



THE CITY OF SAN DIEGO
Planning Department

**ISSUE PAPER:
ANNUAL COMMUNITY ECONOMIC INDICATORS**

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The focus of the City of San Diego's current General Plan update is the creation and preservation of livable and sustainable communities, a City of Villages. Increasing economic prosperity in the City is a vital component of this strategy. Information about the economic needs and successes in different areas of the city is essential for well-informed and effective economic policymaking.

The Policy Basis for Indicator Development

The Strategic Framework Element and Action Plan, adopted by the San Diego City Council in October 2002, contain clear direction to formulate economic indicators for San Diego's communities.

- These core values will provide the foundation for future policy decisions and implementation actions. Quality of life indicators will be established to measure San Diego's progress toward enhancing quality of life in the City. The indicators will be developed and monitored through coordination with various City departments and other public agencies. (pg. 30 SFE)
- Finally, the Action Plan's Monitoring Program will measure the Sustainable Community Program Indicators, individual Action Items, and economic indicators. (pg. 56 SFE)
- The Implementation Monitoring Plan will measure progress toward attainment of the following factors... Economic indicators, for the purpose of monitoring community economic performance and establishing priorities for public investment at the regional and community levels. (pg. 2 Action Plan)

Background

Nationwide, a growing number of organizations are creating and maintaining databases of indicators for their region. In California, both Los Angeles and Sacramento have indicator systems in place. The City of San Diego has already instituted the Sustainable Community Program Indicators and is in the process of developing an Existing Conditions GIS Database. The Sustainable Community Program measures 12 categories, with a total of 42 indicators, related to environment, livability and prosperity. The Existing Conditions work will provide a comprehensive cataloging of many physical community facilities. Furthermore, San Diego Association of Governments (SANDAG) established a sustainable competitiveness index that is benchmarked against other regions and separate monitoring of additional regional indicators. These resources which are updated annually provide a solid framework for the community planning area indicators. Currently, economic sustainability is being measured at the regional and city level, and community level data on physical facilities is being created; community level indicators will add social and economic data for more dynamic analysis and policy development.

At first blush, economic indicators may seem restricted to information on the profits and losses of community businesses. However, the vision outlined in the City of San Diego's Economic Prosperity Element requires a more comprehensive view. Community indicators should also address housing, smart growth, and equity; these are all facets of San Diego's economic prosperity. Due to the geographic level of the indicators, some data which are traditionally used to measure economic trends, such as the value of goods exported internationally or utility patents per million people, are unsuitable.

Categories of Indicators

Indicators will be grouped into four weighted indices that address economic, housing, smart growth and equity trends in San Diego's communities. The economic index will be reported in the first and subsequent Annual Monitoring Reports. Other indices may be added to the report over time. These indices will help the City to evaluate the effect of past and current public programs and determine where public investment is most urgently needed now. The indicators, in combination with the existing conditions database, will provide San Diego communities with frequently updated information about their neighborhoods. The Strategic Framework Element requires that economic conditions be evaluated on an ongoing basis, the indices can supplement this monitoring.

The Economic Index

The index must integrate indicators that can take a variety of forms (office vacancy rates, property valuation changes per million dollars of previous year property valuation and average wages to name a few) and be comparable across geographic areas. Since the main focus is on determining where public investment is most needed in the city, the city will be used as the benchmark for the index. All indicators will be transformed into percentages that compare to city performance; the city's value for an indicator is the baseline or zero value. Positive numbers for index components indicate that a community is doing better than the city, negative numbers indicate worse performance and zero indicates equal performance with the city. Values for the base indicators will also be reported to provide further context. An explanation of the index calculations is available on request.

Each index component can be weighted based on its perceived relative importance to a healthy economy. Weighting is provided by multiplying each index component by a positive number, increasing the value of some components in relation to others. An increased weight works in both directions, so that while a positive number's lift on the total value of the index increases, the impact of a negative value is also magnified.

Data Sources

The city will be relying on data sources that are already collected, rather than original data collection efforts. Since few outside agencies differentiate between community planning areas, some of the data is only available at the zip code level. It will be necessary to make assumptions in order to merge these data. Although the 2000 population census provides relevant and useful statistics for community economic indicators, the current census data collection methods are not compatible with annual updates. The Census Bureau plans to launch the American Community Survey in July 2004. ACS will replace the decennial long form and provide yearly estimates, a

significant advantage over the current system. However, it will be 5-6 years before reliable census tract level ACS data will be available; current projections place release of this data in 2010. In 2004-2005, the 2002 economic census data will be released. In the intervening years alternate sources of data, which are updated annually, must be found. There are many resources, including SANDAG, IRS, County Assessor, and specific state departments.

We value your input regarding the development of indicators and appropriate indices. Please contact Lora Brill at (619) 236-6465 if you have comments or recommendations.