

The California State Auditor released the following report today:

City of San Diego

Although It Generally Followed Requirements for Reviewing Permits, It Could Do More to Protect Historical Resources and to Notify the Public Properly About Its Actions

BACKGROUND

Like all California cities, the City of San Diego (San Diego) has very broad power to regulate land use within its boundaries. The City of San Diego Municipal Code (municipal code) reflects the broad land use planning and development regulatory authority that derives from the California Constitution and state law, as well as requirements that various environmental laws, such as the California Environmental Quality Act (CEQA), impose, and it prescribes the various processes that San Diego uses to make land use decisions, including land development decisions. Development projects in San Diego require either a permit or an approval. San Diego's Development Services Department (Development Services) manages the majority of San Diego's review of development projects, and it issues the permits that allow construction or development within the city.

KEY FINDINGS

During our review of Development Services' permit review process, we noted the following:

- Development Services generally followed San Diego's permit review process based on our review of 20 permits for 19 projects.
- Because property owners and applicants are not required to support the statements they make in their general applications, Development Services risks not identifying project sites with potential historical resources—such as structures 45 or more years old.
 - ✓ For five of the projects we reviewed, the property owners or applicants did not provide on their general applications the year in which the structures on the project site were constructed.
 - ✓ For 10 projects, the information provided by the property owners or applicants on the application did not agree with the records from the County of San Diego's assessor/recorder/county clerk.
- Although its process for identifying project sites with potential historical resources needs improvement, the historical resource reviews its staff did perform appear to comply with the municipal code.
- Development Services inappropriately processed construction changes to building permits—of the 10 projects we reviewed that had construction changes to building permits, Development Services:
 - ✓ Did not require building permits for two projects involving the addition of new structures as the municipal code requires.
 - ✓ Did not require a construction permit or perform a historical resource review to ensure the changes complied with U.S. Secretary of the Interior's Standards for Rehabilitation for a project located within a historic district.
- Although Development Services generally complied with public notice requirements for projects exempt from CEQA, it did not always comply with other public notice requirements. For projects subject to CEQA, Development Services did not properly notify the public about its environmental determinations—it either did not file the Notice of Determination or did not file it timely for four of the six projects we reviewed.
- Development Services has not ensured that employees required by its conflict-of-interest code to disclose their economic interests, submit the required forms timely. In fact, four of the 15 designated employees we selected to review submitted their forms between one month and more than 12 months late.

KEY RECOMMENDATIONS

We made numerous recommendations to Development Services to ensure that it properly identifies potential historical resources for structures on project sites and conducts reviews in accordance with the municipal code. We also made recommendations to ensure the public receives proper notice of San Diego's environmental determinations. Finally, we made other recommendations to ensure Development Services' designated employees disclose their financial interests in a timely manner and that certain employees attend ethics training when required by city policy.