

RESOLUTION NO. 140-2010

Adopted November 16, 2010

AUTHORIZING THE EXECUTION OF A LETTER AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO CONTROLLER'S OFFICE, CITY SERVICES AUDITOR DIVISION, IN AN AMOUNT NOT TO EXCEED \$100,000, TO CONDUCT A PERFORMANCE AUDIT FOR PURPOSES OF EVALUATING THE EFFECTIVENESS OF THE AGENCY IN IMPLEMENTING THE NOW EXPIRED WESTERN ADDITION A-2 REDEVELOPMENT PLAN

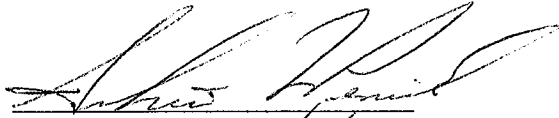
BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is a state-authorized local entity established pursuant to the California Community Redevelopment Law, Health and Safety Codes Sections 33000 *et seq.* The Agency is subject to numerous reporting requirements under the Health and Safety Code, Section 33080 *et seq.*, including an annual fiscal audit conducted by an independent public accountant and submitted to the State Controller, the California Department of Housing and Community Development, and the Board of Supervisors of the City and County of San Francisco ("Board of Supervisors").
2. The Agency has a long history in the Western Addition and has funded a significant amount of affordable housing development throughout the life of the Western Addition A-2 Redevelopment Plan (the "Plan"). In the late 1980s, the Agency devoted additional resources to economic development in the Western Addition Redevelopment Project Area A-2 (the "A-2 Project Area") in an effort to enhance the quality of life for the residents and businesses in the area.
3. The Board of Supervisors has requested a limited scope performance audit in which the City Auditor will select certain economic development projects from a list of redevelopment activities implementing the Plan in the A-2 Project Area since 1993. The numerous affordable housing projects that have been funded in the A-2 Project Area by the Agency are not included within the scope of the proposed audit.
4. The Agency desires to cooperate with the Board of Supervisors in its request to have the City Services Auditor Division review the Agency's activities in the now expired A-2 Project Area. The Board of Supervisors requests that the Agency provide funding for the performance audit from existing funds in the expired A-2 Project Area budget. There is \$100,000 available in the A-2 Project Area budget for this task.
5. Authorizing the Letter Agreement will facilitate the completion of the limited scope performance audit, which is an activity that would not have a significant effect on the environment and is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Letter Agreement with the City and County of San Francisco Controller's Office, City Services Auditor Division, in an amount not to exceed \$100,000, to conduct a performance audit for purposes of evaluating the effectiveness of the Agency in implementing the now expired Western Addition A-2 Redevelopment Plan.

APPROVED AS TO FORM:



for James B. Morales 11/8/10
Agency General Counsel