

Economic Development



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Economic Development



Description

The Economic Development Department (EDD) is comprised of several work units including Business Expansion Attraction and Retention (BEAR), Community Development, Promise Zone, and Fiscal Operations. The Department implements economic and community development programs in order to create and sustain a resilient and economically prosperous City. Inclusive economic growth, revenue enhancement, and community revitalization are accomplished by attracting new companies, retaining and/or expanding existing companies, making San Diego competitive in emerging markets, revitalizing and investing in older business communities, and creating opportunities for disadvantaged communities, and vulnerable populations.

The BEAR Division provides services to businesses such as technical assistance, due diligence, expedited permitting, policy/legislative advocacy, utilities coordination, and application support for financial incentives. The Community Development Division administers the Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The six Consolidated Plan goals of the CDBG program include job readiness and economic development programs; public infrastructure needs; affordable housing; homelessness; vulnerable populations; and HIV/AIDS housing, health, and support services. The Promise Zone is a federally designated area representing the City's most disadvantaged and underserved communities. Through the Promise Zone initiative, partners work together to deliver comprehensive support, accelerate revitalization, and improve the quality of life for residents.

The mission is:

To cultivate economic and community development opportunities that serve businesses, neighborhoods, and residents

The vision is:

A catalyst for economic prosperity and community investment

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Goals and Objectives

Goal 1: Strategically invest in the growth and development of businesses, neighborhoods, and residents

- Leverage funding for greater commercial neighborhood benefit
- Invest in affordable housing options
- Expand economic opportunities for all
- Increase access to quality public and private facilities and services

Goal 2: Cultivate a globally competitive, sustainable, and resilient local economy

- Maintain and build on San Diego's competitive advantage by increasing workforce development, quality of life, and innovation
- Increase the number of San Diegans with middle-income jobs
- Increase small and neighborhood business activity

Goal 3: Provide high quality public service

- Receive on average a rating of 90% "good" or "excellent" customer service scores from internal and external customers
- Increase overall awareness of department programs, incentives, and services with the public
- Highlight successes and impacts of department programs and initiatives

Key Performance Indicators

Performance Indicator	FY2018 Target	FY2018 Actual	FY2019 Target	FY2019 Actuals	FY2020 Target
Number of persons assisted through infrastructure projects and community service (i.e., Community Development Block Grant Program (CDBG)) ¹	N/A	63,498	50,000	11,591	50,000
Percentage growth in jobs created or preserved by the expansion, attraction and retention of employers working with the Department ²	50%	-27%	0%	4%	5%
Percentage growth in number of companies working with the Department that result in international trade or investment ³	50%	200%	20%	67%	10%
Percentage growth in the number of small businesses assisted and expanded annually as a result of small and neighborhood business programs ⁴	5%	-14%	10%	8%	10%
Total amount of federal funds expended for affordable housing ⁵	\$19.0M	\$19.4M	\$21.5M	\$24.4M	\$7.5M
Total amount of federal funds expended for economic development programs ⁶	\$4.5M	\$1.6M	\$6M	\$3.4M	\$7M
Total amount of funds expended for infrastructure projects and community service ⁷	\$15.7M	\$28.8M	\$21M	\$26.6M	\$30M

1. Actuals are for client counts for community services as of August 2019. Infrastructure numbers will not be available until the end of September 2019.

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Key Performance Indicators

2. More than 2,389 jobs were retained or grew in FY 2019 as result of participation in department programs. Business investment in projects varies from year-to-year based on the time required to complete projects and fluctuations in industry sectors. EDD's job creation and retention metric is indicative of an economy spurring growth of small to medium sized businesses where job growth is in the dozens and not hundreds. San Diego has very few large corporations and majority of staff time is with smaller entities which proportionally have less employees to impact. In addition, we have received more WARN notices in FY 2019 than in FY 2018. Larger employers seem to be reducing jobs and not replacing them thus encouraging small employer growth and entrepreneurship. The business tax certificate which is an indicator of economic growth for businesses saw a slight increase in the total number of small businesses (12 or fewer employees) located in the City of San Diego (+1.9%).

3. Emphasis in foreign direct investment (FDI), world trade center activities and the Foreign Trade Zone (FTZ) program has continued to experience increased participation. There were 40 companies assisted by EDD in FY2019.

4. Last year, 2,738 small businesses were assisted. The number of businesses assisted is likely increased in FY 2019 due to increased staff attendance at business association meetings, community events, as well as proactive outreach to business owners in the Promise Zone. The zoning portal has received more than 22,000 inquiries through OpenCounter enabling clients to seek readily available information about permitted uses instead of coming in or calling. Business Walks in FY 2019 were held quarterly in Rancho Bernardo, La Jolla Village, Downtown, and the Convoy District. The Storefront Improvement Program (SIP) was re-launched in February 2018 after an 8-month period of non-activity and restructuring. In FY 2019, 37 business and/or property owners applied with the SIP and 13 improvement projects were completed. Year-over-year growth in the number of total registered businesses (+2.4%) and City registered businesses (+1.9) Growth appears in small businesses (12 or fewer employees), particularly home-based businesses that have no employees. Consider that home-based businesses with 0 employees count toward the total business numbers but not toward total employment figures (i.e., jobs could indeed be up if each owner of a home-based business counted as a self-employed "1 employee.") In FY 2019, there are 60,939 total registered businesses with 0 employees, up from 59,208 in FY 2018.

5. Overage of \$2.9m due to projects carried forward from prior years.

6. Delay in executing several economic development projects caused the actuals to be under by \$2.6m.

7. Overage of \$5.6m due to projects carried forward from prior years.



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Department Summary

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
FTE Positions (Budgeted)	63.85	59.35	61.00	1.65
Personnel Expenditures	\$ 6,845,496	\$ 7,155,403	\$ 7,997,556	\$ 842,153
Non-Personnel Expenditures	7,912,804	8,121,109	7,646,903	(474,206)
Total Department Expenditures	\$ 14,758,299	\$ 15,276,512	\$ 15,644,459	\$ 367,947
Total Department Revenue	\$ 7,086,192	\$ 7,614,510	\$ 8,121,010	\$ 506,500

General Fund

Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Business Expansion, Attraction & Retention	\$ 4,144,106	\$ 4,384,033	\$ 4,434,460	\$ 50,427
Community Development	2,190,436	2,331,691	2,877,490	545,799
Economic Development	7,034,292	6,537,031	6,398,183	(138,848)
Total	\$ 13,368,834	\$ 13,252,755	\$ 13,710,133	\$ 457,378

Department Personnel

	FY2018 Budget	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Business Expansion, Attraction & Retention	19.00	20.00	20.00	0.00
Community Development	20.00	19.00	20.00	1.00
Economic Development	24.85	20.35	21.00	0.65
Total	63.85	59.35	61.00	1.65

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments	0.00	\$ 505,595	-
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
San Diego Housing Commission Funding	0.00	420,106	-
Addition of non-personnel expenditures for a transfer to the San Diego Housing Commission related to homelessness.			
Corporate Partnerships and Development Program Restructure	1.00	195,545	391,021
Transfer of 1.00 Executive Director and associated non-personnel expenditures and revenue from the Neighborhood Services branch to the Economic Development Department.			
Addition of Assistant Deputy Director	1.00	165,918	165,931
Addition of 1.00 Assistant Deputy Director and associated revenue to support the Community Development and Promise Zone Divisions. This position will be fully supported by successor agency and Community Block Development Grant funding sources.			
Support for Information Technology	0.00	19,413	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.			

Economic Development

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Pay-in-Lieu of Annual Leave Adjustments Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	16,908	-
Non-Standard Hour Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	(0.35)	(18,515)	-
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2019.	0.00	(40,000)	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(49,623)	-
Reduction of Program Support Reduction of non-personnel expenditures associated with the CONNECT2Careers program, the San Diego Regional Economic Development Corporation, and the San Diego Housing Commission.	0.00	(82,833)	-
Sustainability Department Restructure Reduction of non-personnel expenditures related to internal contractual services for the Sustainability Department.	0.00	(264,469)	-
Safe Parking Program Reduction of non-personnel expenditures associated with the Safe Parking Program that will be supported by the Homeless Emergency Aid Program (HEAP).	0.00	(410,667)	-
Revised Revenue Adjustment to reflect revised revenue projections.	0.00	-	38,979
Total	1.65 \$	457,378 \$	595,931

Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
PERSONNEL				
Personnel Cost	\$ 4,073,568	\$ 4,343,073	\$ 4,920,310	577,237
Fringe Benefits	2,771,927	2,812,330	3,077,246	264,916
PERSONNEL SUBTOTAL	6,845,496	7,155,403	7,997,556	842,153
NON-PERSONNEL				
Supplies	\$ 14,908	\$ 9,145	\$ 10,690	1,545
Contracts	5,347,130	5,193,518	5,097,189	(96,329)
Information Technology	284,491	352,689	372,102	19,413
Energy and Utilities	10,868	6,000	7,596	1,596
Other	208,912	221,000	225,000	4,000
Transfers Out	657,029	315,000	-	(315,000)
NON-PERSONNEL SUBTOTAL	6,523,338	6,097,352	5,712,577	(384,775)
Total	\$ 13,368,834	\$ 13,252,755	\$ 13,710,133	457,378

Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Charges for Services	\$ 5,550,065	\$ 5,374,086	\$ 5,540,017	165,931
Other Revenue	2,271	-	430,000	430,000
Rev from Money and Prop	22,730	-	-	-

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Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Rev from Other Agencies	121,660	216,667	216,667	-
Total	\$ 5,696,727	\$ 5,590,753	\$ 6,186,684	\$ 595,931

Personnel Expenditures

Job Number	Job Title / Wages	FY2018 Budget	FY2019 Budget	FY2020 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	1.00	1.00	1.00	\$ 33,605 - 40,459	\$ 39,043
20000012	Administrative Aide 1	2.00	1.00	1.00	39,449 - 47,528	47,528
20000024	Administrative Aide 2	3.00	4.00	4.00	45,444 - 54,769	209,856
90000024	Administrative Aide 2 - Hourly	0.35	0.35	0.00	45,444 - 54,769	-
20001202	Assistant Deputy Director	0.00	0.00	1.00	24,537 - 147,160	130,000
20000116	Assistant Engineer-Traffic	1.00	1.00	1.00	61,752 - 74,407	63,641
20000119	Associate Management Analyst	3.00	2.00	2.00	57,691 - 69,723	123,269
20000295	Community Development Coordinator	6.00	6.00	6.00	81,885 - 99,117	594,702
20000300	Community Development Specialist 2	10.00	11.00	11.00	57,691 - 69,723	727,428
20000301	Community Development Specialist 3	4.00	4.00	4.00	66,436 - 80,316	315,642
20000303	Community Development Specialist 4	11.00	12.00	12.00	71,249 - 86,311	1,014,881
20001101	Department Director	1.00	1.00	1.00	63,127 - 239,144	180,775
20001168	Deputy Director	1.00	1.00	1.00	50,128 - 184,332	139,507
20000924	Executive Assistant	1.00	1.00	1.00	46,475 - 56,208	54,499
20001220	Executive Director	0.00	0.00	1.00	50,128 - 184,332	128,059
90001073	Management Intern - Hourly	4.50	2.00	2.00	25,913 - 31,155	62,311
20000172	Payroll Specialist 1	1.00	1.00	1.00	37,086 - 46,859	45,743
20001222	Program Manager	7.00	6.00	6.00	50,128 - 184,332	737,719
20000015	Senior Management Analyst	3.00	2.00	2.00	63,342 - 76,578	146,083
20000918	Senior Planner	1.00	0.00	0.00	74,966 - 97,427	-
20000926	Senior Traffic Engineer	1.00	1.00	1.00	81,949 - 99,074	97,588
20000970	Supervising Management Analyst	1.00	1.00	1.00	71,249 - 86,311	86,311
20000756	Word Processing Operator Bilingual - Regular	1.00	1.00	1.00	33,605 - 40,459	38,482
	Budgeted Vacancy Savings					11,648
	Infrastructure In-Training Pay					(128,940)
	Infrastructure Registration Pay					3,870
	Overtime Budgeted					11,868
	Reg Pay For Engineers					3,835
	Sick Leave - Hourly					14,861
	Vacation Pay In Lieu					3,193
						16,908
FTE, Salaries, and Wages Subtotal		63.85	59.35	61.00		\$ 4,920,310

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Fringe Benefits				
Employee Offset Savings	\$ 33,537	\$ 33,679	\$ 35,458	1,779
Flexible Benefits	697,048	707,348	747,819	40,471
Medicare	61,061	60,051	67,975	7,924
Other Post-Employment Benefits	331,031	336,820	349,125	12,305
Retiree Medical Trust	4,675	5,111	6,360	1,249

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	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Retirement 401 Plan	5,879	5,910	8,204	2,294
Retirement ADC	1,299,871	1,227,614	1,454,916	227,302
Retirement DROP	18,454	18,894	15,022	(3,872)
Risk Management Administration	54,449	57,915	68,685	10,770
Supplemental Pension Savings Plan	237,149	262,234	289,237	27,003
Unemployment Insurance	7,345	7,232	7,475	243
Workers' Compensation	21,428	89,522	26,970	(62,552)
Fringe Benefits Subtotal	\$ 2,771,927	\$ 2,812,330	\$ 3,077,246	\$ 264,916
Total Personnel Expenditures		\$ 7,997,556		

Successor Agency Admin & Project - CivicSD Fund

Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Economic Development	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326	(89,431)
Total	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326	(89,431)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Successor Agency	0.00	\$ (89,431)	\$ (89,431)
Adjustment to non-personnel expenditures and associated revenue related to the redevelopment wind down functions pursuant to Assembly Bills 26 and 1484.			
Total	0.00	\$ (89,431)	\$ (89,431)

Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
NON-PERSONNEL				
Contracts	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326	(89,431)
NON-PERSONNEL SUBTOTAL	1,389,465	2,023,757	1,934,326	(89,431)
Total	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326	(89,431)

Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Rev from Other Agencies	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326	(89,431)
Total	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326	(89,431)

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Revenue and Expense Statement (Non-General Fund)

Successor Agency Admin & Project - CivicSD Fund	FY2018 Actual	FY2019* Budget	FY2020 Adopted
REVENUE			
Revenue from Other Agencies	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326
TOTAL REVENUE	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326
OPERATING EXPENSE			
Contracts	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326
TOTAL OPERATING EXPENSE	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326
TOTAL EXPENSE	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326
BALANCE	\$ -	\$ -	\$ -
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 1,389,465	\$ 2,023,757	\$ 1,934,326

* At the time of publication, financial statements for Fiscal Year 2019 were not available. Therefore, the Fiscal Year 2019 Revenues, Expenditures, and Fund Balances reflect those amounts as published in the Fiscal Year 2019 Adopted Budget. Fiscal Year 2020 Beginning Fund Balance reflects the projected Fiscal Year 2019 Ending Fund Balance based on updated Revenue and Expenditure Projections for Fiscal Year 2019.



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