

Economic Development



Page Intentionally Left Blank



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, and most recently Corporate Partnerships and Development. 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. In Fiscal Year 2020, EDD was assigned the role of providing oversight for Successor Agency activities and winding down of the former Redevelopment Agency.

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 Corporate Partnerships and Development Division leads the City of San Diego's efforts in exploring innovative ways to benefit our taxpayers and strengthen the City's General Fund with public private partnerships with regional, national, and international organizations.

In Fiscal Year 2020, the City of San Diego established a Small Business Relief Fund (SBRF), which is administered by EDD. SBRF helps businesses impacted by COVID-19 to retain employees and sustain continuity of operations. Approximately \$6.1 million is available in the SBRF. Financial assistance in grants, forgivable or low-interest loans will be allocated to eligible small businesses on a first-come,

Economic Development

first-served basis. An additional \$12.8 million was added from Federal Cares Act COVID-19 Relief Funds for the purpose of preventing, preparing for, and responding to the COVID-19 pandemic in connection to the SBRF, which will provide grants in accordance with the CARES Act to small businesses experiencing economic hardship due to business interruption caused by the COVID-19 pandemic.

The vision is:

A catalyst for economic prosperity and community investment

The mission is:

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

Economic Development

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	FY2019 Target	FY2019 Actual	FY2020 Target	FY2020 Actual	FY2021 Target
Number of persons assisted through infrastructure projects and community service (i.e., Community Development Block Grant Program (CDBG)) ¹	50,000	42,909	50,000	16,221	2,453
Percentage growth in jobs created or preserved by the expansion, attraction and retention of employers working with the Department ²	0%	4%	5%	0%	0%
Percentage growth in number of companies working with the Department that result in international trade or investment ³	20%	67%	10%	6%	0%
Percentage growth in the number of small businesses assisted and expanded annually as a result of small and neighborhood business programs ⁴	10%	8%	10%	63%	0%
Total amount of federal funds expended for affordable housing ⁵	\$21.5M	\$12.2M	\$7.5M	\$23.6M	\$19.5M
Total amount of federal funds expended for economic development programs ⁶	\$6M	\$2.2M	\$7M	\$6.2M	\$15M
Total amount of funds expended for infrastructure projects and community service ⁷	\$21M	\$18.4M	\$30M	\$11.7M	\$15M

Economic Development

Key Performance Indicators

Performance Indicator	FY2019 Target	FY2019 Actual	FY2020 Target	FY2020 Actual	FY2021 Target
1.	This does not capture the number of Households Assisted, Businesses Assisted and Jobs Created. FY2019 and FY2020 estimates based upon the FY2019 and FY2020 Annual Action Plan. FY2019 Actuals based on the FY2019 CAPER. FY2021 Target removes outcomes from the HOPWA program.				
2.	Due to the COVID-19 pandemic, unemployment rates have fluctuated on a macro level precluding any effort by the department to retain and expand jobs although significant efforts are underway for FY2021 i.e. Small Business Relief Fund, technical assistance, development activity support, and loans for business resilience. The focus has been on retaining as many businesses and employees as possible and the goal is to keep the previous year's growth from declining deeper into negative numbers.				
3.	World Trade Center activities and the Foreign-Trade Zones (FTZ) program will continue however staffing levels to work on these efforts have been reduced in the FY2021 budget.				
4.	The number of available programs to small businesses have been reduced in the FY2021 budget i.e. Storefront Improvement Program, Urban Incentive Program, Economic Development and Tourism Support Grants, Capacity Building Grants etc.				
5.	FY2020 Estimates are based upon FY2020 Annual Action Plan. FY2021 estimates based on FY2021 applications and historical patterns. Increase for FY2020 Actuals due to increase of Rental Housing project.				
6.	FY2020 Estimates are based upon FY2020 Annual Action Plan. FY2021 estimates based on FY2021 applications and historical patterns. Increase for FY2021 Target due to inclusion of SBRF funding.				
7.	FY2020 Estimates are based upon FY2020 Annual Action Plan. FY2021 estimates based on FY2021 applications and historical patterns. Decrease for FY2020 Actuals due to effects of the COVID-19 pandemic on ability to complete construction projects and provide public services.				

Economic Development

Department Summary

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
FTE Positions (Budgeted)	59.35	61.00	53.00	(8.00)
Personnel Expenditures	\$ 7,077,149	\$ 7,997,556	\$ 6,380,367	\$ (1,617,189)
Non-Personnel Expenditures	6,279,817	7,646,903	16,940,303	9,293,400
Total Department Expenditures	\$ 13,356,966	\$ 15,644,459	\$ 23,320,670	\$ 7,676,211
Total Department Revenue	\$ 8,067,131	\$ 8,121,010	\$ 21,565,465	\$ 13,444,455

General Fund

Department Expenditures

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Business Expansion, Attraction & Retention	\$ 3,646,960	\$ 4,434,460	\$ 15,651,662	\$ 11,217,202
Community Development	2,701,623	2,877,490	2,492,841	(384,649)
Economic Development	5,601,710	6,398,183	3,241,841	(3,156,342)
Total	\$ 11,950,293	\$ 13,710,133	\$ 21,386,344	\$ 7,676,211

Department Personnel

	FY2019 Budget	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Business Expansion, Attraction & Retention	20.00	20.00	16.00	(4.00)
Community Development	19.00	20.00	19.00	(1.00)
Economic Development	20.35	21.00	18.00	(3.00)
Total	59.35	61.00	53.00	(8.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Small Business Relief and Support Addition of non-personnel expenditures to support the Small Business Relief Fund to provide grants and forgivable or low- to zero-interest-rate loans to eligible small businesses for working capital.	0.00	\$ 12,848,365	\$ 12,848,365
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	294,230	-
Pay-in-Lieu of Annual Leave Adjustment to expenditures associated with projected compensation in-lieu of the use of annual leave.	0.00	11,300	-
Non-Standard Hour Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	0.00	690	14,025

Economic Development

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Shared Mobility Device Program Transfer of 1.00 Program Manager to the new Mobility Department from the Economic Development Department to manage the Shared Mobility Device Program.	(1.00)	(151,358)	-
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	(196,596)	-
Elimination of Business Cooperation Program Reduction of non-personnel expenditures associated with the use tax rebates under the Business Cooperation Program.	0.00	(210,000)	-
Mobility Traffic Engineers Transfer of 2.00 FTE positions and associated revenue to the new Mobility Department from the Economic Development Department to support the Community Parking District Program.	(2.00)	(261,724)	(377,384)
Reduction of Local Business Support Reduction of 5.00 FTE positions who provide support for the attraction, retention and expansion of businesses in the City.	(5.00)	(414,317)	-
Reduction of Small Business Enhancement Program Reduction of non-personnel expenditures associated with Small Business Enhancement Program.	0.00	(485,000)	-
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	(820,780)	-
Homelessness Strategies Department Transfer of non-personnel expenditures associated to Homeless Shelters and Services Programs, Housing Navigation Center operations, and transfer to the San Diego Housing Commission from the Economic Development Department to the Homelessness Strategies Department.	0.00	(2,938,599)	-
Former Enterprise Zone Funding Addition of one-time revenue from the Water/Sewer Capacity Bank.	0.00	-	750,000
CARES Act Funding Addition of one-time CARES Act revenue to support COVID-19 related expenses in the Economic Development Department. Projection is based on current levels of service being maintained through December 2020.	0.00	-	209,449
Total	(8.00)	\$ 7,676,211	\$ 13,444,455

Economic Development

Expenditures by Category

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
PERSONNEL				
Personnel Cost	\$ 4,235,065	\$ 4,920,310	\$ 3,899,998	\$ (1,020,312)
Fringe Benefits	2,842,085	3,077,246	2,480,369	(596,877)
PERSONNEL SUBTOTAL	7,077,149	7,997,556	6,380,367	(1,617,189)
NON-PERSONNEL				
Supplies	\$ 17,568	\$ 10,690	\$ 18,971	\$ 8,281
Contracts	4,009,370	5,097,189	12,207,346	7,110,157
Information Technology	439,434	372,102	441,564	69,462
Energy and Utilities	6,428	7,596	7,596	-
Other	85,345	225,000	15,500	(209,500)
Transfers Out	315,000	-	2,315,000	2,315,000
NON-PERSONNEL SUBTOTAL	4,873,144	5,712,577	15,005,977	9,293,400
Total	\$ 11,950,293	\$ 13,710,133	\$ 21,386,344	\$ 7,676,211

Revenues by Category

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Charges for Services	\$ 6,509,562	\$ 5,540,017	\$ 5,946,658	\$ 406,641
Other Revenue	3,316	430,000	430,000	-
Rev from Federal Agencies	-	-	13,057,814	13,057,814
Rev from Money and Prop	31,057	-	-	-
Rev from Other Agencies	116,523	216,667	196,667	(20,000)
Total	\$ 6,660,458	\$ 6,186,684	\$ 19,631,139	\$ 13,444,455

Personnel Expenditures

Job Number	Job Title / Wages	FY2019 Budget	FY2020 Budget	FY2021 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	1.00	1.00	1.00	\$ 33,605 - 40,459	\$ 38,480
20000012	Administrative Aide 1	1.00	1.00	1.00	39,449 - 47,528	47,528
20000024	Administrative Aide 2	4.00	4.00	4.00	45,444 - 54,769	204,542
90000024	Administrative Aide 2 - Hourly	0.35	0.00	0.00	45,444 - 54,769	-
20001202	Assistant Deputy Director	0.00	1.00	2.00	28,080 - 147,160	220,852
20000116	Assistant Engineer-Traffic	1.00	1.00	0.00	61,752 - 74,407	-
20000119	Associate Management Analyst	2.00	2.00	2.00	57,691 - 69,723	127,421
20000295	Community Development Coordinator	6.00	6.00	6.00	81,885 - 99,117	594,672
20000300	Community Development Specialist 2	11.00	11.00	11.00	57,691 - 69,723	721,726
20000301	Community Development Specialist 3	4.00	4.00	4.00	66,436 - 80,316	290,677
20000303	Community Development Specialist 4	12.00	12.00	10.00	71,249 - 86,311	838,281
20001101	Department Director	1.00	1.00	1.00	63,127 - 239,144	170,726
20001168	Deputy Director	1.00	1.00	1.00	50,128 - 184,332	139,506
20000924	Executive Assistant	1.00	1.00	1.00	46,475 - 56,208	55,359
20001220	Executive Director	0.00	1.00	0.00	50,128 - 184,332	-
90001073	Management Intern - Hourly	2.00	2.00	0.00	28,080 - 31,158	-

Economic Development

Personnel Expenditures

Job Number	Job Title / Wages	FY2019 Budget	FY2020 Budget	FY2021 Adopted	Salary Range	Total
20000172	Payroll Specialist 1	1.00	1.00	1.00	38,938 - 46,862	38,938
20001222	Program Manager	6.00	6.00	5.00	50,128 - 184,332	614,479
20000015	Senior Management Analyst	2.00	2.00	2.00	63,342 - 76,578	146,113
20000926	Senior Traffic Engineer	1.00	1.00	0.00	81,949 - 99,074	-
20000970	Supervising Management Analyst	1.00	1.00	1.00	71,249 - 86,311	86,320
20000756	Word Processing Operator Bilingual - Regular	1.00	1.00	0.00	33,605 - 40,459	-
	Budgeted Vacancy Factor					5,824
	Overtime Budgeted					(547,445)
	Sick Leave - Hourly					12,835
	Termination Pay Annual					3,193
	Leave					51,763
	Vacation Pay In Lieu					38,208
FTE, Salaries, and Wages Subtotal		59.35	61.00	53.00		\$ 3,899,998

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Fringe Benefits				
Employee Offset Savings	\$ 34,070	\$ 35,458	\$ 25,273	\$ (10,185)
Flexible Benefits	693,687	747,819	577,991	(169,828)
Insurance	278	-	-	-
Long-Term Disability	16	-	13,148	13,148
Medicare	61,183	67,975	51,982	(15,993)
Other Post-Employment Benefits	336,418	349,125	276,892	(72,233)
Retiree Medical Trust	4,953	6,360	4,174	(2,186)
Retirement 401 Plan	4,659	8,204	539	(7,665)
Retirement ADC	1,354,685	1,454,916	1,170,530	(284,386)
Retirement DROP	14,603	15,022	21,107	6,085
Risk Management Administration	57,032	68,685	46,596	(22,089)
Supplemental Pension Savings Plan	259,301	289,237	270,424	(18,813)
Unemployment Insurance	7,135	7,475	5,835	(1,640)
Workers' Compensation	14,064	26,970	15,878	(11,092)
Fringe Benefits Subtotal	\$ 2,842,085	\$ 3,077,246	\$ 2,480,369	\$ (596,877)
Total Personnel Expenditures			\$ 6,380,367	

Successor Agency Admin & Project - CivicSD Fund

Department Expenditures

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Economic Development	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326	-
Total	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326	-

Economic Development

Expenditures by Category

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
NON-PERSONNEL				
Contracts	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326	\$ -
NON-PERSONNEL SUBTOTAL	1,406,673	1,934,326	1,934,326	-
Total	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326	-

Revenues by Category

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Rev from Other Agencies	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326	\$ -
Total	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326	-

Economic Development

Revenue and Expense Statement (Non-General Fund)

Successor Agency Admin & Project - CivicSD Fund	FY2019 Actual	FY2020* Budget	FY2021** Adopted
REVENUE			
Revenue from Other Agencies	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326
TOTAL REVENUE	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326
OPERATING EXPENSE			
Contracts	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326
TOTAL OPERATING EXPENSE	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326
TOTAL EXPENSE	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326
BALANCE	\$ -	\$ -	\$ -
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 1,406,673	\$ 1,934,326	\$ 1,934,326

* At the time of publication, audited financial statements for Fiscal Year 2020 were not available. Therefore, the Fiscal Year 2020 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2020 Adopted Budget, while the beginning Fiscal Year 2020 balance amount reflects the audited Fiscal Year 2019 ending balance.

** Fiscal Year 2021 Beginning Fund Balance reflect the projected Fiscal Year 2020 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2020.