grantville
- Linda Vista
- Naval Training Center
- North Bay
- North Park
- San Ysidro

Southeastern Economic Development Corporation (SEDC)

In 1980, the City Council established the Southeastern Economic Development Corporation as a non-profit public corporation to implement redevelopment projects in Southeastern San Diego. The Corporation is governed by a nine-member Board of Directors appointed by the City Council. SEDC administers the Central Imperial, Gateway Center West, Mount Hope, and Southcrest project areas.

² The Redevelopment Division as of the issuance of this report is a part of the City of San Diego, City Planning & Community Investment Department.

Contact Information

Centre City Development Corporation

225 Broadway, Suite 1100
San Diego, CA 92101
(619) 235-2200
Website: www.ccdc.com

City of San Diego, City Planning & Community Investment - Redevelopment Agency

1200 Third Avenue, 14th Floor
San Diego, CA 92101
(619) 236-6700
Website: www.sandiego.gov/redevelopment-agency/

Southeastern Economic Development Corporation

4393 Imperial Avenue, Suite 200
San Diego, CA 92113
(619) 527-7345
Website: www.sedcinc.com

REPORTS SUBMITTED TO THE STATE OF CALIFORNIA

Much of the content required by California Redevelopment Law for this report is also submitted to the State of California on an annual basis. The audited financial statements were not available at the time the reports were submitted to the State. These filings are listed and described below.

California State Controller's Report

The Agency is required to file the Annual Report of Financial Transactions with the State Controller's Office (SCO) within six (6) months of the end of the fiscal year. The State Controller's Report was filed electronically to the state utilizing unaudited financial information. This circumstance was disclosed to the State Controller's Office at the time of the submittal. Attachment 1 represents the database screen prints of the information submitted electronically to the State.

California Department of Housing and Community Development Report

The Agency is required to file the Annual Housing Activity Report with the California Department of Housing and Community Development (HCD) within six (6) months of the end of the fiscal year (refer to Attachment 2). The Housing and Community Development Report was filed electronically to the state utilizing unaudited financial information. Attachment 2 represents the information submitted electronically to the State.

Please note: The State Controller's Report (refer to Attachment 1) and the Housing and Community Development Report (refer to Attachment 2) were originally submitted electronically in December 2005 utilizing unaudited financial data. The audited financial data were released in May 2008 (refer to Attachment 3); discrepancies exist between the original filings and the audited financial statements. The Annual Report utilizes the audited financial information.

FINANCIAL OVERVIEW

The Financial Overview is a summary of actual fiscal activities for the Agency as a whole. A description of fiscal activities summarized by project area can be found within the Project Area Information section of this report. The *Annual Financial Report* has detailed information on the financial activity of the Redevelopment Agency as a whole (refer to Attachment 3).

Statement of Indebtedness

The following table complies with Section 33080.5(a), which requires the amount of outstanding indebtedness generated by the agency in each project area.

**CITY OF SAN DIEGO
REDEVELOPMENT AGENCY
STATEMENT OF INDEBTEDNESS (SOI)
FISCAL YEAR 2005**

ORGANIZATION	PROJECT AREA	SOI AMOUNT
CCDC	Centre City	\$ 453,299,012
CCDC	Horton Plaza	44,144,404
Redevelopment Division	Barrio Logan	21,065,810
Redevelopment Division	City Heights	39,799,896
Redevelopment Division	College Community	4,260,551
Redevelopment Division	College Grove	872,390
Redevelopment Division	Crossroads	2,535,339
Redevelopment Division	Grantville	-
Redevelopment Division	Linda Vista	5,497,297
Redevelopment Division	Naval Training Center	11,369,372
Redevelopment Division	North Bay	13,058,229
Redevelopment Division	North Park	24,685,250
Redevelopment Division	San Ysidro	3,574,978
SEDC	Central Imperial	29,865,618
SEDC	Gateway Center West	23,850,487
SEDC	Southcrest	23,260,986
SEDC	Mount Hope	25,898,100
TOTAL:		\$ 727,037,719

Required Payments for Existing Indebtedness

The respective financial statements for each Project Area reflect payments made on the existing outstanding indebtedness during the fiscal year as described in Section 33080.5(f).

Tax Increment Property Tax Revenues

The following table complies with Section 33080.5(b), which requires the amount of tax increment property tax revenues generated by the agency in each project area.

**CITY OF SAN DIEGO
REDEVELOPMENT AGENCY
TAX INCREMENT PROPERTY TAX REVENUE
FISCAL YEAR 2005**

ORGANIZATION	PROJECT AREA	TAX INCREMENT
CCDC	Centre City	\$ 57,637,139
CCDC	Horton Plaza	7,210,818
Redevelopment Division	Barrio Logan	298,916
Redevelopment Division	City Heights	8,935,772
Redevelopment Division	College Community	235,527
Redevelopment Division	College Grove	794,724
Redevelopment Division	Crossroads	1,216,759
Redevelopment Division	Grantville	-
Redevelopment Division	Linda Vista	85,962
Redevelopment Division	Naval Training Center	2,714,046
Redevelopment Division	North Bay	3,885,849
Redevelopment Division	North Park	3,735,257
Redevelopment Division	San Ysidro	2,046,658
SEDC	Central Imperial	1,603,809
SEDC	Gateway Center West	258,629
SEDC	Mount Hope	1,164,814
SEDC	Southcrest	1,197,929
TOTAL:		\$ 93,022,608

Payment to Taxing Agencies

The following table complies with Section 33080.5(c) and 33080.5(e), and summarizes the amount of tax increment revenues paid to taxing agencies.

**CITY OF SAN DIEGO
REDEVELOPMENT AGENCY
TAXING AGENCY PAYMENTS
FISCAL YEAR 2005**

TAXING AGENCY PAYMENTS - SCHOOL/COMMUNITY COLLEGE DISTRICTS:	
San Diego Community College	\$ 1,205,162
San Diego Unified Schools	2,474,456
San Ysidro School District	128,846
County Office of Education	261,669
Southwestern Comm College District	15,016
Sweetwater Union High School	55,729
TOTAL TAXING AGENCY PAYMENTS -	
SCHOOL/COMMUNITY COLLEGE DISTRICTS:	\$ 4,140,878
TAXING AGENCY PAYMENTS - OTHER:	
City of San Diego	\$ 555,739
City Zoological Exhibits	13,441
County of San Diego	3,000,389
County Water Authority	4,007
MWD D/S Remainder of SDCWA	10,853
TOTAL TAXING AGENCY PAYMENTS - OTHER:	\$ 3,584,429
TAXING AGENCY PAYMENTS - EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF):	
County of San Diego	\$ 5,394,679
TOTAL TAXING AGENCY PAYMENTS - EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF):	\$ 5,394,679
 TOTAL TAXING AGENCY PAYMENTS	 \$ 13,119,986

Defaulted or Non-Compliant Loans of \$50,000 or greater

California Redevelopment Law under Section 33080.1(e) requires that the Annual Report include “a list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal years were in default, or not in compliance with the terms of the loan approved by the redevelopment agency.” There were no agency loans made in the previous year that are in default or not in compliance with the loan conditions.

Property Report

California Redevelopment Law under Section 33080.1(f) requires that the Annual Report include a description of the total number and nature of the properties that the Agency owns. The properties owned by the Agency during Fiscal Year 2005 are listed in Attachment 4.

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” A description of the actions that were taken to alleviate blight is listed in the *Project Area Information* section.

LOW AND MODERATE HOUSING FUND

In 1976, the legislature imposed what is commonly referred to as the “20 Percent Set-Aside,” which requires twenty (20) percent of tax increment generated from the project area to be used by the agency to increase, improve, and preserve the supply of affordable housing for persons and families of low and moderate income (refer to Section 33334.2). These funds are restricted to affordable housing related expenses.

The following table is a summary of the Agency’s assisted dwelling units from the California Department of Housing and Community Development Report (refer to Attachment 2):

Fiscal Year 2005 – Agency-Assisted Dwelling Units				
	Very Low*	Low*	Moderate*	Total
Constructed	141	0	18	159
First Time Home Buyers	4	7	5	16
Rehabilitated	97	0	0	97
TOTAL:	242	7	23	272

* Very Low: Families with less than 50% Average Median Income (AMI). Low: Families between 51% - 80% AMI. Moderate: Families between 81% - 120% AMI.

Financial Activity

California Redevelopment Law under Section 33080.5 requires that the Annual Report include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

PROJECT AREA INFORMATION

All seventeen project areas are listed in name order on the following pages:

Barrio Logan Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	133	REDEVELOPMENT PLAN TIME LIMIT	5/20/2032
COUNCIL DISTRICT	8	INCURRING DEBT FINAL DATE	5/20/2011
PLAN ADOPTION DATE	5/20/1991	EMINENT DOMAIN TIME LIMIT	5/20/2003
PLAN AMENDMENT DATE	11/28/1994	REPAYMENT OF DEBT (YEAR)	5/20/2042

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Approved the Housing Replacement Plan for the Gateway I Family Apartment project.
- Approved Disposition and Development Agreement for the Gateway I Family Apartments.
- Approved an Exclusive Negotiation Agreement with United Community Inc. for the La Entrada Family Apartments.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Central Imperial Project Area

Southeastern Economic Development Corporation

General Information:

Central Imperial

PROJECT AREA SIZE (ACRES)	580	REDEVELOPMENT PLAN TIME LIMIT	9/14/2032
COUNCIL DISTRICT	4	INCURRING DEBT FINAL DATE	9/14/2012
PLAN ADOPTION DATE	9/14/1992	EMINENT DOMAIN TIME LIMIT	11/3/2015
PLAN AMENDMENT DATE	11/3/2003	REPAYMENT OF DEBT (YEAR)	9/14/2042

Central Imperial - 2

COUNCIL DISTRICT	4	INCURRING DEBT FINAL DATE	9/14/2012
PLAN ADOPTION DATE	12/10/1996	EMINENT DOMAIN TIME LIMIT	11/3/2015
PLAN AMENDMENT DATE	11/3/2003	REPAYMENT OF DEBT (YEAR)	12/10/2041
REDEVELOPMENT PLAN TIME	12/10/2026		

Central Imperial - 3

COUNCIL DISTRICT	4	INCURRING DEBT FINAL DATE	10/24/2020
PLAN ADOPTION DATE	10/24/2000	EMINENT DOMAIN TIME LIMIT	11/3/2015
PLAN AMENDMENT DATE	11/3/2003	REPAYMENT OF DEBT (YEAR)	10/24/2045
REDEVELOPMENT PLAN TIME	11/3/2003		

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Completed the design of the City’s Pilot Villages for the development of residential, industrial and retail projects.
- Rehabilitated a 42,000 sq. ft. light-industrial building

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. The following were the jobs created or lost within the project area during the fiscal year:

- Jobs Created: 189
- Jobs Loss: 66

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the

City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005 (refer to Attachment 3, Page 13 - 91).

Centre City Project Area

Centre City Development Corporation

General Information:

Centre City - Merged Project Area Information

PROJECT AREA SIZE (ACRES)	1,398	EMINENT DOMAIN TIME LIMIT	5/11/2016
COUNCIL DISTRICT	2		

Columbia - Sub Area

PLAN ADOPTION DATE	12/29/1976	REPAYMENT OF DEBT (YEAR)	12/29/2027
PLAN AMENDMENT DATE	4/7/2006		

Marina - Sub Area

PLAN ADOPTION DATE	12/29/1976	REPAYMENT OF DEBT (YEAR)	12/29/2027
PLAN AMENDMENT DATE	4/7/2006		

Gaslamp - Sub Area

PLAN ADOPTION DATE	7/26/1982	REPAYMENT OF DEBT (YEAR)	7/26/2033
PLAN AMENDMENT DATE	4/7/2006		

Expansion - Sub Area

PLAN ADOPTION DATE	5/11/1992	REPAYMENT OF DEBT (YEAR)	5/11/2043
PLAN AMENDMENT DATE	4/7/2006		

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Completed a 1,230 space parking garage of which 1,000 spaces are for public use and 230 for private use. The building includes 13,500 sq. ft. of retail space.
- Completed four residential projects consisting of 600 market-rate units and 23 affordable homes in the East Village neighborhood.
- Completed the Broadway Lofts Residential project in the Core District with 84 market-rate homes.
- Completed the Grande at Santa Fe South project in the Columbia Sub Area comprising of 222 homes.
- Completed the Gaslamp City Square South and the Trellis residential units in the Gaslamp Sub Area with a total of 269 market-rate units.
- Completed the Allegro Tower, La Vita and 350 W. Ash St. residential projects consisting of 580 market-rate units.
- Completed the 265-room Hotel Solymar in the East Village District.
- Completed the 2nd phase of the Staybridge Suites consisting of 68 rooms.
- Completed over \$1 million of Phase I of the Core Street Light Improvements project.

- Completed \$ 0.4 million of the Kettner Blvd. Street Light Improvements project.
- Completed \$1.1 million of demolition work for the Smart Corner project in the East Village District.
- Completed \$ 0.6 million of the Island Ave. pop-outs construction.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

City Heights Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	1,984	REDEVELOPMENT PLAN TIME LIMIT	5/11/2033
COUNCIL DISTRICT	3, 4, 7	INCURRING DEBT FINAL DATE	5/11/2012
PLAN ADOPTION DATE	5/11/1992	EMINENT DOMAIN TIME LIMIT	11/14/2012
PLAN AMENDMENT DATE	4/16/1996	REPAYMENT OF DEBT (YEAR)	5/11/2043

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Approved an Exclusive Negotiation Agreement with Boulevard Marketplace for a proposed mixed-use development.
- Approved the First Implementation Agreement to provide additional funding for the Talmadge Senior Village Project.
- Approved additional funding for the Housing Rehabilitation Loan Program.
- Approved funding for the Euclid Avenue Gateway project.
- Initiated the Fourth Amendment to the Redevelopment Plan.
- Approved a Disposition and Development Agreement for the City Heights Square Office/Retail project.
- Approved the Housing Replacement Plan, and Disposition and Development Agreement for the City Heights Square Senior Housing project.
- Approved Housing Replacement Plan, and Disposition and Development Agreement for Auburn Park Apartments.
- Completed construction and occupancy of the Metro Villas Affordable Housing project.
- Started construction of the Talmadge Senior Village project.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the

City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005 (refer to Attachment 3, Page 13 - 91).

College Community Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	131	REDEVELOPMENT PLAN TIME LIMIT	11/30/2034
COUNCIL DISTRICT	7	INCURRING DEBT FINAL DATE	11/29/2013
PLAN ADOPTION DATE	11/30/1993	EMINENT DOMAIN TIME LIMIT	11/30/2005
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	11/30/2044

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Approved an Exclusive Negotiation Agreement with the San Diego State University Foundation for the proposed Religious Centers Project.
- Approved a Cooperation Agreement with the San Diego State University Foundation for The Paseo Mixed Use Project.
- Approved the Relocation and Replacement Housing Plans for The Paseo and Religious Centers projects.
- Approved agreements related to the purchase of the Sanctuary Suites & Retail property.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

College Grove Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	167	REDEVELOPMENT PLAN TIME LIMIT	5/19/2027
COUNCIL DISTRICT	4, 7	INCURRING DEBT FINAL DATE	5/6/2006
PLAN ADOPTION DATE	5/6/1986	EMINENT DOMAIN TIME LIMIT	5/6/1998
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	5/19/2037

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Provided low and moderate income housing set-aside funds to the Crossroads Redevelopment Project Area to implement the Housing Enhancement Loan Program (HELP). The College Grove Project Area has no residential property.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Crossroads Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	1,031	REDEVELOPMENT PLAN TIME LIMIT	6/6/2033
COUNCIL DISTRICT	7	INCURRING DEBT FINAL DATE	6/5/2023
PLAN ADOPTION DATE	6/6/2003	EMINENT DOMAIN TIME LIMIT	6/6/2015
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	6/5/2048

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Approved the contribution of funding to the El Cajon Blvd Median Improvement project in the amount of \$1.75 million.
- Approved Exclusive Negotiation Agreement for the proposed Centrepoint project.
- Continued to implement the Housing Enhancement Loan Program (HELP) utilizing low/moderate funding from the College Grove Project Area.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Gateway Center West Project Area

Southeastern Economic Development Corporation

General Information:

PROJECT AREA SIZE (ACRES)	59	REDEVELOPMENT PLAN TIME LIMIT	11/17/2016
COUNCIL DISTRICT	4	INCURRING DEBT FINAL DATE	1/1/2004
PLAN ADOPTION DATE	11/17/1976	EMINENT DOMAIN TIME LIMIT	11/17/1982
PLAN AMENDMENT DATE	1/20/1995	REPAYMENT OF DEBT (YEAR)	11/17/2026

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Completed negotiation of the Owner Participation Agreement between SEDC and SDG&E for an additional 30,000 sq. ft. of office space.
- Continued future development strategy for the project area to include acquisition and assembly of additional parcels that will accommodate industrial users.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. The following were the jobs created or lost within the project area during the fiscal year:

- Jobs Created: 67
- Jobs Loss: 158

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Grantville Survey Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	970	REDEVELOPMENT PLAN TIME LIMIT	5/17/2035
COUNCIL DISTRICT	7	INCURRING DEBT FINAL DATE	5/16/2025
PLAN ADOPTION DATE	5/17/2005	EMINENT DOMAIN TIME LIMIT	5/17/2017
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	5/17/2050

The County of San Diego and a property owner have requested that a court invalidate the Grantville Redevelopment adoption process and findings. The Redevelopment Project Area designation will remain in place unless it is invalidated by a court. A tentative trial date is set for Summer 2008.

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Authorized funding in the form of loans from the City to continue plan adoption process.
- Adopted the Grantville Redevelopment Plan.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Horton Plaza Project Area

Centre City Development Corporation

General Information:

PROJECT AREA SIZE (ACRES)	41	REDEVELOPMENT PLAN TIME LIMIT	
COUNCIL DISTRICT	2	INCURRING DEBT FINAL DATE	1/1/2004
PLAN ADOPTION DATE	7/25/1972	EMINENT DOMAIN TIME LIMIT	Expired
PLAN AMENDMENT DATE	4/7/2006	REPAYMENT OF DEBT (YEAR)	7/25/2023

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Continued the rehabilitation of the historic Balboa Theatre. After numerous efforts over the past 18 years to privately renovate and reopen the Balboa Theatre, CCDC has committed to retaining this venue as a public asset and is restoring it under the Secretary of the Interior's Standards for Rehabilitation of Historic Buildings. The Balboa Theatre opened in 1924 and hosted a traveling circus from 1924 through 1930, hosting nationally recognized vaudeville acts. Some of the biggest movie stars also appeared at the theatre, making it the centerpiece of local culture and entertainment. This unique iconic venue will again result in a vibrant San Diego treasure.
 - The \$26 million restoration efforts include the installation of the rigging systems, repair of the exterior plaster, ornamental painting of the audience chamber, ornate and gilded plaster grillwork in the ceiling and the rehabilitation of two waterfalls on either side of the stage, which will again be operational. The restoration includes making Balboa Theatre from a 1,500 seat theatre to a 1,300 seat theatre. Due to the theatre's design and finishes, it possesses excellent acoustical qualities for live, nonamplified performances. One of the unique performance-related design features an oversized orchestra pit that can accommodate 30 to 40 instruments.
 - San Diego Theatres Inc. was selected to manage the facility.
 - Balboa Theatre is scheduled to reopen in Fiscal Year 2008.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Linda Vista Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	12	REDEVELOPMENT PLAN TIME LIMIT	11/22/2012
COUNCIL DISTRICT	6	INCURRING DEBT FINAL DATE	1/1/2004
PLAN ADOPTION DATE	11/22/1972	EMINENT DOMAIN TIME LIMIT	11/22/1984
PLAN AMENDMENT DATE	11/22/1999	REPAYMENT OF DEBT (YEAR)	11/21/2022

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Approved Linda Vista Housing Rehabilitation Loan program.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Mount Hope Project Area

Southeastern Economic Development Corporation

General Information:

PROJECT AREA SIZE (ACRES)	210	REDEVELOPMENT PLAN TIME LIMIT	11/22/2022
COUNCIL DISTRICT	4	INCURRING DEBT FINAL DATE	
PLAN ADOPTION DATE	11/22/1982	EMINENT DOMAIN TIME LIMIT	11/22/1994
PLAN AMENDMENT DATE	11/22/1999	REPAYMENT OF DEBT (YEAR)	11/22/2032

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Created more than 1,400 jobs in the Gateway Center East area, 27% of which are from the southeastern community.
- Planted trees throughout the community.
- Implement a residential rehabilitation program.
- Completed public improvements which provided sidewalks and street lights in the project area.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. The following were the jobs created or lost within the project area during the fiscal year:

- Jobs Created: 345
- Jobs Loss: 266

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Naval Training Center Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	504	REDEVELOPMENT PLAN TIME LIMIT	5/13/2035
COUNCIL DISTRICT	2	INCURRING DEBT FINAL DATE	5/12/2024
PLAN ADOPTION DATE	5/13/1997	EMINENT DOMAIN TIME LIMIT	5/13/2016
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	5/13/2050

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Approved partnership of Explorer Elementary Charter School and High Tech High Communities as the designated institution to receive title to Building 83.
- Approved First Amendment to the NTC Park Improvement Agreement.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. The following were the jobs created or lost within the project area during the fiscal year:

- Jobs Created: 109
- Jobs Loss: 0

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

North Bay Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	1,360	REDEVELOPMENT PLAN TIME LIMIT	5/18/2029
COUNCIL DISTRICT	2, 6	INCURRING DEBT FINAL DATE	5/17/2018
PLAN ADOPTION DATE	5/18/1998	EMINENT DOMAIN TIME LIMIT	5/18/2010
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	5/18/2044

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Authorized consultant to prepare Midway Pacific Highway Corridor Community Plan amendment which is proposed to remove the “Bay to Bay” link from the Community Plan.
- Contributed additional funding to the Pacific Highway Consolidated Truck Crossing Bridge Demolition project.
- Contributed funding to the Washington Street Improvements – India Street Segment.
- Approved Owner Participation Agreement with Constellation Property Group Hancock LP for the development of affordable for-sale housing.
- Conveyed Pacific Highway frontage road to the Veteran’s Village of San Diego for Phase I development that includes 112 transitional beds for homeless veterans.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

North Park Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	555	REDEVELOPMENT PLAN TIME LIMIT	3/4/2028
COUNCIL DISTRICT	3	INCURRING DEBT FINAL DATE	3/4/2017
PLAN ADOPTION DATE	3/4/1997	EMINENT DOMAIN TIME LIMIT	3/4/2009
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	3/4/2043

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Contributed funding to the 30th Street Mid-Block Lighting Project.
- Initiated condemnation proceeding to acquire leasehold business interests as required for the Western Pacific La Boheme housing project.
- Initiated condemnation proceedings to acquire fee title and business interests as required to provide public parking for the North Park Theatre.
- Approved Third Implementation Agreement for the North Park Theatre project.
- Approved Exclusive Negotiation Agreement with AmProp North Park.
- Approved lease for community space within Renaissance at North Park project.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

San Ysidro Project Area

Redevelopment Division

General Information:

PROJECT AREA SIZE (ACRES)	766	REDEVELOPMENT PLAN TIME LIMIT	4/16/2027
COUNCIL DISTRICT	8	INCURRING DEBT FINAL DATE	4/16/2016
PLAN ADOPTION DATE	4/16/1996	EMINENT DOMAIN TIME LIMIT	4/16/2008
PLAN AMENDMENT DATE	N/A	REPAYMENT OF DEBT (YEAR)	4/16/2042

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Approved Amendment to Owner Participation Agreement for the Casitas de las Florecitas Project.
- Approved Fifth Implementation Agreement to the DDA for the Las Americas project to include housing development.
- Grand opening of second phase at Las Americas project containing 189,000 square feet of retail space.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. *Note: Staff performed a search of the Agency’s archives to retrieve jobs data from Fiscal Year 2005. Relevant data was not found and as a result jobs information is not contained in this report.*

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

Southcrest Project Area

Southeastern Economic Development Corporation

General Information:

PROJECT AREA SIZE (ACRES)	301	REDEVELOPMENT PLAN TIME LIMIT	4/14/2026
COUNCIL DISTRICT	4, 8	INCURRING DEBT FINAL DATE	
PLAN ADOPTION DATE	4/14/1986	EMINENT DOMAIN TIME LIMIT	4/14/1998
PLAN AMENDMENT DATE	11/28/1994	REPAYMENT OF DEBT (YEAR)	4/14/2036

BLIGHT ALLEVIATION REPORT

California Redevelopment Law under Section 33080.1(d) requires that the Annual Report include “a description of the agency’s progress, including specific actions and expenditures in alleviating blight in the previous fiscal year.” The following actions were taken to alleviate blight during the previous fiscal year:

- Monitored the purchase and renovation of the Northgate Gonzales Market.
- Broke ground on 110 condominiums and monitored construction for completion in FY 2006.

JOBS INFORMATION

California Redevelopment Law under Section 33080.1(g) requires that the Annual Report include “any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.” Additional information was provided within the body of this report. The following were the jobs created or lost within the project area during the fiscal year:

- Jobs Created: 139
- Jobs Loss: 77

FINANCIAL ACTIVITY

California Redevelopment Law under Section 33080.5 requires the Annual Report to include a fiscal statement for the previous year. Fiscal information for the Agency is located within the *City of San Diego, Redevelopment Agency of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005* (refer to Attachment 3, Page 13 - 91).

ANNUAL FINANCIAL AUDIT REPORT

The Redevelopment Agency of the City of San Diego, Annual Financial Report for fiscal year ending June 30, 2005 (Audit) was released and issued in May 2008. The audit was conducted in accordance with generally accepted auditing standards and rules governing audit reports issued by the State Board of Accountancy. The audit report also included an opinion of the Agency’s compliance with laws, regulations, and administrative requirements governing the activities of the Agency.

Section 33080.2 requires the Agency to inform the legislative body of any major violations, as defined in Section 33080.8 based on the financial audit report. There are nine statutorily defined “major audit violations” listed in Section 33080.8(j).³ The failure to correct a major violation may result in the filing of an action by the California Attorney General pursuant to Section 33080.8.

The Audit had a total of two (2) findings, of which one (1) finding is deemed as a Major Violations per California Redevelopment Law (refer to *Redevelopment Agency of the City of San Diego, Annual Financial Report – Fiscal Year Ending June 30, 2005, Page 94 -95*).

The Fiscal Year 2005 financial audits findings are listed below and the major violations are identified along with the original Management Responses:

Finding # 1: <i>2005-a Annual Report Submission to the City Council</i>	Compliance Finding	Major Violation: YES
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The California Health and Safety Code section 33080.1 states that “every redevelopment agency shall submit an annual report to its legislative body within six months of the end of the agency’s fiscal year.” The annual report should include: “(1) an independent financial audit report for the previous fiscal year, (2) a fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5, (3) a description of the agency’s activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7, (4) a description of the agency’s progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year, (5) a list of, and status report on, all loans made by the redevelopment agency that are \$50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan

³ The following are the major audit violations as codified by Section 33080.8(j): (1) File an independent financial audit report that substantially conforms with the requirements of subdivision (a) of Section 33080.1; (2) File a fiscal statement that includes substantially all of the information required by Section 33080.5; (3) Establish time limits, as required by Section 33333.6; (4) Deposit all required tax increment revenues directly into the Low and Moderate Income Housing Fund upon receipt, as required by Sections 33334.3, 33334.6, 33487, or 33492.16; (5) Establish a Low and Moderate Income Housing Fund, as required by subdivision (a) of Section 33334.3; (6) Accrue interest earned by the Low and Moderate Income Housing Fund to that fund, as required by subdivision (b) of Section 33334.3; (7) Determine that the planning and administrative costs charged to the Low and Moderate Income Housing Fund are necessary for the production, improvement, or preservation of low- and moderate-income housing, as required by subdivision (d) of Section 33334.3; (8) Initiate development of housing on real property acquired using moneys from the Low and Moderate Income Housing Fund or sell the property, as required by Section 33334.16; (9) Adopt an implementation plan, as required by Section 33490.

approved by the agency, (6) a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.”

During the performance of procedures on the compliance requirements related to “Financial Disclosure and Reporting”, we noted that the Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2005 to its Board of Directors within six months of the end of that fiscal year. The Agency’s procedure was to complete all components of the annual report prior to submitting to the Board of Directors; however, not all components of the report were completed within six months of the end of the fiscal year due to a lack of personnel and an incomplete audit of the Agency’s financial statements.

We recommend that the Agency prepare and submit all required reports to the Board of Directors within six months of the fiscal year end. In the case an audit has not been completed, the Agency could submit an unaudited set of financials and indicate that since the financial report included unaudited numbers, the submitted numbers could change when the actual audit is completed.

Management Response:

We agree. The Agency plans to submit the required reports to the City Council in future years within six months of the end of each respective fiscal year. The City will also ensure the City Council is made aware if the reports are still “unaudited” at the time of submission.

<p>Finding # 2: <i>2005-b Monitoring of Available Affordable Housing</i></p>	<p>Compliance Finding</p>	<p>Major Violation: NO</p>
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In accordance with the California Health and Safety Code Section 33418, *“an agency shall monitor on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to any provisions of this part. As part of this monitoring, an agency shall require owners or managers of the housing to submit an annual report to the agency. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants, and for each owner-occupied unit whether there was a change in ownership from the prior year and, if so, the income and family size of the new owners. The income information required by this section shall be supplied by the tenant in a certified statement on a form provided by the agency.”*

In order to comply with the “Affordable Housing – Housing Assistance” compliance requirements that include monitoring of available affordable housing, the Agency has entered into an Administration Agreement with the San Diego Housing Commission (SDHC), who actually performs the required monitoring activities on behalf of the Agency for Agency-subsidized low and moderate housing projects. SDHC provides monitoring services on low and moderate income housing activities for the Agency. SDHC then submits an annual report of its monitoring activities to the Agency for each project under agreement.

During the performance of our procedures on compliance related to “Affordable Housing – Housing Assistance”, we noted that the Agency received the monitoring reports prepared by SDHC for fiscal year 2005, dated January 2006 in March of 2006. Since all reporting is required to be submitted by the Agency within 6 months of the end of the fiscal year, not only was this monitoring information too late to meet the regulatory reporting requirements, but this

information was received significantly after the end of the fiscal year, too late for the Agency to take meaningful action as a result of this monitoring report.

We recommend that the Agency obtain monitoring reports on a timelier basis and therefore be in a position to utilize the results of these monitoring reports. This will ensure that the Agency is in compliance with the California Health & Safety Code requirements as well as improve internal controls over compliance. Additionally, we recommend the Agency be more involved in the monitoring process above and beyond the review of the annual reports provided by SDHC.

Management Response:

We agree. Since the addition of a new Affordable Housing Project Manager in November 2005, the Agency has become more involved in the monitoring process, including but not limited to, periodic title searches on affordable for-sale properties to ensure continued owner occupancy and providing assistance to the San Diego Housing Commission with regard to setting rents based upon complex median income standards for projects with multiple funding sources. In addition, management-level-staff of the Agency (Redevelopment Division, SEDC and CCDC) and Housing Commission meet on a monthly basis to discuss, among other issues, affordable housing monitoring processes and strategies. Regarding the monitoring reports prepared by the San Diego Housing Commission, the Agency has established clear deadlines to ensure timely submission and review of these reports by adding a provision to the contract that states: "The Administrator shall submit annual reports of its monitoring activities pursuant to this Agreement to the Agency, which may include the most recent Certification of Continuing Program Compliance report, no later than July 31st for the prior fiscal year (July 1- June 30)."

Appendices

- Attachment 1 – California State Controller Report
(Printed Version of Electronic Submission)
- Attachment 2 – California Department of Housing and Community
Development Report
(Printed Version of Electronic Submission)
- Attachment 3 – Redevelopment Agency, Annual Financial Report for
fiscal year ending June 30, 2005
(Report issued on May 27, 2008)
- Attachment 4 – Redevelopment Agency Property Report

