BOARD AGENDA: 12/15/09
ITEM: 8.1

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: HONORABLE MAYOR, CITY COUNCIL, AND AGENCY BOARD	FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR
SUBJECT: SEE BELOW	DATE: DECEMBER 8, 2009

SUBJECT: ANNUAL REPORT OF FINANCIAL TRANSACTIONS OF COMMUNITY REDEVELOPMENT AGENCIES FY 2008-09

RECOMMENDATION

It is recommended that the City Council and Redevelopment Agency Board adopt resolutions:

(a) Accepting the Annual Report of Financial Transactions of community redevelopment agencies for FY 2008-09 for the purpose of forwarding the annual report to the State Controller, in accordance with Community Redevelopment Law, Section 33080.1; and,

(b) Approving the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statement Performed In Accordance With Government Auditing Standards, (Compliance Report) as required by Health and Safety Code 33080.1

BACKGROUND

Community Redevelopment Law, Section 33080.1, requires the Agency to present an Annual Report to the City Council. Upon the approval of the annual report, it is to be filed with the State Controller. The Annual Report specified in Section 33080 requires that specific information on Agency activities be gathered and forwarded within six months following the end of the Agency's fiscal year. The State Controller's Annual Report includes: 1) Annual Report of Financial Transactions of community redevelopment agencies, 2) Housing Activities Report, 3) Statement of Indebtedness, 4) Audit/Compliance Report, 5) Property Report, 6) Blight Progress Report, and 7) Loan Default Report.

ANALYSIS

The Annual Report required by Community Redevelopment Law, Section 33080.1, is substantially complete and is enclosed for review and approval by the City Council and Agency Board. The audit/compliance report has not been finalized as of the date of this memo.

FY 2008-09 AUDIT/COMPLIANCE REPORT:

The Comprehensive Annual Financial Report was presented to the Public Safety, Finance and Strategic Support Committee on November 19, 2009, and is scheduled for acceptance by the Agency Board on December 15, 2009. The auditors did not identify any deficiencies in internal controls over financial reporting that they consider to be material weaknesses.

The Independent Auditor's "Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statement Performed In Accordance With Government Auditing Standards", (Compliance Report) as required by H&S Code 33080.1, is still being finalized by the outside Auditor and will be separately transmitted by supplemental memo.

EVALUATION AND FOLLOW-UP

No additional follow-up is required for this action.

PUBLIC OUTREACH/INTEREST

The proposed action does not meet any of the criteria for added outreach efforts. This staff was posted on the Agency's website and made available for public review in the agency's public lobby area.

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to $1 million or greater.
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.

☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

COORDINATION

This memorandum has been coordinated with the Housing Department and the Agency's General Counsel.

FISCAL IMPACT

There is no fiscal impact associated with the proposed action.

CEQA

Not a Project

HARRY S. MAVROGENES
Executive Director

Encl.