

**Planning, Neighborhoods, & Economic
Development**



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Planning, Neighborhoods, & Economic Development



Department Description

The new Planning, Neighborhoods, & Economic Development Department is responsible for the long-range planning of San Diego's communities and neighborhoods. The Department's work is divided into three administrative divisions: Long-Range Planning (which includes community plan updates), Environmental & Resource Analysis (which includes citywide policies on environmental review), and Economic Development (which includes the City's economic development programs, as well as the development of public facilities financing plans).

For Fiscal Year 2015, the Long-Range Planning Division and Environmental & Resource Analysis Division are combined under one budgeted division: City Planning. Meanwhile, the Economic Development Division and Facilities Financing Program are reflected as two separate budgeted divisions. The Department's budget narrative is organized according to budgeted divisions and not according to organizational divisions/programs.



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Division Description

For Fiscal Year 2015, the Long-Range Planning Division and Environmental & Resource Analysis Division are combined under one budgeted division: City Planning.

Long-Range Planning

The Long-Range Planning Division is responsible for maintaining a comprehensive citywide General Plan, updating the City's community plans, and facilitating and monitoring implementation of those plans. The Division is also responsible for climate change and mobility planning, community plan amendments, community plan review of major development projects, community planning group support, and administration of approximately \$12.8 million in planning grants.

- The Community Planning Section works with City Council-recognized community planning groups and diverse stakeholders to update and amend community plans and maintain the General Plan and to review larger and complex development projects for conformance with community plans and General Plan. The City has 52 community planning areas with 41 community planning groups. Nine comprehensive community plan updates and preparation of one new community plan are currently underway.
- The Specific Plan/Plan Implementation Section prepares focused community plan amendments to implement the General Plan City of Villages strategy, which is also referred to as Transit-Oriented Development (TOD) planning. The Section will expand the use of smaller area land use plans, such as specific plans, as an implementation tool and continue to proactively seek grant funding to aid in the preparation of TOD plans. This section also reviews major development projects and supports planning groups in communities not currently undergoing plan updates. There are currently three TOD-focused plan amendments underway, two of which are grant-funded.
- The Mobility Section prepares and develops travel forecasts, mobility, corridor and parking studies, and plans and programs that identify multimodal transportation improvements. Mobility planning is integrated with land use and climate change planning to embrace sustainability goals through the preparation of active transportation plans, community plan mobility elements, and the planning and development of an efficient and effective multimodal transportation system for the City.

The Long-Range Planning Division's mission is:

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

Goal and Objectives

The following goal and objectives represent the action plan for the Long-Range Planning Division:

Goal 1: Create visionary plans that are achievable and support the success of neighborhoods

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The preparation and implementation of effective land use plans requires coordination and collaboration in order to guide development within a community and provide a foundation for fair and predictable land use decisions. Community plans are a means to maintain and improve the quality of life and respect the essential character of San Diego's communities. The Division will move toward accomplishing this goal by focusing on the following objectives:

- Update community plans and prepare focused amendments to reflect a community's vision of the future, implement the General Plan, reflect changes that have taken place since the community plan was last updated, and proactively anticipate the community's future needs
- Employ the collaborative use of multi-disciplinary teams to prepare community, specific, and other land use plans with an engaging process and according to a predictable process and schedule
- Present plans in a cohesive and comprehensive way
- Monitor and revise adopted plans to ensure continued relevance and effectiveness

Key Performance Indicators

Performance Measure	Actual FY2013	Estimated FY2014	Target FY2015
1. Number of long-range plans brought to a City Council hearing	2 ¹	4 ²	5 ³
2. Maintain a beneficial leveraging ratio between new grant funds awarded to matching General Fund financial requirements	5:1	5:1	5:1

1. San Diego River Park Master Plan; Housing Element Update.
2. Barrio Logan Community Plan Update (CPU); Bicycle Master Plan Update; Otay Mesa CPU; Ocean Beach CPU.
3. Grantville TOD; Southeastern CPU; Encanto Neighborhoods Community Plan; Chollas Triangle TOD; General Plan focused amendments.

Service Efforts and Accomplishments

Long-Range Planning

San Diego's General Plan, adopted in 2008, is the blueprint for how the City of San Diego will grow and develop over the next 20 to 30 years. General Plan implementation occurs through a wide variety of programs and actions that involve many City departments. Planning staff also works with other agencies, including the San Diego Association of Governments (SANDAG), to help ensure that City and regional plans together represent a unified vision and implementation strategy. Staff proactively pursues and secures grant funding to further General Plan implementation and leverage general fund dollars. City Council adoption of the Bicycle Master Plan in December 2013 was an important milestone in implementing the General Plan's multimodal mobility and sustainability goals. In Fiscal Year 2014, Long-Range Planning, under the leadership of the Mayor's Office, also assumed responsibility for the update to the City's Climate Action Plan.

The Long-Range Planning Division continues to make progress on community plan updates. The Barrio Logan Community Plan was adopted by the City Council in July 2013. The Otay Mesa Community Plan Update (CPU) is docketed for City Council Action in March 2014, and the Ocean Beach CPU is anticipated to be heard by the City Council in spring of 2014. The Grantville and Chollas Triangle focused community plan amendments (Transit-Oriented Development station area plans), the Southeastern CPU, and the proposed new Encanto Neighborhoods Community Plan are scheduled for Council adoption in Fiscal Year 2015. Discussion drafts of the Uptown, North Park, Golden Hill, and Midway Pacific Highway community plans are under review by the community planning

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groups, and significant progress has been made on the San Ysidro and Old Town San Diego community plan updates. In addition, work on the Pedestrian Master Plan, which includes citywide recommendations, as well as specific recommendations for pedestrian infrastructure projects in communities with high pedestrian propensity, is nearing completion.

The Division is currently administering 29 grants totaling over \$12.8 million dollars. In Fiscal Year 2014, the Division expects to complete the City Heights Urban Greening Plan, the Morena Boulevard Station Area Planning Study, the National Avenue Master Plan, and the Euclid Gateway Plan. A total of \$982,000 in planning grants was awarded to the Division in Fiscal Year 2014 for the Palm Avenue Revitalization Plan, the Complete Boulevard Planning Study, and the Morena Boulevard Station Area Study Phase II. The Division applied for an additional \$6.4 million in grant funds, which are currently pending for Urban Greening Plans, a station area study at Balboa Avenue, and a Housing-Related Parks Grant for skate parks in Linda Vista and City Heights.

The Division provides staff support to San Diego's 41 City Council-recognized community planning groups and the Community Planners Committee by attending meetings, advising groups on operational issues, and conducting training sessions. Three training sessions were held in Fiscal Year 2014, and four are scheduled in Fiscal Year 2014. In addition to these efforts, the Long-Range Planning Division is processing a number of community plan amendments and large-scale discretionary development reviews in order to ensure conformance with adopted community plans and related policy documents.

Environmental & Resource Analysis

The Environmental & Resource Analysis Division serves as the wheelhouse for all environmental policy in the City, including the California Environmental Quality Act (CEQA) authority, citywide CEQA policy, and environmental review of all community plan updates and other planning projects and plans, all CIP projects, and all other City-initiated projects, such as real estate transactions. The Division is responsible for implementation of General Plan policies related to Historic Preservation, the Multiple Species Conservation Program (MSCP), and Park Planning. The Division is also responsible for historic, MSCP, and park planning review of all projects. The Environmental & Resource Analysis Division supports the Long-Range Planning Division's mission 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.

- The CEQA & Environmental Policy Section reviews all City projects and other actions under CEQA for potential environmental impacts, prepares environmental documents, directs the work of outside environmental consultants, provides CEQA training to community planning groups, other City departments and outside interested parties, updates the City's Significance Thresholds based on best practices and current case law, and oversees CEQA review by other City departments. Implementation of this new program is currently in progress.
- The Historic Resources Section reviews ministerial and discretionary projects for impacts to designated and potentially historic resources, conducts surveys of historic neighborhoods, takes forward individual and district historic designations, serves as staff to the Historical Resources Board and as liaison to the State Office of Historic Preservation, prepares the Historic Preservation element of community plan updates, inspects historic Mills Act properties for compliance with recorded agreements, and prepares new Mills Act agreements on designated properties.
- The Multiple Species Conservation Program Section reviews discretionary projects for impacts to wetlands and within the Multi-Habitat Planning Area (MHPA) preserve, prepares portions of the Conservation element of community plan updates, works with READ to acquire new open space lands within the MHPA, is currently preparing a Vernal Pool Habitat Conservation Plan addressing seven sensitive wetland species, and coordinates with the federal and State wildlife agencies on the MSCP, sensitive species, and habitats.

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- The Parks Planning Section reviews discretionary projects for impacts to population-based parks, determines the need for additional park land consistent with General Plan standards, prepares General Development and Natural Resource Management plans for open space, regional parks and resource-based parkland; prepares the Recreation element of community plan updates, prepares updates and amendments to public facility financing plans as needed, and prepares project sheets creating new CIP park projects.

The Environmental & Resource Analysis Division's mission is:

To implement adopted plans, policies, and regulations in a manner that protects the quality of the environment, expands open space and parklands, and manages historical resources for future generations

Goals and Objectives

The following goals and objectives represent the action plan for the Environmental & Resource Analysis Division:

Goal 1: Improve the City's CEQA process for public and private projects

The City Council's recently approved organization and function of the Planning, Neighborhoods, and Economic Development (PNED) Department included moving the environmental authority, policy, and review functions into the Department. All discretionary actions are subject to review under CEQA, including community plan updates and other planning projects and plans, CIP and other City-initiated projects, and private development projects. Over the last several years, City projects, including community plan updates, have not been given the staffing support necessary to move them through the review process in a timely manner and regular updates to City policies, standards, thresholds, and guidelines have not kept up with new legislation and court cases. Improvement of the City's environmental review process to ensure best and most legally defensible practices are being used is a critical issue being undertaken by this division. This work effort will result in an improved environmental review process for public and private development. The Division will move toward accomplishing this goal by focusing on the following objectives:

- Coordinate delegated CEQA review by other departments
- Update the City's CEQA Significance Thresholds to address current best legal practices and reflect State-approved streamlined review process for transit priority areas
- Conduct regular CEQA training for City staff, community planning groups, and environmental consultants

Goal 2: Plan for and manage the City's historical resources, Multiple Species Conservation Program, and Parks consistent with the General Plan

Implementation of the Historic Preservation Element, Park and Recreation Element, and aspects of the Conservation Element of the General Plan is accomplished through a number of tasks that are the responsibility of this Division. The Division will move toward accomplishing this goal by focusing on the following objectives:

- Inspect existing historic Mills Act properties for compliance with conditions of contracts
- Process historic designation nominations for both individual sites and districts
- Acquire additional MSCP preserve open space through grant funding and project exactions
- Complete the Vernal Pool Habitat Conservation Plan
- Complete the Mission Trails Regional Park Master Plan update
- Prepare new CIP projects for Fiscal Year 2016 and transfer to Public Works for development

Key Performance Indicators

Performance Measure	Actual FY2013	Estimated FY2014	Target FY2015
1. Number of historic Mills Act inspections completed	188	200	200
2. Number of new CIP park projects created and transferred to PWD/E&CP for construction	N/A ¹	12	12

1. This measure was not tracked in Fiscal Year 2013 because it was new for Fiscal Year 2014.

Service Efforts and Accomplishments

Environmental & Resource Analysis

The Environmental & Resource Analysis Division is a new program in PNED whose implementation is currently in progress.

The Historic Resources Section completed a number of significant tasks in Fiscal Year 2014, including 91 new Mills Act contracts, 25 new historic nominations, and 97 inspections of historic properties receiving property tax reductions under the City's Mills Act program. In addition, during Fiscal Year 2014, staff reviewed 1,556 projects for compliance with the historical resources regulations, began processing two new historic districts, continued work on several historic surveys in support of community plan updates, and completed the Annual Certified Local Government Report. It is anticipated that, during Fiscal Year 2015, another 2,000 projects will be reviewed along with completion of new Mills Act agreements, additional Mills Act inspections, and new historic nominations. Staff continues to add historic resources data to the online database (California Historic Resources Inventory Database or CHRID) in order to improve the public's access to this information.

The Multiple Species Conservation Program (MSCP) section continued work on a Habitat Conservation Plan (HCP) for endangered and threatened vernal pool species. During Fiscal Year 2014, staff conducted 93 development project reviews for compliance with the MSCP regulations and anticipates reviewing a similar number of projects in Fiscal Year 2015. Staff also began work on a new strategy for addressing impacts to burrowing owls and their habitat and completed the MSCP Annual Report. In Fiscal Year 2015, it is anticipated that the Draft HCP and Burrowing Owl strategy will be completed, as well as the Conservation Elements of several Community Plan updates. In accordance with the City's MSCP Implementing Agreement, 52,727 acres are required to be conserved within the City's Multi-Habitat Planning Area (MHPA). To date, approximately 94 percent of this acreage has been conserved or is obligated for future conservation.

Park Planning staff continues to initiate and monitor the acquisition of parkland in accordance with requests from community groups and discretionary permit conditions, and to review discretionary and ministerial development proposals for impacts to existing parks and open space. These reviews have resulted in several new parks and joint-use projects in accordance with General Plan standards. Park Planning staff prepared and submitted 14 new park projects for the Fiscal Year 2014 Capital Improvements Program budget. During Fiscal Year 2014, the San Diego River Park Master Plan was approved by City Council. Park Planning staff is preparing recreation elements for all community plan updates and the associated park and recreation sections of public facilities financing plans. Staff continues to manage aspects of the Torrey Pines City Park General Development Plan implementation and the Mission Trails Regional Park Master Plan Update.



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Department Summary

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
FTE Positions (Budgeted)	0.00	0.00	62.08	62.08
Personnel Expenditures	\$ -	\$ -	\$ 7,563,804	\$ 7,563,804
Non-Personnel Expenditures	-	-	1,800,933	1,800,933
Total Department Expenditures	\$ -	\$ -	\$ 9,364,737	\$ 9,364,737
Total Department Revenue	\$ -	\$ -	\$ 3,831,968	\$ 3,831,968

General Fund

Department Expenditures

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
City Planning	\$ -	\$ -	\$ 9,364,737	\$ 9,364,737
Total	\$ -	\$ -	\$ 9,364,737	\$ 9,364,737

Department Personnel

	FY2013 Budget	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
City Planning	0.00	0.00	62.08	62.08
Total	0.00	0.00	62.08	62.08

Significant Budget Adjustments

	FTE	Expenditures	Revenue
City Planning Transfer Transfer of the City Planning Division of the Development Services Department to the Planning, Neighborhoods, and Economic Development Department.	45.75	\$ 7,208,830	\$ 2,971,769
Civic & Urban Initiatives Transfer Transfer of the Civic & Urban Initiatives Department to the City Planning Division of the Planning, Neighborhoods, and Economic Development Department.	6.00	926,492	-
CEQA and Urban Design Transfer Transfer of 7.00 Associate Planners from the Development Services Department to the Planning, Neighborhoods, and Economic Development Department for California Environmental Quality Act (CEQA) and Urban Design.	7.00	710,668	-
Management Reorganization Addition of 1.00 Planning Director, 1.00 Assistant Planning Director, and 1.00 Deputy Planning Director, and the reduction of 1.00 Program Manager and 1.00 Program Coordinator for Civic & Urban Initiatives as part of the improvement to government operations approved by City Council.	1.00	504,883	-
Addition of Community Plan Update Staff Addition of 2.00 Associate Planners for community plan updates.	2.00	204,899	-

City Planning

Significant Budget Adjustments (Cont'd)

	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	171,298	-
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	142,549	-
Addition of Historic Resources Associate Planner Addition of 1.00 Associate Planner and offsetting revenue for Historic Resources Planning.	1.00	102,449	102,449
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	2.33	91,649	-
Addition of Word Processing Operator Addition of 1.00 Word Processing Operator and a partially offsetting reduction of non-personnel expenditures to support CEQA and Urban Design staff.	1.00	2,417	-
Reduction of Civic & Urban Initiatives Reduction of 1.00 Program Manager, 3.00 Program Coordinators, and non personnel expenditures that support Civic & Urban Initiatives.	(4.00)	(701,397)	-
Revised Revenue Adjustment to reflect Fiscal Year 2015 revenue projections.	0.00	-	757,750
Total	62.08	\$ 9,364,737	\$ 3,831,968

Expenditures by Category

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014-2015 Change
PERSONNEL				
Personnel Cost	\$ -	\$ -	\$ 4,423,509	\$ 4,423,509
Fringe Benefits	-	-	3,140,295	3,140,295
PERSONNEL SUBTOTAL	-	-	7,563,804	7,563,804
NON-PERSONNEL				
Supplies	\$ -	\$ -	\$ 64,874	\$ 64,874
Contracts	-	-	1,402,379	1,402,379
Information Technology	-	-	148,557	148,557
Energy and Utilities	-	-	73,049	73,049
Other	-	-	24,770	24,770
Transfers Out	-	-	87,304	87,304
NON-PERSONNEL SUBTOTAL	-	-	1,800,933	1,800,933
Total	\$ -	\$ -	\$ 9,364,737	\$ 9,364,737

City Planning

Revenues by Category

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
Charges for Services	\$ -	\$ -	\$ 1,178,814	\$ 1,178,814
Licenses and Permits	-	-	2,652,154	2,652,154
Other Revenue	-	-	1,000	1,000
Total	\$ -	\$ -	\$ 3,831,968	\$ 3,831,968

Personnel Expenditures

Job Number	Job Title / Wages	FY2013 Budget	FY2014 Budget	FY2015 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	0.00	0.00	1.00	\$31,491 - \$37,918	\$ 31,491
20000024	Administrative Aide 2	0.00	0.00	1.00	42,578 - 51,334	49,794
20001083	Assistant Planning Director	0.00	0.00	1.00	31,741 - 173,971	140,000
90001155	Assistant to the Planning Director - Hourly	0.00	0.00	0.35	46,966 - 172,744	38,449
20000167	Associate Engineer-Traffic	0.00	0.00	4.00	66,622 - 80,454	318,195
20000119	Associate Management Analyst	0.00	0.00	2.00	54,059 - 65,333	121,609
20000162	Associate Planner	0.00	0.00	14.00	56,722 - 68,536	883,385
20000303	Community Development Specialist 4	0.00	0.00	2.00	66,768 - 80,891	161,782
20001168	Deputy Director	0.00	0.00	2.00	46,966 - 172,744	229,855
20001179	Deputy Planning Director	0.00	0.00	1.00	46,966 - 172,744	125,000
20000105	Development Project Manager 3	0.00	0.00	1.00	76,794 - 92,851	76,794
20000924	Executive Secretary	0.00	0.00	1.00	43,555 - 52,666	52,666
20000487	Graphic Designer	0.00	0.00	1.00	43,264 - 51,979	51,979
20000290	Information Systems Analyst 2	0.00	0.00	1.00	54,059 - 65,333	65,333
20000998	Information Systems Analyst 4	0.00	0.00	1.00	66,768 - 80,891	80,891
20000346	Legislative Recorder 1	0.00	0.00	1.00	41,558 - 50,232	44,951
90001073	Management Intern - Hourly	0.00	0.00	0.66	24,274 - 29,203	16,021
20000669	Park Designer	0.00	0.00	2.00	66,664 - 80,496	159,785
20000680	Payroll Specialist 2	0.00	0.00	1.00	34,611 - 41,787	41,787
20001132	Planning Director	0.00	0.00	1.00	59,155 - 224,099	175,000
90001145	Planning Intern - Hourly	0.00	0.00	1.32	24,274 - 29,203	32,042
20000743	Principal Engineering Aide	0.00	0.00	2.00	50,003 - 60,549	60,549
20001222	Program Manager	0.00	0.00	2.00	46,966 - 172,744	109,855
20000918	Senior Planner	0.00	0.00	13.75	65,354 - 79,019	1,062,871
20000926	Senior Traffic Engineer	0.00	0.00	1.00	76,794 - 92,851	92,851
20000970	Supervising Management Analyst	0.00	0.00	1.00	66,768 - 80,891	80,891
20000756	Word Processing Operator	0.00	0.00	1.00	31,491 - 37,918	31,491
	Bilingual - Regular					2,912
	Landscape Architect Lic					24,148
	Overtime Budgeted					11,000
	Reg Pay For Engineers					50,132
FTE, Salaries, and Wages Subtotal		0.00	0.00	62.08		\$ 4,423,509

City Planning

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
Fringe Benefits				
Employee Offset Savings	\$ -	\$ -	\$ 62,554	\$ 62,554
Flexible Benefits	-	-	454,706	454,706
Long-Term Disability	-	-	14,994	14,994
Medicare	-	-	63,981	63,981
Other Post-Employment Benefits	-	-	352,640	352,640
Retiree Medical Trust	-	-	339	339
Retirement 401 Plan	-	-	1,357	1,357
Retirement ADC	-	-	1,898,708	1,898,708
Retirement DROP	-	-	6,508	6,508
Risk Management Administration	-	-	59,624	59,624
Supplemental Pension Savings Plan	-	-	198,441	198,441
Unemployment Insurance	-	-	8,579	8,579
Workers' Compensation	-	-	17,864	17,864
Fringe Benefits Subtotal	\$ -	\$ -	\$ 3,140,295	\$ 3,140,295
Total Personnel Expenditures			\$ 7,563,804	



Division Description

The Economic Development Division is organized administratively into three sections consisting of Economic Growth Services, Community Development, and Facilities Financing. Note that, although Facilities Financing functions administratively as part of the Economic Development Division, it is discussed as a separate program in the next section to reflect its status in Fiscal Year 2015 as a separate budgeted division.

- Economic Growth Services implements economic development programs for the City in order to create and retain jobs and taxable investment in the City of San Diego. Economic Growth Services consists of four focused work units: the Business Expansion, Attraction, and Retention (BEAR) Team, the Government Incentives (GI) Team, the Business Finance (BF) Team, and the Successor Agency Transition Team.

The BEAR, GI, and BF teams work directly with businesses, business organizations, regional economic stakeholders, and City departments to facilitate new investment opportunities and to create a business-friendly environment and a stable economy. Economic growth, energy independence, and revenue enhancement are accomplished by attracting new companies, retaining and/or expanding existing companies, and making San Diego competitive in emerging markets. The Business Finance Team administers two revolving loan fund programs initially funded by federal Economic Development Administration grants.

With the dissolution of the former Redevelopment Agency on February 1, 2012 (per AB 1X26 and upheld by the State Supreme Court), the Successor Agency was formed to implement the wind-down of the former Redevelopment Agency. In addition, Civic San Diego was formed in the summer of 2012 to serve as a contractor to the City, replacing Centre City Development Corporation (CCDC) and the Southeastern Economic Development Corporation (SEDC). Civic San Diego performs the wind-down of contracts, pays enforceable obligations, administers the Centre City Planned District Ordinance, and completes projects on behalf of the former Redevelopment Agency. The Successor Agency Transition Team within the Economic Development Division administers the contract with Civic San Diego and assists with the transition process.

- Community Development is organized into two work units: the Office of Small Business (OSB) and the Department of Housing and Urban Development (HUD) Programs Administration (HPA) work unit. The Office of Small Business, in partnership with the business community and economic development agencies, administers several programs for small business development and retention and revitalization of older business communities to create a more healthy economy and stable neighborhoods. The HUD Programs Administration work unit oversees federally funded grant programs, including Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA).

The Economic Development Division's mission is:

To improve the quality of life in core urban neighborhoods, create economic opportunities for unemployed or underemployed residents, provide community development services to those areas in greatest need, and to generate new revenues to fund essential municipal services

Economic Development

Goals and Objectives

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

Goal 1: Foster economic development in economically distressed communities

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:

- Leverage federally funded grant programs to improve the safety and livability of neighborhoods, increase access to quality facilities and services, and revitalize neighborhoods
- Leverage public funds to support public-private partnerships that enhance commercial neighborhoods and develop local businesses
- Seek alternative financing methods/mechanisms to replace previous programs (i.e., Redevelopment Agency and Enterprise Zone) and supplement existing programs
- Collaborate with community-based organizations (e.g., Business Improvement Districts)
- Educate the business community to make them aware of incentives that are offered by the City (large and small)
- Attract new businesses to economically distressed communities

Goal 2: Attract, retain, and expand businesses to create jobs, increase tax revenue, and enhance economic stability

The Division will move toward accomplishing this goal by focusing on the following:

- Maintain and develop new effective partnerships with businesses, trade associations, universities, and community-based organizations
- Provide effective, tailored technical assistance and incentives to key businesses
- Promote the City of San Diego as a business-friendly city and global market place
- Develop policy initiatives and strategic plans that support job development and economic stability
- Support appropriate, streamlined regulations
- Maintain a fair and appropriate tax base
- Support a diversity of industries to encourage economic stability

Goal 3: Focus on expanding industry clusters

The Division will move toward accomplishing this goal by focusing on the following:

- Stimulate demand for Cleantech and Food & Beverage manufacturing and distribution products
- Provide advocacy for State and local policies conducive to the growth of these industries
- Establish connections to related trade organizations and new businesses
- Support "Buy San Diego" campaigns
- Market the Foreign-Trade Zone Program regionally to all potential new users
- Support enhancing facilities at the United States/Mexico border and the Port's 10th Avenue Marine Terminal to increase International Trade & Logistics jobs

Economic Development

Key Performance Indicators

Performance Measure	Actual FY2013	Estimated FY2014	Target FY2015
1. Number of jobs retained or created from projects assisted via Council Policy 900-12 ¹	2,939	2,500 ²	2,000 ²
2. Amount of net new City tax revenue to be generated annually from projects assisted via Council Policy 900-12 ³	N/A	\$1M	\$500,000 ²
3. Number of business projects assisted via Council Policy 900-12	21	13	18
4. Private capital invested as a result of economic development programs via Council Policy 900-12	\$507M	\$315M	\$200M
5. Private sector dollars leveraged for capital improvements through Community Development programs ³	N/A	\$1.1M	\$1.1M
6. Number of Storefront Improvement Program projects designed	20	30 ⁴	30
7. Number of program participants in existing CDBG Programs ³	N/A	2,000	2,000
8. Number of homeless persons assisted through CDBG and ESG programs ³	N/A	2,000	2,000
9. Number of existing or aspiring small businesses assisted via office walk-in, phone call, or email by OSB staff and Small Business Ambassador	6,105	6,000	6,100
10. Number of participants assisted by the Small Business Ambassador through the Small Business Development Program	103	115	125

1. Council Policy 900-12 is entitled the Business and Industry Incentive Program. Its purpose is to provide an incentive program to attract and retain major revenue and/or job creating projects.
2. Typical output on jobs is likely to be in the range of 1,000 to 1,500, but it can easily spike by 1,000 jobs or more if a corporate headquarters or very large research and development (R&D) lab is constructed. In most instances, these large projects cannot be predicted more than a few months in advance. The same is true for related indicators, such as capital investment and tax revenue—the latter being heavily influenced by the former.
3. These are new performance measures with tracking begun in Fiscal Year 2014.
4. Staff projects an increase of 10 additional projects from Fiscal Year 2013 based on increased outreach conducted by staff and an improving economy.

Service Efforts and Accomplishments

Office of Small Business (OSB)

The Office of Small Business (OSB) staff provides information and referrals to thousands of aspiring and existing entrepreneurs who walk in, call, or e-mail. The Small Business Ambassador, with assistance from other OSB staff as needed, participates in outreach events citywide and provides information and services to numerous individuals and businesses. OSB staff also provides project and annual contract management services to more than 45 non-profit organizations and other outside vendors through more than 75 agreements for the promotion of tourism, development of economic opportunities, and for clean and safe programs, which benefit more than 14,000 businesses and 17,600 property owners in 20 neighborhoods. The Small Business Development Program was launched in 2010 to positively impact readiness levels of local small businesses that seek to bid or respond to contracting opportunities with the City. This 10-month training program offers tailored technical assistance and counseling, develops competencies to increase participation in City contracts, and provides an in-depth understanding of how to do business with the City.

Economic Development

Since inception, the Program has served 450 businesses, certified 101 businesses in the City's Small Local Business Enterprise Program, and resulted in \$755,400 in City contract awards to program participants.

Through the 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. The Community Parking District program facilitates development of local solutions to mitigate parking-related impacts, and OSB staff provided project and contract management services through four agreements to the Community Parking Districts. OSB also managed the Tourism Marketing District (TMD), which was renewed effective January 1, 2013 for 39.5 years. The TMD raises more than \$27.0 million annually to increase lodging business room night stays in the City of San Diego through promotion, sales initiatives, and support of special events.

The addition of an in-house Business Improvement District Program Manager has greatly improved the City's interaction with the 17 BIDs and other business associations around the city and laid the groundwork for much more effective City management of neighborhood business districts, which are called out in the Economic Development Strategy as crucial to the city's prosperity.

HUD Programs Administration (HPA)

The Department of Housing and Urban Development (HUD) Programs Administration (HPA) work unit 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. The City is required to submit both a 5-year strategic plan and annual action plans (which are subject to HUD approval) in order to be approved for funding. The HPA section administered over \$11.3 million for Fiscal Year 2014 CDBG projects that serve the low- to moderate-income communities of the City of San Diego.

In addition, the City is a grantee of the HOME Investment Partnership Program (HOME), Emergency Solutions Grants (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 oversees these programs to ensure grant compliance, coordinates with the County and the Housing Commission for the submission of required annual plans, and reports to HUD regarding all entitlement programs. Fiscal Year 2014 entitlement amounts are as follows: CDBG \$11,327,381, HOME \$4,309,278, ESG \$780,817, and HOPWA \$2,726,216 for a total of \$19,143,692 in federal entitlement funding.

The HPA unit also administered 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 totaled \$19.7 million. The HPRP and CDBG-R programs were successfully closed out in compliance with HUD regulations. The City has met the NSP 100 percent expenditure deadline, and ongoing expenditure of NSP Program Income will continue throughout Fiscal Year 2015 with a focus on the acquisition and rehabilitation of foreclosed homes for subsequent resale to eligible low-, moderate-, and middle-income first-time homebuyers.

As an entitlement entity receiving Community Development Block Grant (CDBG) funds, the City of San Diego is required to affirmatively further fair housing goals. Compliance with the Fair Housing Law, Title VIII of the Civil Rights Act of 1968 and the California Fair Employment and Housing Act (FEHA) and related regulations is a requirement for ensuring continued CDBG funding and is also an essential element of the City's Consolidated Plan and Housing Element. The HPA unit administers the City's Fair Housing program by continuing to address reports of discrimination from members of the community and by supporting programs that educate the public about the right to equal housing opportunities. In Fiscal Year 2014, \$210,000 in CDBG funds have been committed to fair housing services.

Economic Development

Economic Growth Services (EGS)

Economic Growth Services consists of four work units: the Business Expansion, Attraction, and Retention (BEAR) Team; the Government Incentives (GI) Team; the Business Finance (BF) Team; and the Successor Agency Transition Team. BEAR, GI, and BF work closely with other City departments to facilitate the expansion, attraction, and retention of several major business establishments throughout the City. The Successor Agency Transition Team also works with City departments, Civic San Diego, and community stakeholders to complete projects and enforceable obligations.

A recent example of attracting a business to the City is Jensen Meat Company (Jensen Meat) to the City of San Diego. Representatives from this family-owned business, which at one time was being courted by Texas and Colorado to relocate operations out of California, contacted the City of San Diego and the South County Economic Development Council in the spring of 2010 to discuss their interest to expand the company from Vista to Otay Mesa in the San Diego Regional Enterprise Zone (SDREZ). The City and its partners assisted the company by providing due diligence assistance in identifying a facility that could accommodate their need to build a state-of-the-art food processing facility with future expansion potential. The City further assisted by expediting the building permits for its new 74,000 square foot facility in Otay Mesa. Additionally, with assistance from the City and the South County Career Center, Jensen Meat held a job fair attended by over 1,000 job seekers. Jensen Meat began operating its new food processing facility in the fall of 2013. As a result of the combined efforts of the City and its economic development partners, Jensen Meat hired 150 new employees and retained another 100 positions. The company is also taking advantage of the Enterprise Zone tax benefits for qualified employees and qualified equipment purchases.

Successful business expansion efforts included:

- Biotech and Medical Devices: Pacira Corp., Sequenom Corp., and Accriva Diagnostics
- Food and Beverage Production: Modern Times Brewing, Ballast Point Brewing, and Council Brewing
- Electronics and Telecommunications: Qualcomm
- Unclassified Base Sector Businesses: Sempra Energy, Alaskan Copper & Brass Co., Specialty Textile Services, and Rossin Steel

In Fiscal Year 2014, the BEAR Team worked with a number of large manufacturing, energy, and service sector businesses contemplating expansion or relocation to the City of San Diego. Economic Growth Services will continue to organize and collaborate with other City departments and organizations to implement the City's Economic Development Strategy.

In July 2013, the Governor of California signed a bill repealing the State Enterprise Zone Act and replaced it with new incentives, which resulted in the expiration of the State's Enterprise Zone Program on December 31, 2013. The State's replacement incentives, of which some went into effect January 1, 2014, include a restructured hiring tax credit administered by the Franchise Tax Board using a new zone with roughly the same boundaries as the former SDREZ, an equipment sales tax exemption administered by the Board of Equalization, and a new statewide California Competes Credit administered by the Governor's Office of Business & Economic Development (GoBIZ). Specific details (i.e., qualifying criterion) of the California Competes Credit are still being refined. However, most business types can potentially qualify for the California Competes Tax Credit, and businesses located within the boundaries of a former enterprise zone could be granted preference. EGS will continue to work closely with GoBIZ representatives to identify San Diego companies that may qualify for and benefit from the replacement incentives.

Although the Enterprise Zone Program has expired, State legislation allowed for local Enterprise Zone jurisdictions to continue processing hiring tax credit applications for eligible employees (hired prior to December 31, 2013) through the end of Calendar Year 2014. As such, EGS developed a plan to wind-down activity for the SDREZ; and will continue to support the administration of this program through the end of Calendar Year 2014 mainly consisting of issuing hiring credit voucher certificates to SDREZ companies. The primary focus of EGS's efforts during this final wind-down phase of the EZ Program will be to collaborate with regional economic stakeholders to broadly engage the SDREZ business community with the goal of maximizing program participation by SDREZ businesses to take full advantage of remaining available tax credit incentives. In Fiscal Year 2015, EGS will continue to work with the South County Economic Development Council, the San Diego Regional Economic Development Corporation,

Economic Development

regional chambers of commerce, BIDs, and other economic development partners to organize and participate in workshops targeting accounting/tax professionals, business representatives, regional economic stakeholders and job developers on the State's new incentive program, as well as explore new opportunities to educate businesses on the Enterprise Zone Program benefits available through Calendar Year 2014.

The City's administration of the federal Foreign Trade Zone (FTZ) Program includes the entire county of San Diego and the southwest corner of Riverside County. The City continues to target companies that could utilize the FTZ benefits and those efforts have resulted in an increased interest in the FTZ Program. In Fiscal Year 2014, one company was approved to operate as an FTZ facility for a current total of 10 FTZ operators. Three of these operators are third-party logistics companies that offer FTZ services to other businesses. Over 60 companies in the region use these facilities enabling them to utilize FTZ benefits. Another company is pending approval by the City, United States Customs and Border Protection, and the United States Department of Commerce/FTZ Board to operate an FTZ facility with at least 11 other companies expressing a strong interest or in various stages of the application process.

EGS is also the lead work unit on the preparation of the City's Economic Development Strategy (EDS). The EDS is being prepared in accordance with Council Policy 900-01, Economic Development, and the City General Plan Policy EP-L.1. The EDS will set forth a mission, strategic objectives, tactical objectives, actions, and metrics for the City as a whole and will outline methods through which the City can expand its economic and tax bases. The EDS will focus in particular on the creation of middle income job opportunities and is anticipated to be adopted by the City Council in 2014.

The Business Finance section manages the Small Business Micro Revolving Loan Fund and the San Diego Regional Revolving Loan Fund. The revolving loan programs (RLF) were initially funded by the Department of Commerce, Economic Development Administration, and local matching dollars to total \$4.6 million. Since the City's RLF inception in 1993, the combined loan programs have provided 90 gap financing loans to local small business owners expanding in the area. This financing tool in collaboration with Acción San Diego, CDC Small Business Corporation, and other local lenders have resulted in the RLF investment of \$11.2 million leveraged with \$63.8 million of other funds over the life of the programs. To date, this \$75.0 (\$11.2 plus \$63.8) million investment has resulted in 274 private sector jobs retained and 237 new jobs created. During Fiscal Year 2014, Business Finance provided assistance and referral information to 200 inquiries, distributed program information via other partner programs, and conducted nine Business Outreach Presentations.

The Successor Agency Transition Team during Fiscal Year 2014 worked with Civic San Diego, the Office of the Mayor, and other City departments on implementing redevelopment dissolution laws AB1X26 and AB1484, managing the Oversight Board for the City of San Diego Successor Agency, managing enforceable contracts/agreements, working with the State Department of Finance to maintain existing Successor Agency assets, and keeping former neighborhood redevelopment project area stakeholders informed of ongoing projects and dissolution activities. The Team also continues to identify and pursue other revenue sources and monitor legislation that may provide a replacement to the former redevelopment program.

Facilities Financing

For additional detail, refer to the Facilities Financing Program section.

Economic Development

Department Summary

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
FTE Positions (Budgeted)	44.42	46.00	48.70	2.70
Personnel Expenditures	\$ 4,053,225	\$ 5,185,404	\$ 5,158,538	\$ (26,866)
Non-Personnel Expenditures	7,398,174	7,759,218	8,244,974	485,756
Total Department Expenditures	\$ 11,451,400	\$ 12,944,622	\$ 13,403,512	\$ 458,890
Total Department Revenue	\$ 6,927,937	\$ 8,245,963	\$ 8,516,363	\$ 270,400

General Fund

Department Expenditures

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
BID & Commercial MAD	\$ -	\$ -	\$ 15,464	\$ 15,464
Economic Development	6,392,176	6,629,628	7,107,761	478,133
Economic Growth Services	1,351,947	1,632,259	1,647,949	15,690
HUD Programs	1,659,184	2,208,043	2,054,461	(153,582)
Small Business & Neighborhoods	2,048,093	2,474,692	2,577,877	103,185
Total	\$ 11,451,400	\$ 12,944,622	\$ 13,403,512	\$ 458,890

Department Personnel

	FY2013 Budget	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
BID & Commercial MAD	0.00	0.00	0.50	0.50
Economic Development	3.00	3.00	3.00	0.00
Economic Growth Services	11.16	12.38	12.35	(0.03)
HUD Programs	20.50	20.50	21.85	1.35
Small Business & Neighborhoods	9.76	10.12	11.00	0.88
Total	44.42	46.00	48.70	2.70

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Re-engineering of Maintenance Assessment Districts Adjustment to reflect the addition of non-personnel expenditures associated with increased general benefits to MADs as a result of the re-engineering of the City's Maintenance Assessment Districts.	0.00	\$ 220,000	\$ -
CONNECT2Careers Addition of non-personnel expenditures for the CONNECT2Careers youth summer employment program.	0.00	200,000	-
Office of Small Business Program Manager Transfer Transfer of 1.00 Program Manager from the Development Services Department to the Economic Development Division of the Planning, Neighborhoods, and Economic Development Department for the Office of Small Business Program.	1.00	142,840	-
Addition of Community Development Coordinator Addition of 1.00 Community Development Coordinator and offsetting revenue to manage the compliance and monitoring section of HUD Programs.	1.00	134,545	134,545

Economic Development

Significant Budget Adjustments (Cont'd)

	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	127,123	-
National Geographic Film Support Adjustment to reflect the addition of non-personnel expenditures and offsetting revenue for the National Geographic's "Smart World Cities" program.	0.00	50,000	50,000
Word Processing Operator Increase Adjustment to reflect the increase of a Word Processing Operator from half-time to full-time for the Small Business Enhancement Program.	0.50	39,486	39,486
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	28,733	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.20	25,456	-
Reclassification of IT Expenditures Adjustment to reflect the reclassification of information technology expenditures.	0.00	19,900	-
Homeless Outreach Team Enhancement Adjustment to reflect the transfer of non-personnel expenditures from the Economic Development Division to the Police Department to enhance the Homeless Outreach Team Program.	0.00	(40,000)	-
Serial Inebriate Program Expansion Adjustment to reflect the transfer of non-personnel expenditures from the Economic Development Division to the Police Department to expand the Serial Inebriate Program.	0.00	(120,000)	-
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2014 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	(369,193)	-
Revised Revenue Adjustment to reflect Fiscal Year 2015 revenue projections.	0.00	-	146,056
Mentor Protégé Program Transfer Transfer of Mentor Protégé program revenue from the Administration Department to the Economic Development Division of the Planning, Neighborhoods, and Economic Development Department.	0.00	-	21,620

Economic Development

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
One-Time Reductions and Annualizations	0.00	-	(121,307)
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2014.			
Total	2.70	\$ 458,890	\$ 270,400

Expenditures by Category

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014-2015 Change
PERSONNEL				
Personnel Cost	\$ 2,432,201	\$ 2,935,771	\$ 3,103,510	\$ 167,739
Fringe Benefits	1,621,024	2,249,633	2,055,028	(194,605)
PERSONNEL SUBTOTAL	4,053,225	5,185,404	5,158,538	(26,866)
NON-PERSONNEL				
Supplies	\$ 42,836	\$ 63,026	\$ 63,356	\$ 330
Contracts	6,849,130	5,121,808	5,391,708	269,900
Information Technology	127,646	38,703	165,826	127,123
Energy and Utilities	4,401	2,660	3,480	820
Other	4,065	9,642	9,642	-
Transfers Out	370,097	2,522,751	2,610,334	87,583
Capital Expenditures	-	628	628	-
NON-PERSONNEL SUBTOTAL	7,398,174	7,759,218	8,244,974	485,756
Total	\$ 11,451,400	\$ 12,944,622	\$ 13,403,512	\$ 458,890

Revenues by Category

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014-2015 Change
Charges for Services	\$ 3,764,411	\$ 4,192,638	\$ 4,413,038	\$ 220,400
Rev from Other Agencies	3,163,526	4,053,325	4,053,325	-
Transfers In	-	-	50,000	50,000
Total	\$ 6,927,937	\$ 8,245,963	\$ 8,516,363	\$ 270,400

Personnel Expenditures

Job Number	Job Title / Wages	FY2013 Budget	FY2014 Budget	FY2015 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
2000011	Account Clerk	1.00	1.00	1.00	\$31,491 - \$37,918	\$ 37,918
20000866	Accountant 2	1.00	1.00	1.00	54,059 - 65,333	54,059
20000102	Accountant 4	1.00	1.00	0.00	66,768 - 88,982	-
20000012	Administrative Aide 1	2.00	2.00	3.00	36,962 - 44,533	123,801
20000024	Administrative Aide 2	3.00	4.00	3.00	42,578 - 51,334	102,668
20001202	Assistant Deputy Director	0.00	1.00	1.00	23,005 - 137,904	115,000
20000119	Associate Management Analyst	1.00	0.00	1.00	54,059 - 65,333	54,059
90000539	Clerical Assistant 2 - Hourly	0.00	0.38	0.00	29,931 - 36,067	-
90000544	Clerical Assistant 2 - Hourly	0.00	0.00	0.70	29,931 - 36,067	20,952
20000295	Community Development Coordinator	5.00	4.00	5.00	76,731 - 92,893	448,303

Economic Development

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2013 Budget	FY2014 Budget	FY2015 Proposed	Salary Range	Total
20000300	Community Development Specialist 2	10.00	11.00	11.00	54,059 - 65,333	673,174
20000301	Community Development Specialist 3	1.00	1.00	1.00	62,254 - 75,275	74,146
20000303	Community Development Specialist 4	7.00	8.00	8.00	66,768 - 80,891	647,128
20001168	Deputy Director	1.00	0.00	0.00	46,966 - 172,744	-
20000104	Development Project Manager 2	0.00	1.00	1.00	66,622 - 80,454	80,454
90001073	Management Intern - Hourly	4.92	4.12	4.00	24,274 - 29,203	116,816
20001222	Program Manager	2.00	3.00	4.00	46,966 - 172,744	351,891
20000015	Senior Management Analyst	2.00	1.00	1.00	59,363 - 71,760	-
20000918	Senior Planner	1.00	1.00	0.00	65,354 - 79,019	-
20000926	Senior Traffic Engineer	1.00	1.00	1.00	76,794 - 92,851	83,202
20000970	Supervising Management Analyst	0.00	0.00	1.00	66,768 - 80,891	80,408
20000756	Word Processing Operator	0.50	0.50	1.00	31,491 - 37,918	15,746
	Bilingual - Regular					7,280
	Overtime Budgeted					3,835
	Reg Pay For Engineers					12,670
FTE, Salaries, and Wages Subtotal		44.42	46.00	48.70		\$ 3,103,510
		FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014-2015 Change	
Fringe Benefits						
	Employee Offset Savings	\$ 45,481	\$ 55,952	\$ 50,928	\$ (5,024)	
	Flexible Benefits	241,616	315,449	343,901	28,452	
	Long-Term Disability	13,921	15,766	10,659	(5,107)	
	Medicare	33,354	39,326	42,857	3,531	
	Other Post-Employment Benefits	212,177	255,881	255,360	(521)	
	Retiree Medical Trust	216	-	993	993	
	Retirement 401 Plan	495	-	959	959	
	Retirement ADC	868,716	1,309,398	1,114,973	(194,425)	
	Retirement DROP	3,791	2,714	6,975	4,261	
	Retirement Offset Contribution	3,495	-	-	-	
	Risk Management Administration	34,697	38,827	43,176	4,349	
	Supplemental Pension Savings Plan	122,190	143,507	159,742	16,235	
	Unemployment Insurance	7,088	8,371	6,096	(2,275)	
	Workers' Compensation	33,787	64,442	18,409	(46,033)	
Fringe Benefits Subtotal		\$ 1,621,024	\$ 2,249,633	\$ 2,055,028	\$ (194,605)	
Total Personnel Expenditures						\$ 5,158,538

Facilities Financing Program



Program Description

The Facilities Financing Program, administratively within the Economic Development Division, administers the Facilities Benefit Assessment (FBA) and Development Impact Fee (DIF) Programs for the City of San Diego. A core function of this program is the preparation and updating of communities' Public Facilities Financing Plans (PFFPs) and implementing the Capital Improvement Program (CIP) budget for PFFP-programmed projects. Facilities Financing staff administers the City of San Diego Statewide Community Infrastructure Program (SCIP), the Regional Transportation Congestion Improvement Plan (RTCIP), and the Impact Fee Deferral Program (IFDP). They also monitor Development Agreements, Reimbursement Agreements, Special Park Funds, and a variety of other special purpose funds. The group also coordinates with Park Planning on a variety of park projects and administers the Mission Bay and Regional Park Improvement Funds.

Goal and Objectives

The following goal and objectives represent the action plan for the Program:

Goal 1: Finance public facilities

Providing adequate financing is critical to developing and maintaining public facilities (e.g., parks, libraries, fire stations, and streets) that will serve the City's current and future populations. The Program will move toward accomplishing this goal by focusing on the following objectives:

- Maintain an effective facilities financing program to ensure that the impact of new development is mitigated through appropriate fees
- Coordinate with other departments and programs in order to pursue a broad range of funding sources to finance public facilities and infrastructure
- Invest in public infrastructure that supports and leverages private investment in communities

Key Performance Indicator

Performance Measure	Actual FY2013	Estimated FY2014	Target FY2015
1. Number of Public Facilities Financing Plans updated/amended	6	12 ¹	9

1. Increase in target number of plans to update based on direction from former Mayor Bob Filner to update all Public Facilities Financing Plans.

Service Efforts and Accomplishments

Facilities Financing administers the Facilities Benefit Assessment (FBA) and Development Impact Fee (DIF) Programs for the City of San Diego. A core function of this program is the preparation and updating of communities'

Facilities Financing Program

Public Facilities Financing Plans (PFFPs) and implementing the Capital Improvement Program (CIP) budget for PFFP-programmed projects. For Fiscal Year 2014, the following PFFPs have been or are anticipated to be approved: Barrio Logan-CP, Carmel Valley, Centre City, College Area, East Elliot, Mid-City, Mira Mesa, Ocean Beach-CP, Otay Mesa-CP, Otay Nestor, Rancho Bernardo, Rancho Penasquitos. Financing Plan updates are or will be under way shortly for the following PFFPs with Council adoption anticipated during Fiscal Year 2015: Black Mountain Ranch, Mira Mesa, Navajo/Grantville-CP, North University City, Pacific Highlands Ranch, South University City, Southeastern-CP, Torrey Highlands, Uptown-CP. A CP designation has been included on all PFFPs, which are being updated in conjunction with a Community Plan Update. As other community plan updates are being completed, Facilities Financing staff will continue to coordinate with Long-Range Planning staff to concurrently prepare PFFP updates. Future community plan updates that will include PFFP updates include North Park, Golden Hill, San Ysidro, Old Town, and Midway-Pacific Highway.

Based on current economic conditions, approximately \$65.0-70.0 million in fees are anticipated to be collected in Fiscal Year 2015 to fund community facilities identified in the PFFPs. In Fiscal Year 2014, \$75.0 million in DIF, FBA, and other impact fees were collected for the year.

Facilities Financing staff also administers the City of San Diego Statewide Community Infrastructure Program (SCIP), the Regional Transportation Congestion Improvement Program (RTCIP), and the Impact Fee Deferral Program (IFDP). They also monitor Development Agreements, Reimbursement Agreements, Special Park Funds, and a variety of other special purpose funds. It also coordinates with Park Planning on a variety of park projects and administers the Mission Bay and Regional Park Improvement Funds.

Facilities Financing Program

Department Summary

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
FTE Positions (Budgeted)	0.00	0.00	16.35	16.35
Personnel Expenditures	\$ -	\$ -	\$ 1,891,429	\$ 1,891,429
Non-Personnel Expenditures	-	-	401,483	401,483
Total Department Expenditures	\$ -	\$ -	\$ 2,292,912	\$ 2,292,912
Total Department Revenue	\$ -	\$ -	\$ 2,292,912	\$ 2,292,912

Facilities Financing Fund

Department Expenditures

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
Facilities Financing Program	\$ -	\$ -	\$ 2,292,912	\$ 2,292,912
Total	\$ -	\$ -	\$ 2,292,912	\$ 2,292,912

Department Personnel

	FY2013 Budget	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
Facilities Financing Program	0.00	0.00	16.35	16.35
Total	0.00	0.00	16.35	16.35

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Facilities Financing Program Transfer Transfer of the Facilities Financing Program from the Development Services Department to the Planning, Neighborhoods, and Economic Development Department.	15.00	\$ 1,751,312	\$ 2,110,074
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	261,447	-
Addition of Senior Civil Engineer Addition of 1.00 Senior Civil Engineer for reimbursement agreements and cost estimates for Public Facilities Financing Plans.	1.00	178,336	178,336
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	71,836	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.35	29,981	-
Revised Revenue Adjustment to reflect Fiscal Year 2015 revenue projections.	0.00	-	4,502
Total	16.35	\$ 2,292,912	\$ 2,292,912

Facilities Financing Program

Expenditures by Category

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014-2015 Change
PERSONNEL				
Personnel Cost	\$ -	\$ -	\$ 1,135,394	\$ 1,135,394
Fringe Benefits	-	-	756,035	756,035
PERSONNEL SUBTOTAL	-	-	1,891,429	1,891,429
NON-PERSONNEL				
Supplies	\$ -	\$ -	\$ 12,011	\$ 12,011
Contracts	-	-	270,798	270,798
Information Technology	-	-	63,610	63,610
Energy and Utilities	-	-	1,190	1,190
Other	-	-	1,294	1,294
Transfers Out	-	-	52,430	52,430
Capital Expenditures	-	-	150	150
NON-PERSONNEL SUBTOTAL	-	-	401,483	401,483
Total	\$ -	\$ -	\$ 2,292,912	\$ 2,292,912

Revenues by Category

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014-2015 Change
Charges for Services	\$ -	\$ -	\$ 2,272,812	\$ 2,272,812
Licenses and Permits	-	-	18,000	18,000
Rev from Money and Prop	-	-	2,100	2,100
Total	\$ -	\$ -	\$ 2,292,912	\$ 2,292,912

Personnel Expenditures

Job Number	Job Title / Wages	FY2013 Budget	FY2014 Budget	FY2015 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
2000024	Administrative Aide 2	0.00	0.00	1.00	\$42,578 - \$51,334	\$ 44,623
20000119	Associate Management Analyst	0.00	0.00	2.00	54,059 - 65,333	130,666
20000743	Principal Engineering Aide	0.00	0.00	2.00	50,003 - 60,549	120,190
20001222	Program Manager	0.00	0.00	1.00	46,966 - 172,744	109,855
20000885	Senior Civil Engineer	0.00	0.00	1.00	76,794 - 92,851	92,851
20000015	Senior Management Analyst	0.00	0.00	6.00	59,363 - 71,760	416,011
20000970	Supervising Management Analyst	0.00	0.00	2.00	66,768 - 80,891	161,782
90000970	Supervising Management Analyst - Hourly	0.00	0.00	0.35	66,768 - 80,891	28,312
20000756	Word Processing Operator	0.00	0.00	1.00	31,491 - 37,918	-
	Bilingual - Regular					1,456
	Overtime Budgeted					15,720
	Reg Pay For Engineers					13,928
FTE, Salaries, and Wages Subtotal		0.00	0.00	16.35		\$ 1,135,394

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014-2015 Change
Fringe Benefits				
Employee Offset Savings	\$ -	\$ -	\$ 12,637	\$ 12,637
Flexible Benefits	-	-	119,895	119,895
Long-Term Disability	-	-	3,820	3,820

Facilities Financing Program

	FY2013 Actual	FY2014 Budget	FY2015 Proposed	FY2014–2015 Change
Medicare	-	-	13,158	13,158
Other Post-Employment Benefits	-	-	91,200	91,200
Retirement ADC	-	-	416,787	416,787
Retirement DROP	-	-	6,503	6,503
Risk Management Administration	-	-	15,420	15,420
Supplemental Pension Savings Plan	-	-	58,954	58,954
Unemployment Insurance	-	-	2,185	2,185
Workers' Compensation	-	-	15,476	15,476
Fringe Benefits Subtotal	\$ -	\$ -	\$ 756,035	\$ 756,035
Total Personnel Expenditures			\$ 1,891,429	

Facilities Financing Program

Revenue and Expense Statement (Non-General Fund)

Facilities Financing Fund	FY2013 Actual	FY2014 [*] Budget	FY2015 Proposed
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 253,647	\$ (5,179)	\$ 0
TOTAL BALANCE AND RESERVES	\$ 253,647	\$ (5,179)	\$ -
REVENUE			
Licenses & Permits	\$ 20,500	\$ 18,000	\$ 18,000
Interest Earnings	545	2,100	21,000
Charges for Current Services	1,684,204	2,089,974	2,253,912
TOTAL REVENUE	\$ 1,705,249	\$ 2,110,074	\$ 2,292,912
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 1,958,896	\$ 2,104,895	\$ 2,292,912
OPERATING EXPENSE			
Personnel	\$ 984,327	\$ 1,028,411	\$ 1,135,394
Fringe	589,150	682,618	756,035
Supplies	4,932	12,011	12,011
Contracts	261,501	286,590	270,798
Information Technology	63,467	69,134	63,610
Energy & Utilities	-	1,756	1,190
Other/Transfers Out	55,257	29,404	53,724
Capital Exp-Equipment	-	150	150
TOTAL OPERATING EXPENSE	\$ 1,958,633	\$ 2,110,074	\$ 2,292,912
TOTAL EXPENSE	\$ 1,958,633	\$ 2,110,074	\$ 2,292,912
TOTAL RESERVES			
BALANCE	\$ 263	\$ (5,179)	\$ -
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 1,958,896	\$ 2,104,895	\$ 2,292,912

^{*} At the time of publication, audited financial statements for Fiscal Year 2014 were not available. Therefore, the Fiscal Year 2014 column reflects final budget amounts from the Fiscal Year 2014 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.