

Economic Development



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Economic Development



Description

The Economic Development Department (EDD) leads the City's efforts in Business Expansion Attraction and Retention (BEAR), Community Development through deployment of federal grants, and 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 is accomplished by retaining and expanding existing companies, attracting new companies, supporting entrepreneurs, making San Diego competitive in emerging markets, revitalizing and investing in established business districts, 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. It should be noted that in Fiscal Year 2021, Economic Development staff was reduced by five FTE positions, and key BEAR funding sources (TOT and SBEP), Capacity Building, Storefront Improvement and other neighborhood business support grant programs were suspended due to pandemic-related budget reductions.

The Community Development Division is comprised of HUD Programs, Promise Zone, and Successor Agency. HUD Programs administers the Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The seven Consolidated Plan goals of the CDBG program include job readiness and economic development programs; public infrastructure and nonprofit facility needs; affordable housing; homelessness; and services for vulnerable populations. The Promise Zone is a 10-year federal designation of 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. In Fiscal Year 2020, EDD was assigned the role of providing oversight for Successor Agency activities and winding down of the former Redevelopment Agency.

Fiscal Operations is responsible for overseeing financial administration and internal operations support activities of the Economic Development Department which include managing the annual

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General Fund budget of \$10 M; a federal and state grant fund portfolio of approximately \$80M; and an additional allocation of approximately \$128 million in Coronavirus Relief Funds (CRF) from the CARES Act and distributed by HUD and EDA (Economic Development Administration).

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 2021, a new model of partnerships was developed.

In Fiscal Year 2021, EDD pivoted in response to COVID-19 to address the business community negatively impacted by closures, and stay-at-home orders. EDD supported businesses through the creation and deployment of the Small Business Relief Fund (SBRF) and launched the CARES Act Revolving Loan Fund (RLF) for ongoing business resiliency. Additionally, the Department launched a Temporary Outdoor Business Operation (TOBO) Education and Outreach campaign in partnership with the Fire-Rescue Department and the Development Services Department to provide direct customer service to business owners with guidance about safety regulations in the right-of-way.

Approximately \$12.1 million in Federal CARES Act COVID-19 Relief Funds were added to the SBRF and made available in Fiscal Year 2021 to small businesses experiencing economic hardship due the pandemic. EDD continued to service emergency economic impact microloans awarded in Fiscal Year 2020. SBRF grants and loans helped businesses to retain employees and sustain continuity of operations. With \$700,000 of CARES Act funds re-appropriated by Council, EDD partnered with the Strategic Alliance of San Diego Ethnic Chambers of Commerce for specialized outreach, technical assistance and direct grants to businesses in communities most impacted by the pandemic.

EDD oversaw two COVID-19-related support programs: Emergency Rental Assistance (ERA) Program and Emergency Childcare Voucher Program (ECVP). For ERA, from July to November 2020, the City of San Diego expended \$9.7M in CRF, and EDD expended \$3.6M in CDBG-CV and \$1.8M in Fiscal Year 2021 CDBG funds. For ECVP, from July to October 2020, the City of San Diego, in collaboration with EDD, expended \$10M in CRF. Outcomes for ERA in Fiscal Year 2020 and Fiscal Year 2021 (partial) include 3,673 Households Served. Outcomes for ECVP in Fiscal Year 2020 and Fiscal Year 2021 include 1,752 Families Served; 2,742 Children Served; and 1,118 Businesses Served.

It is worth noting that over the past five years, EDD has had year-over-year budget reductions impacting the department's ability to provide quality programs and serve as a well-resourced department that is expected by the community. EDD was established as a standalone department in Fiscal Year 2016 and in Fiscal Year 2017 had 56 FTEs and a \$15M annual budget. This Fiscal Year, the department has less than 50 employees and an approximate a \$9M annual budget is anticipated.

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

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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	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
Number of persons assisted through infrastructure projects and community service (i.e., Community Development Block Grant Program (CDBG)) ¹	50,000	40,208	2,453	17,366	13,000
Percentage growth in jobs created or preserved by the expansion, attraction and retention of employers working with the Department ²	5%	0%	0%	350%	10%
Percentage growth in number of companies working with the Department that result in international trade or investment ³	10%	6%	0%	0%	5%
Percentage growth in the number of small businesses assisted and expanded annually as a result of small and neighborhood business programs ⁴	10.0 %	63.0 %	2.8 %	8.9 %	5.0 %
Total amount of federal funds expended for affordable housing ⁵	\$7.5M	\$14.9M	\$19.5M	\$24.7M	\$15M
Total amount of federal funds expended for economic development programs ⁶	\$7M	\$2.9M	\$15M	\$16.2M	\$2.6M
Total amount of funds expended for infrastructure projects and community service ⁷	\$30M	\$25.1M	\$15M	\$15.5M	\$10.4M

Key Performance Indicators

Performance Indicator	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
1. This metric (i.e., "persons") does not capture total outcomes, which is also measured in Households Assisted, Businesses Assisted, and Jobs Created. FY2020 actuals are based on the FY2020 CAPER. FY2021 estimates are based upon FY2021 Annual Action Plan, and did not include Coronavirus Relief Fund (CRF), Community Development Block Grant COVID CARES Act (CDBG-CV) and Emergency Solutions Grant COVID CARES Act (ESG-CV) estimated outcomes. FY2021 actuals reflect only those outcomes reported as of May 31, 2021. Additional outcomes may be reflected in the City's Consolidated Annual Performance Evaluation Report (CAPER) submitted to HUD in September 2021. FY2022 target is based on the estimated entitlement funds, FY22 applications, two (2) off-cycle Notice of Funding Availability Request for Proposals, additional federal funding through the American Rescue Plan Act, and historical patterns. It should be noted that in addition to our traditional HUD entitlement programs (CDBG, ESG, and HOME Investment), EDD received an increase in HUD funding (CDBG-CV and ESG-CV) to prevent, prepare for, and respond to the COVID-19 pandemic. EDD oversaw two COVID-19 related support programs: Emergency Rental Assistance Program (ERAP) and Emergency Childcare Voucher Program (ECVP). For ERAP, from July-Nov 2020, the City of San Diego expended \$9.7M in CRF, and EDD expended \$3.6M in CDBG-CV and \$1.8M in FY2021 CDBG. For ECVP, from July-Oct 2020, the City of San Diego, in collaboration with EDD, expended \$10M in CRF. Outcomes for ERAP are reported in the FY2021 actuals above and include 3,735 individuals receiving emergency rental assistance payments. Outcomes for ECVP in FY2020 and FY2021 include 1,752 families served, 2,742 children served, and 1,118 businesses served. Please note that due to citywide multi-departmental efforts to provide COVID-19 relief, these expenditures and outcomes may be reported alternatively as part of other departmental KPI's.					
2. A significant increase in jobs created or preserved in FY2021 is attributed to the expansion of the Small Business Relief Fund (SBRF) and direct financial support provided to small, local businesses, and is primarily jobs preserved. In FY2022, continued management of CARES Act programs and the launch of Back to Work San Diego / American Rescue Plan Act (ARPA) funded programs are estimated to continue the trend.					
3. World Trade Center activities and the Foreign-Trade Zones (FTZ) program continued throughout FY2021; however, new FTZ operator and sub zone designations were reduced due to supply chain interruptions resulting from Covid-19. Estimated increase is expected in FY2022 as international commerce rebounds.					
4. The number of businesses assisted remained high in FY2021 due to CARES Act federal funding, resulting in the continuation of the SBRF and launch of the new Revolving Loan Fund (RLF) to assist businesses with modifications to adapt to a post pandemic environment. Additionally, a Temporary Outdoor Business Operations (TOBO) grant was developed and launched. In FY2022, Back to Work San Diego funding allocations will ensure the number of businesses assisted remains high due to ongoing support of SBRF, RLF, and TOBO clients, as well as the launch of the ARPA Small Business Grant, Capacity Building/Microgrant, relaunch of the Storefront Improvement Program, and Small Business Enhancement Program (SBEP) funds dedicated to supporting the Business Improvement Districts (BIDs).					
5. FY21 actuals are based upon FY21 Annual Action Plan. FY22 estimates are based on FY22 applications and historical patterns. Decrease of FY21 actuals are due to effects of COVID-19 on ability to provide affordable housing services.					
6. FY21 actuals are based upon FY21 Annual Action Plan. FY22 estimates are based on FY22 applications and historical patterns.					
7. FY21 actuals are based upon FY21 Annual Action Plan. FY22 estimates are based on FY22 applications and historical patterns.					

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Department Summary

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
FTE Positions (Budgeted)	61.00	53.00	56.00	3.00
Personnel Expenditures	\$ 6,904,459	\$ 6,380,367	\$ 8,093,870	\$ 1,713,503
Non-Personnel Expenditures	8,539,361	16,940,303	16,370,890	(569,413)
Total Department Expenditures	\$ 15,443,819	\$ 23,320,670	\$ 24,464,760	\$ 1,144,090
Total Department Revenue	\$ 9,790,922	\$ 21,565,465	\$ 8,103,846	\$ (13,461,619)

General Fund

Department Expenditures

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Business Expansion, Attraction & Retention	\$ 3,551,697	\$ 15,651,662	\$ 14,836,052	\$ (815,610)
Community Development	6,127,417	2,492,841	2,826,568	333,727
Economic Development	3,829,717	3,241,841	4,867,814	1,625,973
Total	\$ 13,508,830	\$ 21,386,344	\$ 22,530,434	\$ 1,144,090

Department Personnel

	FY2020 Budget	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Business Expansion, Attraction & Retention	20.00	16.00	17.00	1.00
Community Development	20.00	19.00	17.00	(2.00)
Economic Development	21.00	18.00	22.00	4.00
Total	61.00	53.00	56.00	3.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Back to Work SD Addition of one-time non-personnel expenditures to support small business and provide forgivable loans.	0.00	\$ 10,000,000	\$ -
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	1,300,192	-
Back to Work SD Addition of one-time non-personnel expenditures for the restoration and enhancement of the Small Business Enhancement Program with a focus on investments in communities of concern.	0.00	750,000	-
Connect2 Careers Addition of one-time non-personnel expenditures associated to Connect2Careers program.	0.00	750,000	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Back to Work SD Addition of one-time non-personnel expenditures associated with San Diego Youth Diversion Summer Programming.	0.00	500,000	-
Small Business Ombudsman Program Addition of 2.00 Community Development Coordinators to support the Small Business Ombudsman Program.	2.00	251,152	-
Back to Work SD Addition of one-time non-personnel expenditures associated with assisting street vendors with the City's permitting and application process.	0.00	250,000	-
Fiscal Operations Program Manager Addition of 1.00 Program Manager position and associated non-personnel expenditures to support compliance with regulations and mandates associated with federal and state funding.	1.00	146,195	146,195
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology requirements.	0.00	93,557	-
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	15,964	-
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	(12,631)	-
Citywide Contracts Reduction of 2.6% Reduction of non-personnel expenditures associated with a 2.6% reduction in contracts citywide.	0.00	(51,974)	-
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2021.	0.00	(12,848,365)	(13,607,814)
Total	3.00	\$ 1,144,090	\$ (13,461,619)

Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
PERSONNEL				
Personnel Cost	\$ 4,188,066	\$ 3,899,998	\$ 4,766,438	\$ 866,440
Fringe Benefits	2,716,392	2,480,369	3,327,432	847,063
PERSONNEL SUBTOTAL	6,904,459	6,380,367	8,093,870	1,713,503
NON-PERSONNEL				
Supplies	\$ 15,662	\$ 18,971	\$ 19,256	\$ 285
Contracts	5,716,181	12,207,346	3,528,091	(8,679,255)
Information Technology	399,609	441,564	551,121	109,557

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Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Energy and Utilities	7,380	7,596	7,596	-
Other	150,539	15,500	15,500	-
Transfers Out	315,000	2,315,000	10,315,000	8,000,000
NON-PERSONNEL SUBTOTAL	6,604,372	15,005,977	14,436,564	(569,413)
Total	\$ 13,508,830	\$ 21,386,344	\$ 22,530,434	\$ 1,144,090

Revenues by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Charges for Services	\$ 4,966,363	\$ 5,946,658	\$ 5,396,658	\$ (550,000)
Other Revenue	420,696	430,000	437,318	7,318
Rev from Federal Agencies	-	13,057,814	94,980	(12,962,834)
Rev from Money and Prop	256,812	-	-	-
Rev from Other Agencies	36,914	196,667	240,564	43,897
Transfers In	2,175,148	-	-	-
Total	\$ 7,855,933	\$ 19,631,139	\$ 6,169,520	\$ (13,461,619)

Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	1.00	1.00	1.00	\$ 34,957 - 42,074	\$ 40,601
20000012	Administrative Aide 1	1.00	1.00	1.00	41,036 - 49,429	49,429
20000024	Administrative Aide 2	4.00	4.00	4.00	47,266 - 56,957	219,885
20001202	Assistant Deputy Director	1.00	2.00	2.00	52,133 - 191,703	280,800
20000116	Assistant Engineer-Traffic	1.00	0.00	0.00	67,437 - 81,247	-
20000119	Associate Management Analyst	2.00	2.00	2.00	60,007 - 72,510	127,474
20000295	Community Development Coordinator	6.00	6.00	8.00	85,165 - 103,076	816,680
20000300	Community Development Specialist 2	11.00	11.00	11.00	60,007 - 72,510	774,081
20000301	Community Development Specialist 3	4.00	4.00	4.00	69,093 - 83,521	317,075
20000303	Community Development Specialist 4	12.00	10.00	10.00	74,090 - 89,773	876,872
20001101	Department Director	1.00	1.00	1.00	65,653 - 248,703	177,555
20001168	Deputy Director	1.00	1.00	1.00	52,133 - 191,703	145,086
20000924	Executive Assistant	1.00	1.00	1.00	48,326 - 58,450	58,450
20001220	Executive Director	1.00	0.00	0.00	52,133 - 191,703	-
90001073	Management Intern-Hourly	2.00	0.00	0.00	30,160 - 31,200	-
20000172	Payroll Specialist 1	1.00	1.00	0.00	41,507 - 49,955	-
20000680	Payroll Specialist 2	0.00	0.00	1.00	43,414 - 52,417	52,416
20001222	Program Manager	6.00	5.00	6.00	52,133 - 191,703	763,852
20000015	Senior Management Analyst	2.00	2.00	2.00	65,869 - 79,649	153,722
20000926	Senior Traffic Engineer	1.00	0.00	0.00	89,492 - 108,185	-
20000970	Supervising Management Analyst	1.00	1.00	1.00	74,090 - 89,773	89,773
20000756	Word Processing Operator	1.00	0.00	0.00	34,957 - 42,074	-

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Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Adopted	Salary Range	Total
	Bilingual - Regular					7,280
	Budgeted Personnel					(265,101)
	Expenditure Savings					
	Overtime Budgeted					12,835
	Sick Leave - Hourly					3,193
	Termination Pay Annual					10,308
	Leave					
	Vacation Pay In Lieu					54,172
FTE, Salaries, and Wages Subtotal		61.00	53.00	56.00		\$ 4,766,438

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Fringe Benefits				
Employee Offset Savings	\$ 28,479	\$ 25,273	\$ 28,593	\$ 3,320
Flexible Benefits	640,678	577,991	736,565	158,574
Insurance	1,144	-	-	-
Long-Term Disability	-	13,148	18,759	5,611
Medicare	59,733	51,982	64,794	12,812
Other	26,243	-	-	-
Other Post-Employment Benefits	319,031	276,892	324,943	48,051
Retiree Medical Trust	4,537	4,174	5,698	1,524
Retirement 401 Plan	1,808	539	561	22
Retirement ADC	1,255,958	1,170,530	1,694,107	523,577
Retirement DROP	21,213	21,107	20,721	(386)
Risk Management Administration	61,537	46,596	56,233	9,637
Supplemental Pension Savings Plan	274,423	270,424	339,214	68,790
Unemployment Insurance	6,500	5,835	6,826	991
Workers' Compensation	15,109	15,878	30,418	14,540
Fringe Benefits Subtotal	\$ 2,716,392	\$ 2,480,369	\$ 3,327,432	\$ 847,063
Total Personnel Expenditures			\$ 8,093,870	

Successor Agency Admin & Project - CivicSD Fund

Department Expenditures

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Economic Development	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326	-
Total	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326	-

Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
NON-PERSONNEL				
Contracts	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326	-
NON-PERSONNEL SUBTOTAL	1,934,989	1,934,326	1,934,326	-

Economic Development

Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Total	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326	-

Revenues by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Rev from Other Agencies	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326	-
Total	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326	-

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Revenue and Expense Statement (Non-General Fund)

Successor Agency Admin & Project - CivicSD Fund	FY2020 Actual	FY2021* Budget	FY2022** Adopted
REVENUE			
Revenue from Other Agencies	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326
TOTAL REVENUE	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326
OPERATING EXPENSE			
Contracts	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326
TOTAL OPERATING EXPENSE	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326
TOTAL EXPENSE	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326
BALANCE	\$ -	\$ -	\$ -
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 1,934,989	\$ 1,934,326	\$ 1,934,326

* At the time of publication, audited financial statements for Fiscal Year 2021 were not available. Therefore, the Fiscal Year 2021 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2021 Adopted Budget, while the beginning Fiscal Year 2021 balance amount reflects the audited Fiscal Year 2020 ending balance.

** Fiscal Year 2022 Beginning Fund Balance reflect the projected Fiscal Year 2021 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2021.