



Division Description

The Economic Development Division is organized into three work units: the Office of Small Business, Department of Housing and Urban Development (HUD) Administrative Programs, and Business Finance. The Office of Small Business, in partnership with the business community and economic development agencies, administers several programs for small business development and retention to create a more healthy economy for San Diego. The HUD Administrative Programs unit oversees federally-funded grant programs including the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Partnership, and Home Ownership for Persons with AIDS (HOPWA). The Business Finance unit administers two revolving loan fund programs funded by federal Economic Development Administration grants.

The Division's mission is:

To engage San Diegans to envision, plan, implement, and maintain a sustainable city through the wise use of land, resources, and aesthetics ensuring a high quality of life for all generations

Goals and Objectives

The following goals and objectives represent the action plan for the Division.

Goal 1: Foster economic development

Encouraging community revitalization and promoting economic opportunity for all segments of the population is a key component in ensuring a high quality of life. It is essential to retain, attract, and maintain the type of businesses that contribute positively to the local economy and communities. The Division will move toward accomplishing this goal by focusing on the following objectives.

- Leverage public incentives and assistance to promote community revitalization
- Promote economic development efforts to attract and induce investment in local businesses
- Support and encourage local businesses to provide private sector revitalization solutions

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Service Efforts and Accomplishments

The Office of Small Business (OSB) staff assisted more than 6,000 aspiring and existing entrepreneurs with information and referrals. OSB staff also provided project and contract management services to more than 40 non-profit organizations through 55 agreements for the promotion of tourism, development of economic opportunities, as well as for clean and safe programs which benefitted more than 12,000 businesses and 17,600 property owners in 20 neighborhoods. The Small Business Development and Outreach Pilot Program was implemented with participation from 55 businesses to assess and then create specific services to assist small businesses in developing competencies to increase participation in City contracts. Additionally, OSB staff provided project and contract management services to three community parking districts to develop local solutions to mitigate parking-related impacts. The OSB managed the Tourism Marketing District (TMD) which was established in January 2008 for a five year period. The TMD raises more than \$22.0 million annually to promote tourism and increase hotel room night consumption in the City of San Diego. Of this \$22.0 million, approximately \$10.0 million offsets tourism support expenses previously provided by the City's General Fund.

The Department of Housing and Urban Development (HUD) Programs Administration (HPA) section is administered by Economic Development Division staff. HPA staff is responsible for grant compliance and the overall administration of the City's CDBG entitlements. Each year, the City is obligated to follow a HUD-defined "consolidated planning" process to ensure community involvement, project eligibility, and a strategic approach to utilizing CDBG funds. Grantees are required to submit both a five-year strategic plan and annual action plans (which are subject to HUD approval) in order to be approved for funding. The HPA section provided over \$16.0 million for Fiscal Year 2011 projects that serve the low- to-moderate income communities of the City of San Diego.

In addition, the City is a grantee of the Emergency Shelter Grant (ESG) Entitlement. The objectives of the ESG Program are to increase the number and quality of emergency shelters and transitional facilities for homeless individuals and families, to operate these facilities, and to provide essential social services and help prevent homelessness. Since its inception, the ESG Program has helped to provide facilities and services to meet the needs of the homeless people. The City has utilized the ESG funds to support the City's Cortez Hill Family Center and the Homeless Emergency Winter Shelter Program. The ESG Program provided over \$660,000 for Fiscal Year 2011 projects that serve the low-to-moderate income communities of the City of San Diego. During Fiscal Year 2011, the City Council approved the transfer of the ESG program to the San Diego Housing Commission (SDHC) to administer on behalf of the City. The SDHC manages other housing programs that will compliment and provide additional services to the ESG program.

In September 2009, the City Council adopted major reforms to the CDBG allocation process which will provide greater efficiencies and measurable effectiveness of the Program. The HPA staff provided oversight on more than 200 projects and directly managed 110 contracts. During Fiscal Year 2010, a combination of 65 brick-and-mortar executed contracts and pending projects were transferred from Engineering & Capital Projects to the HPA unit to provide project management and oversight. Staff worked diligently with non-profit agencies to complete the contracts and move towards construction completion. There are currently nine projects in construction and twelve more projects to be completed by June 30, 2011.

The HPA unit also administers three stimulus grants awarded to the City under programs authorized by the Housing and Economic Recovery Act of 2008 and the American Recovery and Reinvestment Act of 2009. The City's grants for the Neighborhood Stabilization Program, Community Development Block Grant Recovery program, and the Homelessness Prevention and Rapid Re-Housing Program, collectively total \$19.7 million. The HPA unit has facilitated the timely implementation of these grants through the drafting and processing of sub-grantee agreements with the San Diego Housing Commission, providing program administration and project set-up assistance to various project managers, and completing program progress reports for the HUD on a quarterly basis.

The Business Finance section manages the HUD Section 108 Loan Program portfolio consisting of ten loans totaling approximately \$22.6 million. In addition, the Business Finance section manages two small business revolving loan fund programs totaling \$4.6 million funded by federal Economic Development Administration grants. In Fiscal Year

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2011, Business Finance provided assistance and referral information to 180 inquiries, conducted six Business Outreach Presentations, and closed four loans totaling \$480,000.

Key Performance Indicators

Performance Measure	Actual FY2010	Estimated FY2011
Percent of Community Development Block Grant reform and new Council policy completed	60%	100%
Number of small businesses assisted	6,270	6,200



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Economic Development

Department Summary

	FY2011 Budget	FY2012 Proposed	FY2011–2012 Change
Positions	11.00	32.30	21.30
Personnel Expenditures	\$ 1,345,857	\$ 3,208,753	\$ 1,862,896
Non-Personnel Expenditures	1,334,155	1,335,430	1,275
Total Department Expenditures	\$ 2,680,012	\$ 4,544,183	\$ 1,864,171
Total Department Revenue	\$ 877,375	\$ 3,027,087	\$ 2,149,712

Note: Economic Development is a new, stand-alone division for Fiscal Year 2012. The Fiscal Year 2011 column displays Economic Development's budget when it was a division within the City Planning & Community Investment Department.

General Fund

Department Expenditures

	FY2011 Budget	FY2012 Proposed	FY2011–2012 Change
Economic Development	\$ 2,680,012	\$ 4,544,183	\$ 1,864,171
Total	\$ 2,680,012	\$ 4,544,183	\$ 1,864,171

Department Personnel

	FY2011 Budget	FY2012 Proposed	FY2011–2012 Change
Economic Development	11.00	32.30	21.30
Total	11.00	32.30	21.30

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Department Restructuring Transfer of the HUD Programs Administration section's positions from the HUD Programs Administration Fund to the Economic Development Division.	14.50	\$ 1,421,783	\$ -
Addition of Support to the HUD Programs Administration Section Addition of 2.00 reimbursable Community Development Specialist 2s for support to the HUD Programs Administration section.	2.00	\$ 190,346	\$ 242,587
Support for the Parking Meter Utilization Program Addition of 1.00 Senior Traffic Engineer in support of the Parking Meter Utilization Program.	1.00	129,331	-
Hourly Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	3.80	98,945	-
Equipment/Support for Information Technology Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	44,163	-
Revised Revenue Adjustment to reflect Fiscal Year 2012 revenue projections.	0.00	-	1,864,461

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Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
One-Time Reductions and Annualizations	0.00	-	42,664
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2011.			
Total	21.30	\$ 1,884,568	\$ 2,149,712

Expenditures by Category

	FY2011 Budget	FY2012 Proposed	FY2011-2012 Change
PERSONNEL			
Salaries and Wages	\$ 805,189	\$ 1,932,175	\$ 1,126,986
Fringe Benefits	540,668	1,276,578	735,910
PERSONNEL SUBTOTAL	\$ 1,345,857	\$ 3,208,753	\$ 1,862,896
NON-PERSONNEL			
Supplies	\$ 52,055	\$ 48,055	\$ (4,000)
Contracts	1,242,377	1,240,342	(2,035)
Information Technology	36,853	44,163	7,310
Energy and Utilities	160	160	-
Other	2,710	2,710	-
NON-PERSONNEL SUBTOTAL	\$ 1,334,155	\$ 1,335,430	\$ 1,275
Total	\$ 2,680,012	\$ 4,544,183	\$ 1,864,171

Revenues by Category

	FY2011 Budget	FY2012 Proposed	FY2011-2012 Change
Charges for Services	\$ 877,375	\$ 3,027,087	\$ 2,149,712
Total	\$ 877,375	\$ 3,027,087	\$ 2,149,712

Personnel Expenditures

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Proposed	Salary Range	Total
Salaries and Wages						
20000011	1104	Account Clerk	0.00	1.00	\$31,491 - \$37,918	\$ 31,491
20000866	1842	Accountant 2	0.00	1.00	54,059 - 65,333	39,060
20000102	1183	Accountant 4	0.00	1.00	66,768 - 88,982	71,760
20000012	1105	Administrative Aide 1	2.00	2.00	36,962 - 44,533	86,840
20000024	1107	Administrative Aide 2	1.00	2.00	42,578 - 51,334	50,051
20000119	1218	Associate Management Analyst	0.00	1.00	54,059 - 65,333	61,740
20000295	1350	Community Development Coordinator	1.00	2.00	76,731 - 92,893	182,999
20000300	1352	Community Development Specialist 2	1.00	8.00	54,059 - 65,333	483,486
20000301	1353	Community Development Specialist 3	1.00	1.00	62,254 - 75,275	73,393
20000303	1354	Community Development Specialist 4	3.00	4.00	66,768 - 80,891	321,137
20001168	2214	Deputy Director	1.00	1.00	46,966 - 172,744	116,399
90001073	2103	Management Intern - Hourly	0.00	3.80	24,274 - 29,203	92,240

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Personnel Expenditures (Cont'd)

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Proposed	Salary Range	Total
20001222	2270	Program Manager	1.00	1.00	46,966 - 172,744	82,000
20000015	1106	Senior Management Analyst	0.00	2.00	59,363 - 71,760	139,932
20000926	1878	Senior Traffic Engineer	0.00	1.00	76,794 - 92,851	76,794
20000756	1746	Word Processing Operator Bilingual - Regular	0.00	0.50	31,491 - 37,918	18,485 4,368
Salaries and Wages Subtotal			11.00	32.30		\$ 1,932,175

Fringe Benefits

Employee Offset Savings	\$	34,397
Flexible Benefits		191,806
Long-Term Disability		16,906
Medicare		27,458
Other Post-Employment Benefits		178,427
Retiree Medical Trust		103
Retirement 401 Plan		413
Retirement ARC		668,359
Retirement DROP		2,189
Retirement Offset Contribution		37,066
Risk Management Administration		28,349
Supplemental Pension Savings Plan		65,161
Unemployment Insurance		4,129
Workers' Compensation		21,815
Fringe Benefits Subtotal	\$	1,276,578
Total Personnel Expenditures	\$	3,208,753