Economic Development

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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 improve the quality of life in core urban neighborhoods in San Diego through sustaining and revitalizing communities and enhancing economic opportunities for businesses and residents***

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 support local businesses which contribute to the economic stability and well-being of San Diego's communities. The Division will move toward accomplishing this goal by focusing on the following objectives:

- Leverage federally-funded grant programs to improve the safety and livability of neighborhoods; increase access to quality facilities, services, and housing; and revitalize deteriorating residential neighborhoods
- Leverage public funds to support public-private partnerships to enhance commercial neighborhoods and develop local businesses

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Service Efforts and Accomplishments

The Office of Small Business (OSB) staff assisted more than 7,200 aspiring and existing entrepreneurs with information and referrals. OSB staff also provided project and contract management services to more than 50 non-profit organizations and other outside vendors through 67 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 in Fiscal Year 2010, 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. An enhanced pilot program was initiated in the third quarter of Fiscal Year 2011 with 187 participants. Projected participation in the Fiscal Year 2012 pilot program starting in the third quarter will specifically serve and include more than 100 Vendors (Goods and Service Providers). Through the award-winning Storefront Improvement Program, the Division continued to provide design assistance and incentive payments to small businesses and property owners with small business tenants, in order to encourage commercial revitalization of storefronts in a variety of San Diego commercial neighborhoods. OSB staff assisted with efforts to re-organize the governance of the Uptown Community Parking District and provided interim management of programs and services in addition to providing project and contract management services through three agreements to the other two community parking districts. The community parking district program facilitates development of 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 $24.0 million annually to increase hotel room night consumption in the City of San Diego through promotion, sales initiatives, and support of special events. Of this $24.0 million, approximately $10.0 million offsets tourism support expenses previously provided by the City's General Fund. The current district will end on December 31, 2012 though an enhanced district is being proposed to start on January 1, 2013.

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 $13.6million for Fiscal Year 2012 projects that serve the low- to moderate-income communities of the City of San Diego. Fiscal Year 2012 entitlement amounts are as follows: CDBG - $13,602,765, HOME - $7,981,652, ESG - $661,372, and HOPWA - $2,884,983.

In addition, the City is a grantee of the HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for persons with AIDS (HOPWA) all of which are entitlements awarded by HUD. The HOME and ESG programs are administered by the San Diego Housing Commission while the HOPWA program is administered by the County of San Diego. HPA staff has oversight responsibility over these programs to ensure grant compliance, coordinates with both agencies for the submission of required annual plans, and reports to HUD regarding all entitlement programs. Fiscal Year 2013 estimated entitlement amounts are as follows: CDBG - $10,703,022, HOME - $4,452,630, ESG - $1,177,964, and HOPWA - $2,883,128.

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 (NSP), Community Development Block Grant Recovery (CDBG-R) program, and the Homelessness Prevention and Rapid Re-Housing Program (HPRP), 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 grant sub-recipients, providing project set-up assistance to various project managers, monitoring activities and expenditures for eligibility and cost reasonableness, processing reimbursements to sub-recipients, managing program budgets, activity allocations, and ensuring timely, full commitment, and expenditure of grant funds; and completing program progress reports for HUD on a quarterly and annual basis. As a result of these efforts and those of the City’s stimulus grant sub-recipients, the City has met the NSP 18-month obligation deadline and exceeded the 100 percent expenditure deadline, and the City has met the HPRP 60 percent expenditure deadline.

Additionally, three CDBG-R construction projects have been completed as of the end of Fiscal Year 2011. In Fiscal Year 2012, the City worked to meet the HPRP and CDBG-R 100 percent expenditure deadlines, to complete all remaining CDBG-R construction projects, and to expend all remaining NSP funds.

The Business Finance section manages the Small Business Micro Revolving Loan Fund and the San Diego Regional Revolving Loan Fund. The loan programs were funded by the Department of Commerce, Economic Development Administration in the amount of $4.6 million. In Fiscal Year 2012, Business Finance provided assistance and referral information to 190 inquiries, conducted eight Business Outreach Presentations, and will close five loans totaling $0.5 million, leveraging private investment of $3.5 million and creating 25 jobs.

Key Performance Indicators

Performance Measure	Actual FY2011	Estimated FY2012	Target FY2013
1. Percent of Community Development Block Grant reform and new Council policy completed	90%	100%	N/A[1]
2. Number of small businesses assisted	7,296	7,200	7,200

[1] This measure was completed in Fiscal Year 2012.

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Department Summary

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
Positions (Budgeted)	11.00	33.30	**33.26**	(0.04)
Personnel Expenditures	$ 1,319,902	$ 3,310,065	**$ 3,329,813**	$ 19,748
Non-Personnel Expenditures	1,321,457	1,421,519	**1,446,258**	24,739
Total Department Expenditures	**$ 2,641,359**	**$ 4,731,584**	**$ 4,776,071**	**$ 44,487**
Total Department Revenue	**$ 1,067,281**	**$ 3,142,715**	**$ 3,267,349**	**$ 124,634**

General Fund

Department Expenditures

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
Economic Development	$ 459,717	$ 561,624	**$ 559,699**	$ (1,925)
HUD Programs	-	1,799,404	**1,813,174**	13,770
Small Business & Neighborhoods	2,181,642	2,370,556	**2,403,198**	32,642
Total	**$ 2,641,359**	**$ 4,731,584**	**$ 4,776,071**	**$ 44,487**

Department Personnel

	FY2011 Budget	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
Economic Development	3.00	3.00	**3.00**	0.00
HUD Programs	0.00	20.54	**20.50**	(0.04)
Small Business & Neighborhoods	8.00	9.76	**9.76**	0.00
Total	**11.00**	**33.30**	**33.26**	**(0.04)**

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	$ 28,813	$ -
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2012 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	19,907	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	(0.04)	(159)	-
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	(4,074)	-
Revised Revenue Adjustment to reflect Fiscal Year 2013 revenue projections.	0.00	-	223,579

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Significant Budget Adjustments *(Cont'd)*

	FTE	Expenditures	Revenue
One-Time Reductions and Annualizations Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2012.	0.00	-	(98,945)
Total	**(0.04)**	**$ 44,487**	**$ 124,634**

Expenditures by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
PERSONNEL				
Salaries and Wages	$ 771,671	$ 2,026,104	**$ 2,035,886**	$ 9,782
Fringe Benefits	548,232	1,283,961	**1,293,927**	9,966
PERSONNEL SUBTOTAL	**$ 1,319,902**	**$ 3,310,065**	**$ 3,329,813**	**$ 19,748**
NON-PERSONNEL				
Supplies	$ 34,369	$ 55,198	**$ 63,257**	$ 8,059
Contracts	936,943	1,281,194	**1,277,164**	(4,030)
Information Technology	29,564	43,099	**71,912**	28,813
Energy and Utilities	2,152	33,067	**22,830**	(10,237)
Other	3,494	6,474	**10,167**	3,693
Transfers Out	314,934	2,487	**928**	(1,559)
NON-PERSONNEL SUBTOTAL	**$ 1,321,457**	**$ 1,421,519**	**$ 1,446,258**	**$ 24,739**
Total	**$ 2,641,359**	**$ 4,731,584**	**$ 4,776,071**	**$ 44,487**

Revenues by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
Charges for Services	$ 1,067,922	$ 3,142,715	**$ 1,213,871**	$ (1,928,844)
Other Revenue	(431)	-	**-**	-
Rev from Federal Agencies	-	-	**2,053,478**	2,053,478
Rev from Money and Prop	(210)	-	**-**	-
Total	**$ 1,067,281**	**$ 3,142,715**	**$ 3,267,349**	**$ 124,634**

Personnel Expenditures

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
Salaries and Wages						
20000011	Account Clerk	0.00	1.00	**1.00**	$31,491 - $37,918	$ 31,491
20000866	Accountant 2	0.00	0.00	**1.00**	54,059 - 65,333	55,990
20000102	Accountant 4	0.00	1.00	**1.00**	66,768 - 88,982	86,312
20000546	Accountant Trainee	0.00	1.00	**0.00**	38,750 - 46,738	-
20000012	Administrative Aide 1	2.00	2.00	**2.00**	36,962 - 44,533	86,840
20000024	Administrative Aide 2	1.00	2.00	**3.00**	42,578 - 51,334	152,719
20000119	Associate Management Analyst	0.00	1.00	**1.00**	54,059 - 65,333	63,700
20000295	Community Development Coordinator	1.00	2.00	**2.00**	76,731 - 92,893	182,999
20000300	Community Development Specialist 2	1.00	8.00	**7.00**	54,059 - 65,333	445,900

Personnel Expenditures *(Cont'd)*

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
20000301	Community Development Specialist 3	1.00	1.00	**1.00**	62,254 - 75,275	73,393
20000303	Community Development Specialist 4	3.00	5.00	**5.00**	66,768 - 80,891	321,137
20001168	Deputy Director	1.00	1.00	**1.00**	46,966 - 172,744	116,399
90001073	Management Intern - Hourly	0.00	3.80	**3.76**	24,274 - 29,203	91,268
20001222	Program Manager	1.00	1.00	**1.00**	46,966 - 172,744	82,000
20000015	Senior Management Analyst	0.00	2.00	**2.00**	59,363 - 71,760	139,932
20000926	Senior Traffic Engineer	0.00	1.00	**1.00**	76,794 - 92,851	76,794
20000756	Word Processing Operator	0.00	0.50	**0.50**	31,491 - 37,918	15,746
	Bilingual - Regular					4,368
	Termination Pay Annual Leave					8,898
Salaries and Wages Subtotal		**11.00**	**33.30**	**33.26**		**$ 2,035,886**
Fringe Benefits						
	Employee Offset Savings					$ 35,686
	Flexible Benefits					200,306
	Long-Term Disability					13,592
	Medicare					27,825
	Other Post-Employment Benefits					184,266
	Retiree Medical Trust					148
	Retirement 401 Plan					592
	Retirement ARC					666,525
	Retirement DROP					4,280
	Retirement Offset Contribution					4,667
	Risk Management Administration					30,218
	Supplemental Pension Savings Plan					88,275
	Unemployment Insurance					6,051
	Workers' Compensation					31,496
Fringe Benefits Subtotal						**$ 1,293,927**
Total Personnel Expenditures						**$ 3,329,813**

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