Economic Development Funding Fiscal Year 2025

Frequently Asked Questions

What is the Economic Development Funding (EDF) program? Economic Development Funding (EDF) is a grant program for local nonprofits that launch, expand, attract, or retain businesses in the City of San Diego, advancing San Diego as a leading innovation hub and tourist destination. This grant program allocates Transient Occupancy Tax (TOT) revenue to promote San Diego as a business and tourism destination, and uses the Small Business Enhancement Program (SBEP) to support small business efforts Citywide and in Microdistricts.

Is this for nonprofits only? According to Funding Guidelines, an organization is eligible to apply by submitting an application if the organization is registered with the state and has nonprofit status. In addition, under the Conditions for Submission in Part II of the Funding Guidelines, profit making organizations or ventures are not eligible for this grant program.

What is the application cycle? Funding is available on a fiscal year (July 1 through June 30). The application period opens in December. The online application is due on Friday, January 19, 2024 at 5:00 p.m. PST. Late applications will not be accepted.

Am I accepted into the EDF program as soon as I submit my application? No, applications are reviewed by a committee for eligibility. In addition, once an application is determined to be eligible for funding this fiscal year, the organization must comply with all requirements and requests for documentation for an approved budget and agreement.

How can I apply? The application is available on the City of San Diego website at this link via SeamlessDocs. It is recommended to prepare your responses using the application PDF available online and copy and paste your responses into the SeamlessDocs online application. The online application does NOT allow you to save and continue and the application must be completed in one session. Please allow at least one hour to complete your entries into the application and to upload attachments.

Provide succinct responses as there are character limits. Do not repeat information to be included under a different question. Be sure to respond to every question. Generally, "N/A" is provided as an option to respond. Otherwise, enter "0" or "N/A" if the question is not applicable to your application or organization.

For full program details, eligibility guidelines, and sample documents, please review the ED Funding Guidelines.

Who is eligible to apply? As a requirement of the Economic Development Funding Program, interested applicants are required to attend one (1) of the informational sessions. At least one representative from

the organization must be present during the virtual session. Your organization is eligible to apply if it meets the following criteria:

- California Corporation: Your organization is incorporated within the United States and is registered with the California Secretary of State.
- Nonprofit Status: Your organization holds tax-exempt nonprofit status under Sections 501(c)(3), 501(c)(6), or 115 of the Internal Revenue Code and can also demonstrate its tax-exempt status under the State of California Revenue and Taxation Code. Please note that incorporated nonprofit status is not required for Microdistrict Organizations to apply for in-kind services under Goal A.

If my organization is a start up, can I apply for funding? EDF grants are not available for startups. In addition, your organization should have a three-year history of operating with its own independent governing board and previous experience with a contract or grant funding from a government agency.

Your organization is NOT eligible for Economic Development Funding if any of the following apply:

- Fiscal Sponsors: Fiscal sponsors cannot apply on behalf of a Program/Project producer.
- General Operating Support: Your organization is seeking funding for general operating support.
- Regranting: Your organization's primary purpose is grantmaking.

If our organization receives TOT funding from another department, can we apply for EDF? An organization is only eligible for TOT funding through one program or department in a given fiscal year. Your organization should apply for the funding program that best fits your needs. Organizations who receive TOT funding for special events or another category are not eligible for TOT funding through the EDF grant program.

Organizations are not eligible for TOT funding through EDF if the following applies:
- Special Event: Your organization is seeking TOT funding for a festival or event that is typically funded through the [City of San Diego's Commission for Arts and Culture](#).
- Multiple Applications: Your organization has applied or will apply for FY2025 funds through another TOT category as defined in [Council Policy 100-03](#).

Please note that organizations that also apply for and are awarded funding from another City of San Diego source, such as [Community Development Block Grant (CDBG)](#) or [Tourism Marketing District (TMD)](#) may have any recommended funding amount developed under the ED Funding application reduced or eliminated. Organizations that receive SBEP funding through another source, such as Capacity Building Grants, may also have their funding reduced or eliminated.

Are Business Improvement Districts eligible for funding? Business Improvement Districts (BIDs), Maintenance Assessment Districts (MADs), and Property Based Improvement Districts (PBIDs) are not eligible for SBEP funding under Goal A and B. These organizations receive non-competitive SBEP allocations each year. Similarly, programs/projects for advertising, events, promotion and services directed to business in a business improvement district are not eligible for funding under the EDF grant program.

What are the EDF program goals? Programs/Projects submitted for consideration must align with at least one of the overall goals of the ED Funding program:

- Goal A: Create, retain and/or expand small businesses with a neighborhood-based focus, or located in an area not served by Business Improvement Districts. *(This Goal aligns with SBEP Microdistricts program)*
- Goal B: Create, retain and/or expand non-base sector small businesses by offering a program to small businesses Citywide, not focusing on specific commercial neighborhoods with BIDs or Microdistricts. *(This Goal aligns with SBEP Citywide program)*
- Goal C: Promote the City of San Diego as a visitor destination, enhancing the Tourism base sector.
- Goal D: Enhance San Diego's economic standing and reputation as a center for innovation, entrepreneurship, and technology development for base-sector businesses (Manufacturing and Innovation, International Trade and Logistics, or Defense).

What are base sectors? Key industries that are the backbone of the local economy are considered base sectors. Businesses in other industries are considered to be non-base sector businesses. San Diego's base sectors are the following industries:

- Manufacturing and Innovation: Generally manufacturing, including craft goods or life science, communications, cleantech, software, internet of things, and other new technologies – may overlap with businesses that fall under the "defense sector" in areas such as maritime, aerospace, cybersecurity, and unmanned systems.
- International Trade/Logistics: Generally businesses engaged in exporting or facilitating international trade and cross-border commerce.
- Defense: Generally prime and subcontractors within the supply chain that provide goods and/or services to the Department of Defense.
- Tourism: Generally lodging businesses and other tourism-oriented businesses that depend primarily on business or leisure visitation from outside the San Diego region to generate revenue.

Is there a recommendation about which funding source/goal the organization should apply to this year? We encourage applicants to select the funding goal that best matches the proposal. Applications must show that the organization's mission and project aligns with the purpose of TOT or SBEP funding in providing a program, services, or benefits to City of San Diego businesses. Specific responses should

address how the program or project will fulfill a Goal and Objective/Outcome as outlined in the [Funding Guidelines](#). Staff is available to meet and discuss a specific application question.

How do we address a program or project that is open to businesses outside of the City of San Diego? According to the Funding Guidelines, your organization's Program/Project must take place within the limits of the county of San Diego and funds will be used to only benefit City of San Diego businesses. If your program is open to businesses in a larger service area, your organization must determine the portion of the program budget that is directed to businesses within the City of San Diego only.

The application asks for my City of San Diego Business Tax Certificate. Where can I find that? You may contact the Office of the City Treasurer at 619-615-1500 or email btax@sandiego.gov to obtain a copy of your Business Tax Certificate (BTC). You can [learn more here](#) or apply for one online. The City of San Diego requires all businesses to have an active BTC. The BTC is different from your [IRS Employment Identification Number](#) (EIN) and [California Sellers Permit](#).

Who would be determined as an authorized signer for the application? The authorized signer as defined in the [Funding Guidelines](#), is the designated representative who is either the Board President, the Executive Director, Program Administrator or any person who has direct contact with management or administration of the Organization or program and who will be responsible for ALL requirements of the Application.

How are applications evaluated? All applications will be evaluated by an Advisory Review Panel of City staff based on the scoring sheet shown in the [Funding Guidelines](#).

Is there a list of the funded organizations for Fiscal Year 2024 (FY24)? There is an interactive map on the [Economic Development Funding Programs webpage](#) that provides information on funded programs from past years. The organizations funded in FY23 and FY24 are as follows:

- TOT Allocations: Biocom Institute, California Western School of Law - New Media Rights, Cleantech San Diego, Connect Foundation, Cyber Center of Excellence (CCOE), Otay Mesa Chamber of Commerce, San Diego Diplomacy Council, San Diego Fleet Week Foundation, San Diego French American Chamber of Commerce, San Diego Regional EDC, San Diego Software and Internet Council - Tech San Diego, South County Economic Development Council, Startup San Diego, Swedish-American Chamber of Commerce in San Diego, TMA BlueTech, Travelers Aid Society of San Diego, University of San Diego
- SBEP Allocations: Accessity, Asian Business Association San Diego, Logan Heights CDC, North San Diego Chamber of Commerce, Jacobs Center for Neighborhood Innovation, San Diego Volunteer Lawyer Program, Inc., and South Park Business Group, Inc.

I attended an informational session and still have a question. How do I reach the Economic Development Department? Questions and additional information from the Informational Sessions will be added to the Frequently Asked Questions as needed. For more information, contact the Economic Development Department at: 619-236-6700 or: sdbusiness@sandiego.gov. For more information, please also visit the City's website: www.sandiego.gov/economic-development-funding