



ECONOMIC DEVELOPMENT FUNDING PROGRAMS

APPLICATION FOR FUNDING

**Fiscal Year 2018
(July 1, 2017– June 30, 2018)**

**Must Be Submitted Electronically via City's Seamless Doc portal
And Received By:
12:00 P.M. On Wednesday, March 29, 2017**

**The Application plus the Required Attachments must be Complete
at the Time of Submission. New or Revised Application Information
will Not be Accepted after the Deadline.**

LATE APPLICATIONS WILL NOT BE ACCEPTED.

**Interested applicants are encouraged to attend a technical assistance workshop scheduled for:
March 1, 2017 from 1:45 p.m. to 3:30 p.m.
North Terrace Rooms, San Diego Concourse, 202 C Street, San Diego 92101.**

**For Further Information Call 619-236-6700
Or email SDBusiness@sanidiego.gov**

**City Of San Diego
Economic Development Department
Business Expansion, Attraction and Retention
1200 Third Avenue, 14th Floor
San Diego, CA 92101**



Economic Development

ECONOMIC DEVELOPMENT FUNDING PROGRAMS

Purpose

Economic Development Funding Programs are intended to support the City's Vision, Mission, and Strategic Plan to foster economic prosperity throughout San Diego by utilizing Transient Occupancy Tax (TOT) and Small Business Enhancement Program (SBEP)-funded citywide efforts and SBEP-funded neighborhood-based efforts.

Mayor, City of San Diego

Kevin Faulconer

San Diego City Council

Barbara Bry
Lorie Zapf
Chris Ward
Myrtle Cole
Mark Kersey
Chris Cate
Scott Sherman
David Alvarez
Georgette Gomez

Chief Operating Officer, City of San Diego

Scott Chadwick

Deputy Chief Operating Officer

David Graham

Economic Development Department

Erik Caldwell
Lydia Moreno
Christina Vincent
Meredith Dibden Brown
Elizabeth Studebaker

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FUNDING SOURCES AND ELIGIBILITY

There are four different and unique Funding Programs as described below. Applicant Organizations are only allowed to submit one Application in total and must select only one of the four Funding Programs. Each program is described in further detail to provide guidance to Applicant Organizations regarding the most appropriate program from which to request funding.

To apply for funding, an Applicant Organization's mission must support: the City of San Diego [City] 2017-2019 Economic Development Strategy <https://www.sandiego.gov/economic-development>; the eligibility requirements as noted below; and comply with City funding limitations, policies, and requirements.

Funding Program Name & Eligibility for Nonprofit Organizations	Intended Purpose of the Funding	Funding Request Ranges
<i>The majority of Applicant Organization's activities must occur within City of San Diego.</i>	<i>To benefit businesses/residents within the City of San Diego</i>	
TOT – EDTS <ul style="list-style-type: none"> • Private nonprofits - 501(c)3, 501(c)4 or 501(c)6 • The majority of Applicant Organization's activities must occur within City of San Diego. • Should have 3 year history of continuous engagement in eligible development programming (economic, employment or tourism) 	Significant programs, services or events that: <ul style="list-style-type: none"> • Promote tourism (from outside San Diego for visits & overnight stays in the City that increase TOT and/or sales tax to the City) • Attract/enhance business on a broad scale in the city • Create employment on a broad scale within the city 	\$15,000 to \$50,000
TOT – Citywide <ul style="list-style-type: none"> • Private nonprofits - 501(c)3, 501(c)4 or 501(c)6 • The majority of Applicant Organization's activities must occur within City of San Diego. • Should have 3 year history of continuous engagement in eligible development programming (economic, employment or tourism) 	Significant Programs that: <ul style="list-style-type: none"> • Promote the City as a visitor destination and advance the City's economy by increasing tourism on a citywide basis • Attract/enhance an industry on a citywide basis 	\$15,000 to \$50,000
SBEP – Citywide <ul style="list-style-type: none"> • Private nonprofits - 501(c)3, 501(c)4 or 501(c)6 or nonprofit Institution for Higher Education • Applicant Organization must be located within the County but only City of San Diego businesses or residents can receive services with this funding 	Create, retain and/or expand small businesses (not neighborhood-based focus)	\$5,000 To \$25,000
SBEP – Microdistricts <ul style="list-style-type: none"> • Private nonprofits - 501(c)3, 501(c)4 or 501(c)6 	Create, retain and/or expand small businesses (neighborhood-based focus)	\$3,000 To \$10,000

Important Notes:

Community-based festivals, parades, and other celebrations, with an emphasis on projects which promote neighborhood pride and community reinvestment should apply to the City's Commission for Arts & Culture Program for Festivals and Celebrations. Events which are not broadly significant or don't promote Tourism on a citywide basis are best submitted to the Commission for Arts & Culture Program.

Organizations that have submitted an application to the City's Commission for Arts & Culture for FY2018 TOT funding are NOT eligible to apply for any of these above-mentioned funds.

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Also, Organizations that have submitted an application to the San Diego Tourism Marketing District (TMD) Corporation for FY2018 TMD funding and are recommended for such funding are NOT eligible to apply for any of these above-mentioned funds.

Council Policy 100-03:

Funding from the Transient Occupancy Tax (TOT) Fund is guided by [City Council Policy 100-03](#). A copy of Council Policy 100-03 is available online at http://docs.sandiego.gov/councilpolicies/cpd_100-03.pdf

Council Policy 900-15:

Funding from Small Business Enhancement Program is provided is guided by City Council Policy 900-15. A copy of Council Policy 900-15 is available online at http://docs.sandiego.gov/councilpolicies/cpd_900-15.pdf

Nonprofit status and California Corporation or Organization:

Applicant Organizations must be able to demonstrate proof of nonprofit tax-exempt status under Section 501(c)(3), 501(c)(4), or 501(c)(6) of the Internal Revenue Code by the application deadline date and must be registered with the California Secretary of State. Fiscal sponsors may not apply on behalf of an ineligible applicant. However, SBEP Micro-District in-kind funding requests may be submitted by eligible unincorporated San Diego nonprofits. See below regarding Institutions for Higher Education.

Institutions for Higher Education:

San Diego universities and Community Colleges (Institutions for Higher Education) that are not registered as a nonprofit with the California Secretary of State with tax-exempt status under Sections 501 (c)(3), 501(c)(4), or 501(c)(6) of the Internal Revenue Code are only eligible to apply for SBEP –Citywide funding. Documentation shall be provided by Institutions for Higher Education indicating the authority under which the Institution of Higher Learning is chartered.

Track record:

Applicant Organizations ideally have engaged in continuous economic, employment or tourism development programming for three (3) years prior to the deadline.

FUNDING POLICIES & REQUIREMENTS

Funding Adjustments:

The City reserves the right to adjust funding to an organization, for example:

- Funding to a single organization may be limited so as not to exceed 5% of total available funds
- Funding may be limited as a percentage of organizational Annual Operating Income
- Funding to new applicants may be limited to 50% -75% of a computed allocation.
- A single allocation for an applicant may not be less than the limits stated in the application.

Council Policy 100-04 (Americans with Disabilities Act/City Contractors):

Applicant Organizations awarded a contract by the City acknowledges and agrees that it is aware of and will comply with Title 24 of the California Code of Regulations (Title 24) and Council Policy 100-04, adopted by Resolution No. 282153 relating to the federally mandated Americans with Disabilities Act (ADA). When a conflict exists between Title 24 and the ADA, the Applicant Organization shall comply with the most restrictive requirement (i.e., that which provides the most access). Organizations will be individually responsible for their own ADA program.

Equal Opportunity (Non-Discrimination Clause):

Applicant Organizations shall not discriminate on the basis of race, gender, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability. Organizations shall comply with City's Equal Opportunity Contracting Program (EOCP) Requirements. Organizations shall not discriminate against any employee or applicant for

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employment on any basis prohibited by law. Organizations shall provide equal opportunity in all employment practices. Organizations shall ensure that their subcontractors comply with this program.

Equal Benefits Ordinance:

Applicant Organizations must comply with the City's Equal Benefits Ordinance (EBO) codified in the San Diego Municipal Code (SDMC) which requires employers to offer the same employment benefits to employees with spouses and employees with domestic partners.

Council Policy 100-07 (Drug-Free Work Place):

Applicant Organizations shall comply with City's Drug-Free Workplace requirements set forth in Council Policy 100-17.

Living Wage Ordinance:

Applicant Organizations shall comply, and require each of its subcontractors to comply, with the provisions of the City's Living Wage Ordinance, codified in SDMC sections 22.4201 et seq., in performing its obligations and/or duties.

Prevailing Wage Ordinance:

Applicant Organizations shall comply, and require each of its subcontractors to comply, with the provisions of the City's Prevailing Wage Ordinance, codified in SDMC section 22.3019, in performing its obligations and/or duties.

Insurance:

It is not necessary to have the required insurance coverage at the time of application, but it is highly recommended to include the proportional cost of insurance in the operating budget.

Generally, Applicant Organizations must maintain commercial general liability (CGL) and automobile insurance providing minimum liability coverage of \$1 million per occurrence and \$2 million aggregate and shall provide proof/endorsements to the City that such insurance coverage is primary and non-contributory and for completed and ongoing operations consistent with the Proposal and that the City is named as an additional insured. Applicants must also maintain \$1 million workers compensation insurance coverage and must provide an endorsement that the insurer waives the right of subrogation against the City.

PROCEDURES

****Failure to submit required materials will result in a diminished score or disqualification.****

****Incomplete responses to the application questions or failing to follow application instructions will have a diminishing effect on the scoring of the application.****

If any of the required materials/documents do not apply to your organization, please include explanations with your application.

Technical Assistance:

Interested applicants are encouraged to attend a technical assistance workshop tentatively scheduled for: Feb 23, 2017 from 9:30 a.m. to 11:00 a.m. Civic Center Plaza/Concourse, San Diego, 92101.

Review and Funding Process:

Advisory Panels composed of business, tourism, economic development, and/or other professionals will score applications within each Funding Program and the Panelist scores will be averaged resulting in an overall score for each application.

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The Applications will be scored according to:

- Program/Project Characteristics and Benefits (80 pts);
- Applicant Organization's Qualifications (20 Points)
- Compliance (Deductions of up to 20 points)

Scores are not assigned on a curve but reflect the quality of the application:

- A score of 90 to 100 points indicates that the application will receive the highest priority for funding and is deemed to meet more than a majority of all the review criteria to the highest degree possible.
- A score of 80 up to 89.99 is considered very good; there is some room for improvement but funding is recommended.
- A score of 70 up to 79.99 is considered good with the potential to be funded once the higher scoring applications are funded.
- A score below 70 is considered marginal or unacceptable; applications are not fundable.

Advisory Panel comments and scoring recommendations may be mailed to Applicant Organizations.

Even if an Application receives a score of 70 or higher there is no entitlement to funding.

Once the scores are finalized by the Advisory Panels, City staff will develop the recommended funding amounts based on the quantity and quality of applications received and funds budgeted for the respective programs for FY2018.

Agreement, Scope and Budget:

Recommended funding allocations will be developed in May 2017 with final amounts subject to the budget adopted by City Council during the City's annual budget process. Recommended funding amounts will be communicated to Applicant Organizations by email in June 2017 when the City's Appropriation Ordinance is introduced but will not be confirmed until the City's FY 2018 Budget is finalized with the adoption of the City's Annual Appropriation Ordinance, which typically occurs in July.

In June 2017, City staff will provide the proposed Agreement, for the use of the recommended funding amount, to those Applicant Organizations recommended to receive funding. The Applicant Organization shall return the Agreement to the City, signed by Applicant's authorized representative, by July 20, 2017 along with all required documentation.

The Agreement details how City money will be spent via the scope and budget derived from the Application subject to the requirements of the Economic Development Funding Programs. The Agreement will be effective from July 1, 2017 through June 30, 2018 but expenses for eligible activities within this period cannot be reimbursed until the Agreement is fully executed and a purchase order has been issued by the City.

If problems arise in fulfilling the Agreement or there are any requests for changes to the Agreement, then Economic Development staff must be consulted. Failure to comply with funding deadlines may result in forfeiture of the allocation for FY 2018.

Reimbursement:

Funds are awarded on a cost reimbursable basis. All requests for reimbursement must be accompanied by copies of checks, invoices and bank statements as detailed in the Agreement. It is recommended that funded Organizations submit requests for payments monthly, but no less than quarterly. One twelfth of the total award will be withheld until the Final Performance Report and any other required documents are submitted.

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Reports – Financial and Performance:

Performance reports will be required quarterly detailing the funded Organization's performance of the Scope of Services i.e. how program objectives were met and measured, as outlined in the Agreement. A Final Report shall detail quarterly and annual results. Financial reports shall be provided to the City as required per the Agreement. Note: Deficiencies in reporting, as required per a current Agreement, will be taken into consideration when scoring applications and will negatively impact application scores. Reporting deficiencies that carry over into a new Agreement will result in delayed or cancelled payments.

Financial Statements:

All funded Organizations are required to submit financial statements for the organization's last completed fiscal year. If total City funding is \$75,000 or more, financial statements must also be audited. Estimated increased expenditures for such audits may be included in administrative costs for which City reimbursement is requested. Required financial reports for the last completed fiscal year must be submitted three months after the closing date of an Organization's contractual period.

Acknowledgment of City Funding:

A credit line must be included in any printed, visual or recorded matter that credits the City for its support. The following is an example of a credit line that might be utilized: "This project is funded in part by the City of San Diego."

Appropriateness of Request:

Applicant Organizations shall comply with funding request limits as noted in this Application and guidelines. The requested amount does not guarantee a minimum, maximum or any funding at all.

Resolution:

If funding is awarded, the Organization must have a formal resolution of its Board of Directors approving the Agreement with the City of San Diego. The resolution shall state that the Board of Directors understands and will comply with the terms and conditions of the Agreement, including maintaining the required insurance coverage and performing the Scope of Services within the amount of the allocated Budget. This resolution must be signed by the Board President or designated officer.

DEFINITION OF TERMS

Authorized Signer

Dependent on the type and size of an the Applicant Organization, the designated representative 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 Agreement.

Capital

Capital is defined as substantial wealth used or available for use in the production of more wealth.

- Capital Assets: Long-term assets, such as land or buildings.
- Capital Expenditures: Funds expended for additions or improvement to plant or equipment.
- Capital Gains: Profit from the sale of capital assets. Eligible to be included in the budget as long as its use pertains to operational support.

Certificate of Good Standing

The Certificate of Good Standing (Certificate of Status, Domestic Corporation from the California Secretary of State) with an "Active" status documents the Applicant Organization as a legal entity in good standing with the Secretary of

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State and Franchise Tax Board. For more information concerning Certificates of Good Standing in San Diego visit this website: <http://kepler.ss.ca.gov/list.html>

Community

A unified body of individuals; people with common interests living in a particular area; the physical boundaries of an area; a group of people with a common characteristic or interest living together within a larger society; the society at large.

Contract For Service

The Economic Development Department of the City of San Diego enters into agreements with organizations for services, rather than grants. A contract for service details which "services" organizations are going to provide for citizens within the City of San Diego.

Cooperation

Cooperation is a shorter-term informal relation that exists without any clearly defined mission, structure or planning. Cooperative partners share information only about the subject at hand. Each organization retains authority and keeps resources separate.

Coordination

Coordination is characterized by a more formal relationship and understanding of missions. People involved in a coordination effort focus their longer-term interaction around a specific effort or program. Coordination requires some planning and division of roles and opens communication channels between organizations.

Diversity & Inclusion

Diversity refers to differences in race, gender, ethnicity, age, socioeconomic class, religion, sexual orientation, skills and abilities, and politics among other qualities. A diversity commitment is not to be confused with "quota" systems, equal employment opportunity or affirmative action practices. Instead, it asks organizations to embrace an ongoing process that values and facilitates the inclusion of people of all backgrounds in all phases of the organization's growth and development and where the inherent worth and dignity of all people are recognized.

Endowment

Endowments are funds or property donated to an institution to produce a consistent source of income.

Financial Accounting Standard Board (FASB)

The Financial Accounting Standards Board (FASB) establishes standards of financial accounting and reporting for the private sector. These standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission (Financial Reporting Release No. 1, Section 101) and the American Institute of Certified Public Accountants (Rule 203, Rules of Conduct, as amended May 1973 and May 1979).

In-Kind Contributions

In-kind contributions are the value of goods or services donated to the applicant in volunteer staff time or by vendors at no cash expense to the applicant. In-kind expenses are not allowed under these guidelines.

Leveraging Funds

Using the City's Economic Development Funding Program as a means of attracting funds or grants from other sources and other types of financial support such as private contributions, other local, state or federal government or earned income is strongly recommended and encouraged.

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Organizational Support

Funding is restricted to the cost of administering the programming.

Quality

Quality is the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives.

Transient Occupancy Tax

The transient occupancy tax is a 10.5% City of San Diego tax on hotel/motel rooms and is governed by City Council Policy 100-03.

Budget Terms

The following definitions will assist you in completing the Application section "Summary of Anticipate Income and Proposed Use of Requested Funds "FY2018 Budget" & Cost Justification"

Projected Program/Project Income: Projected revenue from all sources including Contributions (grants and appropriations from public or private sources, individual monetary contributions/donations, membership dues, sponsorships, underwriting, other fundraising) and Earned Income (Fees, contracted services, sales/concessions, investment income, other) associated with the Program/Project and apportioned between "City Requested Funds" versus "Other Funds".

Personnel: Includes salaries, wages, taxes, and benefits for employees. If requesting reimbursement for these expenses, the organization must be able to document specific expenses and proof of payment.

Salaries/Wages: limited to eligible work performed directly by executive directors, business managers, development staff, clerical, etc.

Taxes: Employer taxes, etc.

Benefits: Cost of dental, health insurance, 401(K), incentives, etc.

Consultant/Contractual Services: Contract for service expenses such as consulting fees or other services provided to the organization by a subcontractor.

Space Rental: Rental of meeting space or facility fees for seminars, workshops or training, or proportional share of office space rent.

Utilities: Electricity/gas, water, phone, internet, or other charges associated with office occupancy.

Outreach: Advertising, marketing, publicity and promotion and related-items, includes postage but not payments to staff or consultants.

Supplies: Office and related supplies not promotional in nature.

Insurance: Premiums for City-required insurance, etc.

Other: Complete a schedule of expenses. Include miscellaneous expenses not covered above

Actual Operating Income (AOI): The City requires Applicant Organizations to report only Financial Accounting Standards Board (FASB) unrestricted income that excludes the following:

- Property and equipment (fixed assets)
- Temporarily and permanently restricted income
- Capital gains and losses
- In-kind donations
- Value of collections
- Unrealized investment gains, losses, and income

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Contributions

Cash support from grants and/or appropriations from:

1. Federal Government; 2. State Government; 3. County; 4. Foundations (private, business, or community)
- 5a. City of San Diego Funding (other than this request)
- 5b. This Application - Funds Requested: Write total request as it appears on the title page of the application.
6. Individual Contributions: Cash support from private individuals (i.e. donations from patrons, board, etc.)
7. Memberships: Cash support (usually dues) from customers who receive membership privileges.
8. Fund Raising: Include gross proceeds from benefits, or other special events. Include contributions from guilds and auxiliaries. Do not include revenue from bookstores, restaurants or other non program related activities. These should be listed as earned revenue.
9. Other: Sponsorships, underwriting, funding from other cities, and any other contribution not mentioned above.

Earned Income

10. Fees: Revenue (usually from individuals) generated from the performance of services such as, workshops, consultations, event admissions, subscriptions, and etc.
11. Contracted Services: Revenue (usually from an organization) generated from the sale of services, such as training, workshop facilitation, and etc.
12. Product Sales/Concessions: Revenue generated from the sale of materials or hard goods, such as gift store items, t-shirts, advertising space in programs, parking, and etc.
13. Investment Income: Dividends, interest and other income, if and only if, utilized for operational support, including endowment funds if used for operations.
14. Other: Other sources, if any, such as net revenue from bookstores, restaurants, facilities rental or other non program related activities.
15. Total Revenue: Use total from FY16 Actual Revenue as AOI for page 1 of the Application.

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SAMPLE BOARD RESOLUTION

A Resolution of the Board of Directors of the aforementioned organization approving Economic Development Funding from the City of San Diego Economic Development Funding Program for Fiscal Year 2018.

WHEREAS, Funding is governed by City Council Policies and Contracting requirements;

WHEREAS, the aforementioned organization is a legally constituted nonprofit corporation completely directing and in control of its own affairs through its own officers or members;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the above mentioned organization, hereby:

1. Certifies that said organization understands the requirements associated with this funding and will comply with the guidelines, standards and procedures thereof;
2. Appoints the person(s) indicated as follows as its agent to conduct all negotiations; execute and submit all documents including but not limited to applications, contracts, amendments, billing statements, and so on which may be necessary to operate the aforementioned organization.

Name of authorized agent and title _____

Name of authorized agent and title _____

3. Certifies support of the organizational goals and objectives as outlined in the submitted application.

Adopted this _____ day of _____, 20__.

(Printed Name and Signature of Authorized Board Officer)