



# Civic San Diego FY2017 Economic & Community Development Work Plan

City of San Diego Economic Development and Intergovernmental Relations Committee

Meeting of October 20, 2016



Presented by: Gustavo Bidart, Economic & Community Development Manager  
Michael Lengyel, Investment & Finance Development Manager

# About Civic San Diego

- Civic San Diego (CivicSD) is a city-owned non-profit that is the entrepreneurial development partner for targeted urban neighborhoods in San Diego (consolidation of the City's former redevelopment project areas).
- We manage the wind down of redevelopment activities and also engage in economic development, land use permitting and services in the downtown, and project management services.

# Civic San Diego's Core Strategy

- The core CivicSD strategy is to build public private partnerships and to use leveraged financing to:
  - Advance community goals through public improvements.
  - Provide affordable housing, mixed-use and transit oriented development.
  - Foster livable communities and healthy neighborhoods.
  - Nurture small business and stimulate job creation.

# FY2017 Economic/ Community Development Work Plan

- In July, the CivicSD Board approved the 2017 Economic & Community Development Work Plan.
- It identifies a number of new programs and financing initiatives based in four categories:
  1. Investment Programs
  2. Business Attraction / Retention & Marketing for Underserved Communities
  3. Community Revitalization and Workforce Development and
  4. Community Engagement & Outreach

# FY2017 Budget – Economic/ Community Development Function

## Investment Programs

- New Markets Tax Credits
- EB-5 Program
- Transit-Oriented Development Fund
- CivicSD Sponsored Loan Fund
- Program Related Investments
- Mission Driven Deposits

## Business Attraction/Retention/Marketing for Underserved Communities

- Reuse of Former Central Library
- FDI / Exports via World Trade Center
- Business Supplier Diversity Program
- Neighborhood Made Initiative
- Corporate Relocation Pilot Program
- BID / Neighborhood Small Business Program
- Business Database / Connectory

## Community Revitalization and Workforce Development

- Inner City Social Enterprise Program / Culinary
- Inner City Trade Industry Training Program

## Community Engagement and Outreach

- Civic San Diego Roundtables
- Neighborhood Tours

# Investment Programs – New Markets Tax Credits

- CivicSD leverages New Markets Tax Credits (NMTCs) to provide financing for high impact projects in low-income communities.
- CivicSD has received \$83M in NMTC allocation and has invested \$77.5M in five projects:
  - Copley-Price Family YMCA facility (City Heights)
  - Family Health Centers HITEC (Oak Park)
  - Urban Corps of San Diego County (North Bay)
  - Jackie Robinson YMCA facility (Mountain View)
  - Educational & Community Facility (Normal Heights)
- New award announcements in November.

# Investment Programs – Transit Oriented Development Fund

- The San Diego Housing Commission together with CivicSD have engaged Forsyth Street Advisors to create a TOD Fund.
  - Supplement traditional sources of gap financing for the creation and preservation of affordable housing within targeted sites along transit corridors that address transit needs between housing and jobs.
  - Goal is to raise between \$50M and \$100M by leveraging \$3 for every \$1 of public funds.
- Market Assessment currently being finalized.
- Formal fund launch targeted for Fall of 2017.

# Investment Programs – EB-5 Regional Center

- The federal Immigrant Investor Program (EB-5), provides a significant source of low-cost, flexible capital for large scale projects that create jobs.
  - A foreign investor can gain full resident status if it invests \$500,000 in a project in a targeted employment area that creates at least 10 new jobs.
- CivicSD has engaged LeSar Development Consultants to analyze forming a San Diego EB-5 Regional Center to take in investor capital and loan it out to job-creating projects.

# BID / Neighborhood Small Business Program

- An innovative public/private/nonprofit “Access to Capital” collaboration targeting small businesses within the El Cajon Blvd Business Improvement Area and the Southeastern Diamond Business District.
  - Assess the capital needs among both business corridors and be responsive to the distinct capital needs by creating a robust delivery of various lending products and business capital training.
  - Civic San Diego playing the quarterback and recruited 5 San Diego CDFI lenders and San Diego’s Small Business Development Center as the trainer.

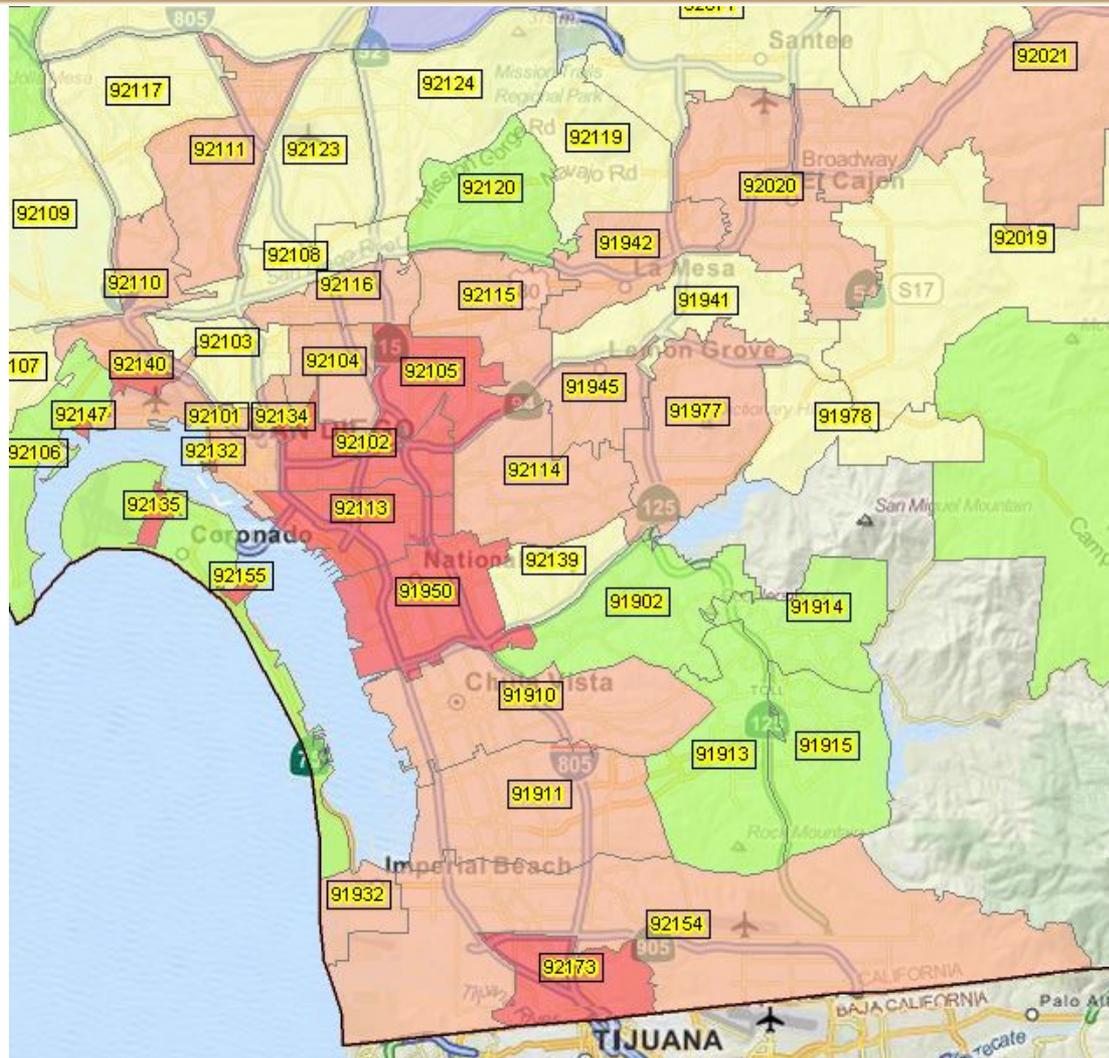
# BID / Neighborhood Small Business Program

BID NEIGHBORHOOD ACCESS TO CAPITAL PROGRAM		
Expenditures by Revenue Source Summary	Civic San Diego	Civic-Sponsored Loan Fund
BID/Neighborhood Small Business Program	\$75,000	\$440,000
Total Expenditures	\$75,000	\$440,000
Expenditures by Revenue Source Detail		
BID/Neighborhood Small Business Program	Civic San Diego	Civic-Sponsored Loan Fund
AmeriCorps Members (2.5 FTE)	\$35,000	
BID Capacity Training / Operation	\$ -	
SBDC Finance Academy	\$10,000	
Accion San Diego	\$10,000	
Misc.	\$ -	
Loan Fund (Accion)		\$400,000
Loan Fund Reserve (Accion)		\$ 40,000
The El Cajon Blvd*	\$10,000	
The Diamond Business Association*	\$10,000	
Total Expenditures	\$75,000	\$440,000
*Cover program O/H expense: Facility, Materials, Marketing, Staff Utilities, etc.		

# CivicSD Sponsored Loan Fund

- Partnership with Accion San Diego to seed a Loan Fund to increase lending to small businesses in low- and moderate income zip codes citywide (MHI of \$60,000 or below).
  - \$400,000 non-interest bearing five-year note with one five year extension.
  - Accion will perform all underwriting and the funds will be at risk (any losses will reduce the principal repayment to Civic San Diego).
  - Civic San Diego also contributing \$40,000 as a 10% loan loss reserve (historic losses in the 3% - 6% range) and \$10,000 for operating support.

# CivicSD Sponsored Loan Fund



## Medium Household Income



# Inner City Social Enterprise Program- Culinary Entrepreneurship

- Inner-city social enterprise collaboration between CivicSD, Grasshopper Development and San Diego County Department of Education.
  - Exploring best practices to implement at the Educational & Community Facility at 37<sup>th</sup> & El Cajon.
  - CivicSD hosted a Culinary Social Entrepreneurship Roundtable with numerous community stakeholders.
  - Subject matter experts participated: Chefs Center of California and Homeboy Industries.

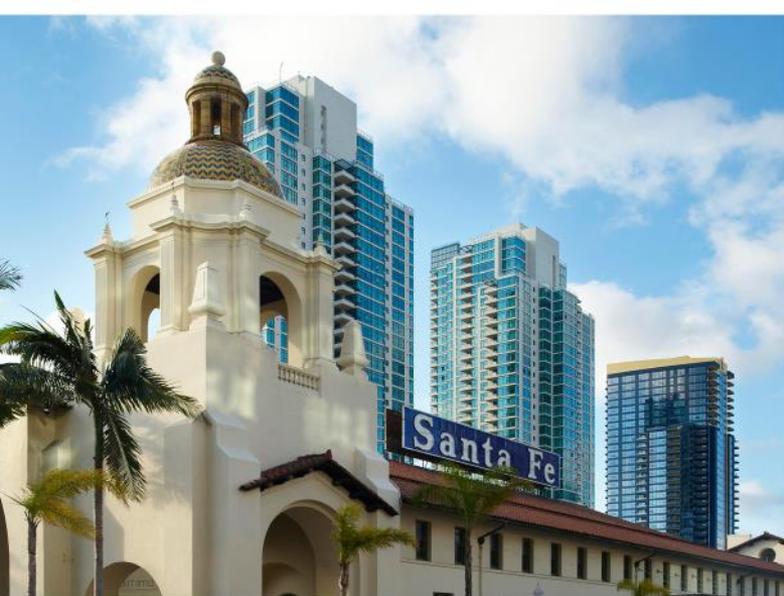
# Exploring Activating Community Kitchens

- Activating several community kitchens within emerging neighborhoods can stimulate economic growth while encouraging a healthier lifestyle for all residents.
  - Spaces serve as education for food programs/policy (*“Living-Well- Public Benefits”*)
  - Educate on food handling certifications and business management ( *“Edu- Kitchen”*)
  - Access to a licensed commercial grade facility to generate growth for new and existing food culinary based businesses (*“Incu-Kitchen”*)

# San Diego Promise Zone Implementation

- Will coordinate with City and implementing partners to leverage the new Promise Zone.
  - Allocate a minimum of 25% of the Low Mod Income Housing Asset Fund within the Promise Zone.
  - Allocate up to 35% of New Markets Tax Credits to businesses that are located within or that serve residents within the Promise Zone.
  - Leverage other potential implementing tools such as the Transit-Oriented Development Fund.
  - Preferences for grant programs and technical assistance from 13 participating federal agencies.





# Civic San Diego FY2017 Economic & Community Development Work Plan

San Diego City-County Reinvestment Task Force

Meeting of July 21, 2016



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Michael Lengyel, Investment & Finance Development Manager