

Economic Development



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Economic Development



Description

The Economic Development Department (EDD) leads the City's efforts in Business Expansion Attraction and Retention (BEAR), Community Development through deployment of federal grants, and Corporate Partnerships and Development. The Department implements economic and community development programs in order to create and sustain a resilient and economically prosperous City. Inclusive economic growth, revenue enhancement and community revitalization is accomplished by retaining and expanding existing companies, attracting new companies, supporting entrepreneurs, making San Diego competitive in emerging markets, revitalizing and investing in established business districts, and creating opportunities for disadvantaged communities and vulnerable populations.

The BEAR Division provides services to businesses such as technical assistance, due diligence, expedited permitting, policy/legislative advocacy, utilities coordination and application support for financial incentives. It should be noted that in FY 2021, Economic Development staff was reduced by five FTE positions, and key BEAR funding sources (TOT and SBEP), Capacity Building, Storefront Improvement and other neighborhood business support grant programs were suspended due to pandemic-related budget reductions.

The Community Development Division is comprised of HUD Programs, Promise Zone, and Successor Agency. HUD Programs administers the Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The seven Consolidated Plan goals of the CDBG program include job readiness and economic development programs; public infrastructure and nonprofit facility needs; affordable housing; homelessness; and services for vulnerable populations. The Promise Zone is a 10-year federal designation of the City's most disadvantaged and underserved communities. Through the Promise Zone initiative, partners work together to deliver comprehensive support, accelerate revitalization and improve the quality of life for residents. In Fiscal Year 2020, EDD was assigned the role of providing oversight for Successor Agency activities and winding down of the former Redevelopment Agency.

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

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

The Corporate Partnerships and Development Division leads the City of San Diego's efforts in exploring innovative ways to benefit our taxpayers and strengthen the City's General Fund with public private partnerships with regional, national, and international organizations. In FY 2021, a new model of partnerships was developed.

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

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

EDD oversaw two COVID-19-related support programs: Emergency Rental Assistance (ERA) Program and Emergency Childcare Voucher Program (ECVP). For ERA, from July-November 2020, the City of San Diego expended \$9.7 million in CRF, and EDD expended \$3.6 million in CDBG-CV and \$1.8 million in FY2021 CDBG. For ECVP, from July-October 2020, the City of San Diego, in collaboration with EDD, expended \$10 million in CRF. Outcomes for ERA in FY2020 and FY2021 (partial) include 3,673 Households Served. Outcomes for ECVP in FY2020 and FY2021 include 1,752 Families Served; 2,742 Children Served; and 1,118 Businesses Served.

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

The vision is:

A catalyst for economic prosperity and community investment

The mission is:

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

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Goals and Objectives

Goal 1: Strategically invest in the growth and development of businesses, neighborhoods, and residents

- Leverage funding for greater commercial neighborhood benefit
- Invest in affordable housing options
- Expand economic opportunities for all
- Increase access to quality public and private facilities and services

Goal 2: Cultivate a globally competitive, sustainable, and resilient local economy

- Maintain and build on San Diego’s competitive advantage by increasing workforce development, quality of life, and innovation
- Increase the number of San Diegans with middle-income jobs
- Increase small and neighborhood business activity

Goal 3: Provide high quality public service

- Receive on average a rating of 90% “good” or “excellent” customer service scores from internal and external customers
- Increase overall awareness of department programs, incentives, and services with the public
- Highlight successes and impacts of department programs and initiatives

Key Performance Indicators

Performance Indicator	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
Number of persons assisted through infrastructure projects and community service (i.e., Community Development Block Grant Program (CDBG)) ¹	50,000	40,208	2,453	11,871	10,000
Percentage growth in jobs created or preserved by the expansion, attraction and retention of employers working with the Department ²	5%	0%	0%	0%	0%
Percentage growth in number of companies working with the Department that result in international trade or investment ³	10%	6%	0%	0%	5%
Percentage growth in the number of small businesses assisted and expanded annually as a result of small and neighborhood business programs ⁴	10%	63%	3%	3%	0%
Total amount of federal funds expended for affordable housing ⁵	\$7.5M	\$14.9M	\$19.5M	\$24.7M	\$15M
Total amount of federal funds expended for economic development programs ⁶	\$7M	\$2.9M	\$15M	\$16.2M	\$2.6M
Total amount of funds expended for infrastructure projects and community service ⁷	\$30M	\$25.1M	\$15M	\$15.5M	\$10.4M

Key Performance Indicators

Performance Indicator	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
1. This metric (i.e., "persons") does not capture total outcome, which is also measured in Households Assisted, Businesses Assisted and Jobs Created. FY2020 Actuals are based on the FY2020 CAPER. FY2021 Estimates are based upon FY2021 Annual Action Plan, and do not currently include Coronavirus Relief Fund (CRF), Community Development Block Grant COVID CARES Act (CDBG-CV) and Emergency Solutions Grant COVID CARES Act (ESG-CV) estimated outcomes. FY2022 Target is based on the estimated entitlement funds, FY2022 applications and historical patterns. It should be noted that, in addition to our traditional HUD entitlement programs (CDBG, ESG and HOME Investment), EDD received an increase in HUD funding (CDBG-CV and ESG-CV) to prevent, prepare for and respond to the COVID-19 pandemic. EDD oversaw two COVID-19-related support programs: Emergency Rental Assistance (ERA) Program and Emergency Childcare Voucher Program (ECVP). For ERA, from July-November 2020, the City of San Diego expended \$9.7M in CRF, and EDD expended \$3.6M in CDBG-CV and \$1.8M in FY2021 CDBG. For ECVP, from July-October 2020, the City of San Diego, in collaboration with EDD, expended \$10M in CRF. Outcomes for ERA in FY2020 and FY2021 (partial) include 3,673 Households Served. Outcomes for ECVP in FY2020 and FY2021 include 1,752 Families Served, 2,742 Children Served, and 1,118 Businesses Served. Please note that, due to citywide multi-department efforts to provide COVID-19 relief, these expenditures and outcomes may be reported alternatively as part of other departmental KPIs.					
2. Due to the Coronavirus global pandemic, unemployment rates have fluctuated on a macro level precluding any effort by the department to retain and expand jobs although significant efforts are underway for FY21 i.e. Small Business Relief Fund, Technical assistance, development activity support, loans for business resilience. The focus has been on retaining as many businesses and employees as possible and the goal is to keep the previous year's growth from declining deeper into negative numbers therefore the percentage is set at zero until more information on economic recovery is available.					
3. World Trade Center activities and the Foreign-Trade Zones (FTZ) program will continue however staffing levels to work on these efforts have been reduced in the FY21 budget. Additionally, related to COVID-19, operators have indicated they may opt to not renew their FTZ operating agreement.					
4. During Q1 and Q2 of FY21, the number of businesses assisted has remained high due to the CARES Act Federal Funds and associated continuation of the Small Business Relief Fund. Absent additional relief funds in FY21, it is anticipated that businesses assisted will primarily be Revolving Loan Fund recipients and Temporary Outdoor Business Operations businesses in need of assistance. Several programs where EDD would historically assist businesses are no longer available due to budget reductions, i.e. Storefront Improvement Program, Business Incentive Program, Economic Development and Tourism Support Grants, Capacity Building Grants etc.					
5. FY21 Estimates are based upon FY21 Annual Action Plan. FY22 estimates based on FY22 applications and historical patterns. Decrease for FY21 Actuals due to effects of COVID 19 on ability to provide affordable housing services.					
6. FY21 Estimates are based upon FY21 Annual Action Plan. FY22 estimates based on FY22 applications and historical patterns.					
7. FY21 Estimates are based upon FY21 Annual Action Plan. FY22 estimates based on FY22 applications and historical patterns.					

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Department Summary

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
FTE Positions (Budgeted)	61.00	53.00	55.00	2.00
Personnel Expenditures	\$ 6,904,459	\$ 6,380,367	\$ 7,742,728	\$ 1,362,361
Non-Personnel Expenditures	8,539,361	16,940,303	16,337,120	(603,183)
Total Department Expenditures	\$ 15,443,819	\$ 23,320,670	\$ 24,079,848	\$ 759,178
Total Department Revenue	\$ 9,790,922	\$ 21,565,465	\$ 7,957,651	\$ (13,607,814)

General Fund

Department Expenditures

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Business Expansion, Attraction & Retention	\$ 3,551,697	\$ 15,651,662	\$ 14,775,152	\$ (876,510)
Community Development	6,127,417	2,492,841	2,742,288	249,447
Economic Development	3,829,717	3,241,841	4,628,082	1,386,241
Total	\$ 13,508,830	\$ 21,386,344	\$ 22,145,522	\$ 759,178

Department Personnel

	FY2020 Budget	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Business Expansion, Attraction & Retention	20.00	16.00	17.00	1.00
Community Development	20.00	19.00	17.00	(2.00)
Economic Development	21.00	18.00	21.00	3.00
Total	61.00	53.00	55.00	2.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Back to Work San Diego Addition of one-time non-personnel expenditures to support small business and provide nonprofit forgivable loans.	0.00	\$ 10,000,000	\$ -
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	1,094,991	-
Back to Work SD Addition of one-time non-personnel expenditures for the restoration and enhancement of the Small Business Enhancement Program with a focus on investments in communities of concern.	0.00	750,000	-
Connect2 Careers Addition of one-time non-personnel expenditures associated to Connect2Careers.	0.00	750,000	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Back to Work SD Addition of one-time non-personnel expenditures associated with San Diego Youth Diversion Summer Programming.	0.00	500,000	-
Small Business Ombudsman Program Addition of 2.00 Community Development Coordinators to support the Small Business Ombudsman Program.	2.00	251,406	-
Back to Work SD Addition of one-time non-personnel expenditures associated with assisting street vendors with the City's permitting and application process.	0.00	250,000	-
Pay-In-Lieu of Annual Leave Adjustments Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	15,964	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(12,631)	-
Citywide Contracts Reduction of 2.6% Reduction of non-personnel expenditures associated with a 2.6% reduction in contracts citywide.	0.00	(51,974)	-
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology requirements.	0.00	59,787	-
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2021.	0.00	(12,848,365)	(13,607,814)
Total	2.00	\$ 759,178	\$ (13,607,814)

Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
PERSONNEL				
Personnel Cost	\$ 4,188,066	\$ 3,899,998	\$ 4,479,633	\$ 579,635
Fringe Benefits	2,716,392	2,480,369	3,263,095	782,726
PERSONNEL SUBTOTAL	6,904,459	6,380,367	7,742,728	1,362,361
NON-PERSONNEL				
Supplies	\$ 15,662	\$ 18,971	\$ 19,256	\$ 285
Contracts	5,716,181	12,207,346	3,528,091	(8,679,255)
Information Technology	399,609	441,564	517,351	75,787
Energy and Utilities	7,380	7,596	7,596	-
Other	150,539	15,500	15,500	-
Transfers Out	315,000	2,315,000	10,315,000	8,000,000
NON-PERSONNEL SUBTOTAL	6,604,372	15,005,977	14,402,794	(603,183)
Total	\$ 13,508,830	\$ 21,386,344	\$ 22,145,522	\$ 759,178

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Revenues by Category

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Charges for Services	\$ 4,966,363	\$ 5,946,658	\$ 5,396,658	\$ (550,000)
Other Revenue	420,696	430,000	430,000	-
Rev from Federal Agencies	-	13,057,814	-	(13,057,814)
Rev from Money and Prop	256,812	-	-	-
Rev from Other Agencies	36,914	196,667	196,667	-
Transfers In	2,175,148	-	-	-
Total	\$ 7,855,933	\$ 19,631,139	\$ 6,023,325	\$ (13,607,814)

Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	1.00	1.00	1.00	\$ 33,613 - 40,456	\$ 39,040
20000012	Administrative Aide 1	1.00	1.00	1.00	39,458 - 47,528	47,528
20000024	Administrative Aide 2	4.00	4.00	4.00	45,448 - 54,766	211,425
20001202	Assistant Deputy Director	1.00	2.00	2.00	50,128 - 184,330	270,000
20000116	Assistant Engineer-Traffic	1.00	0.00	0.00	61,755 - 74,402	-
20000119	Associate Management Analyst	2.00	2.00	2.00	57,699 - 69,722	122,571
20000295	Community Development Coordinator	6.00	6.00	8.00	81,890 - 99,112	792,896
20000300	Community Development Specialist 2	11.00	11.00	11.00	57,699 - 69,722	744,316
20000301	Community Development Specialist 3	4.00	4.00	4.00	66,435 - 80,309	304,880
20000303	Community Development Specialist 4	12.00	10.00	10.00	71,240 - 86,320	843,145
20001101	Department Director	1.00	1.00	1.00	63,128 - 239,138	170,726
20001168	Deputy Director	1.00	1.00	1.00	50,128 - 184,330	139,506
20000924	Executive Assistant	1.00	1.00	1.00	46,467 - 56,202	56,202
20001220	Executive Director	1.00	0.00	0.00	50,128 - 184,330	-
90001073	Management Intern-Hourly	2.00	0.00	0.00	30,160 - 31,200	-
20000172	Payroll Specialist 1	1.00	1.00	0.00	38,938 - 46,862	-
20000680	Payroll Specialist 2	0.00	0.00	1.00	40,726 - 49,171	49,171
20001222	Program Manager	6.00	5.00	5.00	50,128 - 184,330	621,608
20000015	Senior Management Analyst	2.00	2.00	2.00	63,336 - 76,586	147,812
20000926	Senior Traffic Engineer	1.00	0.00	0.00	81,952 - 99,070	-
20000970	Supervising Management Analyst	1.00	1.00	1.00	71,240 - 86,320	86,320
20000756	Word Processing Operator Bilingual - Regular Budgeted Personnel	1.00	0.00	0.00	33,613 - 40,456	-
	Expenditure Savings					7,280
	Overtime Budgeted					(254,904)
	Sick Leave - Hourly					12,835
	Termination Pay Annual Leave					3,193
	Vacation Pay In Lieu					9,911
						54,172

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Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Proposed	Salary Range	Total
FTE, Salaries, and Wages Subtotal		61.00	53.00	55.00		\$ 4,479,633

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Fringe Benefits				
Employee Offset Savings	\$ 28,479	\$ 25,273	\$ 27,482	\$ 2,209
Flexible Benefits	640,678	577,991	728,965	150,974
Insurance	1,144	-	-	-
Long-Term Disability	-	13,148	18,403	5,255
Medicare	59,733	51,982	60,762	8,780
Other	26,243	-	-	-
Other Post-Employment Benefits	319,031	276,892	323,336	46,444
Retiree Medical Trust	4,537	4,174	5,218	1,044
Retirement 401 Plan	1,808	539	539	-
Retirement ADC	1,255,958	1,170,530	1,669,435	498,905
Retirement DROP	21,213	21,107	19,924	(1,183)
Risk Management Administration	61,537	46,596	56,004	9,408
Supplemental Pension Savings Plan	274,423	270,424	316,428	46,004
Unemployment Insurance	6,500	5,835	6,676	841
Workers' Compensation	15,109	15,878	29,923	14,045
Fringe Benefits Subtotal	\$ 2,716,392	\$ 2,480,369	\$ 3,263,095	\$ 782,726
Total Personnel Expenditures			\$ 7,742,728	

Successor Agency Admin & Project - CivicSD Fund

Department Expenditures

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

Expenditures by Category

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

Revenues by Category

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

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Revenue and Expense Statement (Non-General Fund)

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

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

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



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