



County of San Diego

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To the honorable members of the Board of Supervisors and the Citizens of San Diego County:

The Annual Comprehensive Financial Report of the County of San Diego (County) for the fiscal year ended June 30, 2021, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Macias Gini & O'Connell LLP, has issued an unmodified ("clean") opinion on the County of San Diego's basic financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

County Profile

San Diego County covers 4,261 square miles, approximately the size of the state of Connecticut, extending 70 miles along the Pacific Coast from Mexico to Orange County and inland 75 miles to Imperial County along the international border shared with Mexico. Riverside and Orange counties form the northern border. It is the most southwestern county in the contiguous 48 states.

San Diego County enjoys a wide variety of climate and terrain, from coastal plains and fertile inland valleys to mountain ranges and the Anza-Borrego Desert. The Cleveland National Forest occupies much of the interior portion of the County. The climate is mild in the coastal and valley regions, where most resources and population are located. The average annual rainfall is less than 12 inches for the coastal regions.

According to the State of California Department of Finance (DOF) as of May 2020, the County's population estimate for January 1, 2020 was 3.34 million, which decreased 0.3 percent or roughly 8,000 from the January 1, 2019 estimate. San Diego is the second largest county by population in California according to the DOF, and the fifth largest county by population in the nation, as measured by the U.S. Census Bureau based on 2019 population estimates. There are 18

incorporated cities in the County; the City of San Diego being the largest, with a population of approximately 1.43 million; and the City of Del Mar the smallest, at approximately 4,268 people, according to DOF population estimates as of January 1, 2020.

The racial and ethnic composition of the County is as diverse as its geography. The San Diego Association of Governments (SANDAG) projects that in 2035, the San Diego region's population will continue to grow in its diversity with: 36.3 percent White; 41.4 percent Hispanic; 13.9 percent Asian and Pacific Islander; 4.0 percent African American; and 4.4 percent all other groups including American Indian. Significant growth in the region's Hispanic population is seen in this projection.

County Government, Economy and Outlook

County Government

San Diego became one of California's original 27 counties on February 18, 1850, shortly after California became the 31st State in the Union. The County functions under a charter adopted in 1933, as subsequently amended. A five-member Board of Supervisors elected to four-year terms in district, nonpartisan elections governs the County. Each board member is limited to no more than two terms and must reside in the district from which he or she is elected.

The Board of Supervisors sets priorities and approves the County's two-year budget. The County may exercise its powers only through the Board of Supervisors or through agents and officers acting under the authority of the Board or authority conferred by law. The Board of Supervisors appoints the following officers: the Chief Administrative Officer (CAO), the County Counsel, the Probation Officer and the Clerk of the Board of Supervisors. All other nonelected officers are appointed by the CAO. The CAO assists the Board of Supervisors in coordinating the functions and operations of the County; is responsible for carrying out all of the Board's policy decisions that pertain to the functions assigned to that officer; and supervises the expenditures of all departments. Elected officials head the offices of the Assessor/Recorder/County Clerk, District Attorney, Sheriff and Treasurer-Tax Collector.

The State Legislature has granted each county the power necessary to provide for the health and well-being of its residents. The County provides a full range of public services to residents, including law enforcement, detention and correction, emergency response services, health and human services, parks and recreation, libraries and roads. The County also serves as a delivery channel for many State services, including foster care, public health care and elections.

These services are provided by four business Groups (Public Safety, the Health and Human Services Agency, Land Use and Environment, and Finance and General Government), each headed by a General Manager who reports to the CAO.

Economy and Outlook

U.S. Economy

Gross domestic product (GDP) is one of the main indicators of the health of the nation's economy, representing the net total dollar value of all goods and services produced in the U.S. over a given time period. GDP growth is driven by a variety of economic sectors, including personal consumption expenditures, gross private domestic investment, net exports of goods and services, and government consumption expenditures and gross investment.

According to the U.S. Department of Commerce Bureau of Economic Analysis (BEA), calendar year 2020 saw a decrease in real GDP, closing the year with a 3.5 percent annual contraction over the previous year, compared to an increase of 2.2 percent seen in 2019 (Bureau of Economic Analysis [BEA]. Gross Domestic Product, Fourth Quarter and Year 2020 (Second Estimate). February 2021.). According to the BEA, "The decrease in real GDP in 2020 reflected decreases in PCE [personal consumption expenditures], exports, private inventory investment, nonresidential fixed investment, and state and local government that were partly offset by increases in federal government spending and residential fixed investment. Imports decreased" (ibid) Clearly, the national economy was significantly impacted by the response to the global COVID-19 pandemic; GDP in the first quarter fell 5.0 percent and in the second quarter it dropped by 31.4 percent (ibid). But GDP bounced back in the third quarter by 33.4 percent, and in the fourth quarter, despite a strong

uptick in COVID-19 cases in many parts of the country, GDP growth was still a strong 4.1 percent (ibid). According to the BEA, "The increase in fourth-quarter GDP reflected both the continued economic recovery from the sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including new restrictions and closures that took effect in some areas of the United States" (ibid). Commenting on the economic impact of the COVID-19 pandemic, the UCLA Anderson March Economic Outlook predicts near record economic growth that has not been seen in the US since the 1980s and notes, "we are forecasting 6.3% growth in 2021, 4.6% growth in 2022, and 2.7% growth in 2023". (UCLA Anderson Forecast. March 2021 Economic Forecast: Nation - Robust Economic Growth and Recovery After a Dreadful Year. March 2021). UCLA also predicts national GDP to return to pre-pandemic peak growth rates by the middle of 2021, and real GDP will return to its pre-pandemic levels by the beginning of 2022; the primary drivers of this growth is the spending of savings, consumers engaging in the purchase of services again, and a continuation of a thriving housing market (ibid).

At the beginning of 2020 before the COVID-19 pandemic, the national unemployment rate was historically low and had dropped to 4.0 percent. However, the impact of the COVID-19 pandemic in 2020 produced dramatic increases in unemployment across the country. According to the Bureau of Labor Statistics (BLS), the unemployment rate rose sharply in 2020 to a rate in April 2020 of 14.4 percent, followed by a slow, downward descent from May when it was 13.0 percent to the end of 2020 at 6.5 percent. Average annual unemployment in 2020 was 8.1 percent (Bureau of Labor Statistics. Labor Force Statistics from the Current Population Survey. February 2021). To kickoff 2021, unemployment was 6.8 percent, a year over year increase of 2.8 percent (ibid). Increased unemployment and stalled economic activity have led to continued low interest rates. The Federal Reserve Board noted "significant stress in high-contact, customer-facing businesses and industries" while at the same time "remained generally positive about the outlook, particularly for the second half of 2021 when vaccine distribution is expected to be more widespread" (Federal Reserve System. Minutes of the Board's

Discount Rate Meetings on January 19 and January 27, 2021, accessed on March 15, 2021.) However, in light of the potential for an unstable economy in the future, the Board chose to leave the primary federal funds rate at the existing level (0.25%) (ibid).

Despite the decision by the Federal Reserve Board in January, mortgage rates ticked up by 8 basis points in February from January to 2.73%; still lower than one year ago when it was 3.31% (US Department of Housing and Urban Development. Housing Market Indicators Monthly Update. February 2021). Low mortgage interest rates have contributed to high sales volumes, high prices, and low inventory of homes for sale (ibid). UCLA Anderson forecasts the rate of sales and prices seen in 2020 will not continue in 2021 but is rather a one-time event due to a perfect storm including low rates, aging homeowners staying put, and millennials' desire to own homes amid a shortage (UCLA Anderson Forecast. March 2021 Economic Forecast: Nation - Robust Economic Growth and Recovery After a Dreadful Year. March 2021). Something to be cautious of during this buying and selling frenzy is the number of homes in forbearance (pause or reduction in payments). Before the pandemic, only 0.25% of borrowers were in forbearance programs, but as of February 2021 13.8% or approximately 2.6 million homeowners were in forbearance programs (US Department of Housing and Urban Development. Housing Market Indicators Monthly Update. February 2021).

Looking forward, the Federal Reserve Board has forecasted the following: the projected Unemployment rate at 5.0% in 2021, 4.2% in 2022, and 3.7% in 2023, and the personal consumption expenditures (PCE) inflation rate at 1.8% in 2021, 1.9% in 2022 and 2.0% in 2023 (Federal Reserve System. Summary of Economic Projections, accessed on March 15, 2021). The economic impacts of the COVID-19 pandemic prompted federal fiscal stimulus efforts, which provided substantial support to economic activity in 2020 and will continue to support economic activity in 2021. Federal fiscal policy measures (including the CARES Act and the Consolidated Appropriations Act, 2021) enacted in response to the pandemic have provided income support for households and businesses; increased grants-in-aid to state and local

governments including the County of San Diego; and facilitated loans to businesses, households, states, and localities (Federal Reserve System, Monetary Policy Report, February 2021).

The economic impacts of the COVID-19 pandemic are regularly being assessed, but what remains uncertain is the duration of the public health emergency, and while some economists and experts seem to predict a positive economic recovery in 2021, it still seems mostly tied to successful vaccination efforts or other forms of COVID-19 immunity.

California Economy

California's economy is large and diverse, with global leadership in innovation-based industries including information technology, aerospace, entertainment and biosciences. A global destination for millions of visitors, California supports a robust tourism industry (pre-COVID-19), and its farmers and ranchers provide for the world. California accounts for more than 14 percent of the nation's GDP which is, by far, the largest of any State according to the BEA (Gross Domestic Product by State: Fourth Quarter and Annual 2019, April 7, 2020, <https://www.bea.gov/system/files/2020-04/qgdstate0420.pdf>, accessed on June 17, 2020). In 2020, California also led the nation with 3 million total COVID cases; this environment led to a sharply different 2020 economy than was previously forecasted (Los Angeles Economic Development Corporation. LAEDC 2021 Economic Forecast. February 2021).

In February 2020 prior to the pandemic, California's economy was forecast to grow at 2.0 percent (Los Angeles Economic Development Corporation [LAEDC]. LAEDC 2020 Economic Forecast. February 2020), however the State's economy contracted by 0.6% (Los Angeles Economic Development Corporation. LAEDC 2021 Economic Forecast. February 2021). The LAEDC again projects 2.0% growth in 2021 based on higher year-over-year growth in personal income (excluding stimulus payments), a partial recovery in industry earnings, and a gradual decline in unemployment (ibid). Because of the spike in COVID-19 cases, the recovery of some of California's hardest hit sectors, including leisure & hospitality (tourism), were negatively impacted (UCLA Anderson Forecast. March 2021 Economic Forecast: California - The Economic/

Pandemic Question: To Close or Not to Close? March 2021). On the other hand, tax collections in the State are 42% ahead of budget projections, potentially allowing more discretionary State spending (Legislative Analyst's Office. January 2021 State Tax Collections. February 2021). According to UCLA's analysis, one of the primary reasons for the State being ahead of collections is that the tech industry prospered during the pandemic (UCLA Anderson Forecast. March 2021 Economic Forecast: California - The Economic/Pandemic Question: To Close or Not to Close? March 2021). Another bright spot is that the overall housing market boomed. In fact, home sales in California were higher in 2020 than they were since just prior to the Great Recession (ibid). Home sales and prices rose throughout the pandemic and continue to rise. There are likely two reasons driving this housing boom: first, mortgage rates are at historic lows and second, home buyers or higher income earners have been largely unaffected by the pandemic (Beacon Economics. Beaconomics: An Economic Forecast for the U.S. and California. December 2020).

Prior to the COVID-19 pandemic, UCLA Anderson projected California's unemployment rates to "...be at 0.9% and 1.3%..." for 2020 and 2021. (UCLA Anderson Forecast. Financial Outlook for 2020. December 2019). However, the mandated shelter-in-place response to the COVID-19 pandemic delivered a swift and harsh blow to California businesses and labor force. As of January 2021, the state annual unemployment rate for 2020 was at 10.1 percent, which was 6.1 percent higher than the annual average for 2019 (4.0 percent) (California Employment Development Department. Local Area Unemployment Statistics & Monthly Labor Force Data for Counties - Annual Average for 2020, accessed March 2021). According to the Anderson Forecast, "there were several sectors shouldering the brunt of the job loss: leisure and hospitality, education, other services and retail...job losses in these sectors from December 2019 to December 2020 represent 76% of all the job losses in the state" (UCLA Anderson Forecast. March 2021 Economic Forecast: California - The Economic/Pandemic Question: To Close or Not to Close? March 2021). Including healthcare and social service job losses brings the represented job losses, or the "hardest hit" sectors in the state, to accounting for

81% of job losses (ibid).

UCLA forecasts that overall the California employment sector will rebound faster than the national average as stringent pandemic restrictions are loosened and more jobs that involve person-to-person contact come back online (ibid). That said, unemployment is not expected to fully recover nationally until 2023; as the economy expands and more jobs become available, the labor force will also grow which will push unemployment back up (or slow the rate at which unemployment goes down) (ibid). As more people get back to work, consumer spending will get back to a more normal growth pattern, increasing taxable sales revenue.

As the State recovers economically from the COVID-19 pandemic and reduces its restrictions on businesses, experts predict consumers to return to pre-pandemic behaviors, including spending on housing, food, clothing, cars, furnishings and healthcare (California Forecast. Progress of the Recovery - The Outlook for 2021 is Still Hazy. February 2021). What is unknown is whether spending for live events and large public gatherings will return to pre-pandemic activities or if they will remain socially distanced with reduced capacities and audiences (ibid).

One trend that intensified at the start of the pandemic was the online purchase of goods. This resulted in a year-over-year increase in State imports of 4.0 percent, and a noticeable increase in traffic at the major ports of entry, particularly for shipping containers (Beacon Economics. California Trade Report. March 2021). While it's unclear whether major California trade partners (China, Mexico, and Canada) will recover with the same strength as is projected in the US economy, experts expect exports to US companies that manufacture goods in China, Mexico and Canada to "surge" (ibid). The positive outlook for trade contrasts with the State's housing affordability.

It was previously mentioned the housing market surge drove up housing sales and prices. This was good for many, including those in the real estate and construction industries and current homeowners. However, the median home price in California (\$740,050) was more than double the national median home price, and 76 percent of households were either rent burdened (51 percent) or extremely rent burdened

(25 percent) (Los Angeles Economic Development Corporation. LAEDC 2021 Economic Forecast. February 2021). This means that over 50 percent of households spent at least a third of their income on rent and 25 percent of households spent more than half of their income on rent (ibid). Consequently, the high price of housing is an incentive to keep home builders planning and building, but this takes a significant amount of time. UCLA estimates an additional 127,000 new units in 2021 and growth to 134,000 units by 2023, but the UCLA forecast adds, "this level of home building means that the prospect for the private sector building out of the housing affordability problem over the next three years is nil" (UCLA Anderson Forecast. March 2021 Economic Forecast: California - The Economic/Pandemic Question: To Close or Not to Close? March 2021). Despite the affordability constraints, UCLA concludes their data supports the idea that people are leaving California not due to affordability constraints but rather because remote work is giving employees the opportunity to experience life in a non-urban setting (ibid). The California Public Policy Institute comments, "Relocation due to the pandemic-both in and out of the state-will have long-term consequences if it persists. However, decades of underinvestment in housing mean that supply shortages will continue to put upward pressure on prices in most areas of the state" (Public Policy Institute of California. California's Future. January 2021).

San Diego Economy

As of 2019, the San Diego region is home to more than 3.3 million residents, the second largest county in California and fifth largest in the nation in terms of population according to the U.S. Census Bureau (U.S. Census Bureau. County Population Totals: 2010-2019, accessed on March 29, 2021). In 2019, San Diego County accounted for more than \$222.3 billion, or 7.9 percent of California's GDP, based on data from the BEA (Bureau of Economic Analysis. Real Gross Domestic Product by County, 2016- 2019, accessed on March 29, 2021) and 8.4 percent of the State's population, based on U.S. Census Bureau data.

The San Diego region includes the largest concentration of U.S. military in the world, making the military presence an important driver of the region's

economy. In addition, San Diego is a thriving hub for the life sciences/biomedical and technology-oriented industries, and in non-pandemic years San Diego is a popular travel destination. The region's quality of life attracts a well-educated, talented workforce and well-off retirees which have contributed to local consumer spending.

In January 2021, the San Diego Business Journal hosted its annual economic forecast and several of the panelists had positive and negative reviews for the local outlook. Most predicted flat or slow GDP growth at the beginning of the year with it ramping up in the second half of 2021 and into 2022 as COVID-19 cases and restrictions moderated with distribution of the vaccine, noting that San Diego is expected to outperform the State of California in the recovery and be in the middle of the pack compared to the US overall (San Diego Business Journal. Sizing Up the Economic Potential of 2021: Experts Offer a Variety of Perspectives. February 2021). While economic growth is expected to help the San Diego region recover in terms of unemployment, investment into the region, and other areas, experts noted one troubling indicator (ibid). All income levels in San Diego suffered job losses at the outset of the pandemic, however after nearly a year of recovery, high wage earners (earnings greater than \$60,000 per year) showed a 2.4% increase in jobs yet low wage earners (earnings below \$27,000 per year) about a quarter of those who had initially lost their jobs at the start of the pandemic were still unemployed (ibid). Mark Cafferty, President & CEO of the San Diego Regional Economic Development Corporation said, "Not surprisingly, many of the jobs in that particular area...are in places like tourism, are in restaurants and really are anywhere where foot traffic in general and people gathering in places is critical to the business model" (ibid).

The COVID-19 pandemic also led to changes in consumer behavior. SANDAG estimates the San Diego Gross Regional Product (GRP) will be down 3.1% - 4.5%, or in other words, a \$7 - \$10 billion loss in 2020 (SANDAG. The San Diego Economy: COVID-19 Impacts A Year in Review. March 2021). Nine out of every ten jobs lost in San Diego came from either the tourism, education, or retail sectors; these were the hardest hit during the pandemic (ibid). "According to the San

Diego Tourism Authority (SDTA), the visitor industry lost 20 years of economic gain in 2020 and expects a five-year recovery horizon. Specifically, visitor spending fell from \$11.6 billion in 2019 to \$5.2 billion in 2020 (below the 2001 visitor spending level of \$5.9 billion), and the meeting and special event industry, which included 2.7 million visitors and \$3.5 billion in spending, essentially came to a stop and has yet to pick up" (ibid). Further highlighting a long road to recovery, domestic air travel to San Diego decreased by 74%, and 76% of the scheduled cruise ship calls for 2020 were cancelled, creating about \$158.6 million in lost economic activity (ibid).

The National Bureau of Economic Analysis officially declared that February 2020 was the peak of economic expansion that began in June 2009; this marked the beginning of a recession (National Bureau of Economic Analysis. NBER Determination of the February 2020 Peak in Economic Activity. June 8, 2020). A recession, as the world quickly found out in 2020, leads to a slowdown in sales tax collection, as consumers and businesses are more reluctant to spend. However, the COVID-19 Recession was not typical. Recessions are marked with bearish stock markets, halted consumer spending, and perhaps other negative outcomes. In 2020, "the stock market reached new highs and asset prices went up, all while the economy was contracting" (SANDAG. The San Diego Economy: COVID-19 Impacts A Year in Review. March 2021). Most experts expected overall sales tax dollars to be less in 2020 than the same period in 2019, but stimulus funding and a shift to online shopping have not only helped consumers but the overall health of the economy. When compared to the Fiscal Year 2018-19 (when there was no recession), declines are anticipated in the General Consumer Goods, and Tourism, while this is expected to be offset by increases in Online Sales (particularly for General Consumer Goods), Autos & Transportation, Building & Construction, and Food & Drugs (HDL Companies. San Diego Second Quarter Sales Tax Forecast and Economic Drivers).

Despite the recession and changes in business regulations as of the Second Quarter report to the Board of Supervisors in mid-March, the County was projected to overrealize budgeted Sales Tax-based revenues by \$59.0 million in Fiscal Year 2020-21 or

5.6%. These projections assume a Countywide recovery will not begin until at least the second quarter of 2021 and that the shift towards online shopping is permanent (ibid).

Since the Great Recession, the County's reliance on sales tax revenue has increased. Due to changes in funding and service delivery models by the State, sales tax revenue has become critical to supporting essential program areas in Public Safety, and Health and Human Services through dedicated revenue sources including Prop 172 and Health and Public Safety Realignment. Consumer activity also supports the County's program revenue for Behavioral Health through the Mental Health Services Act and road repair activities through the State Gas Tax.

Pre-COVID-19, the visitor industry was the region's second largest export industry and, employed "199,800 residents in fields directly related to the hospitality industry, including lodging, food service, attractions, and transportation," (San Diego Tourism Authority. San Diego County 2020 Visitor Industry General Facts, accessed on March 29, 2021). However, this same industry is still missing 50,000 jobs that were lost due to the pandemic; it is one of the hardest hit sectors during 2020 (SANDAG. The San Diego Economy: COVID-19 Impacts A Year in Review. March 2021). Declining tourism resulting from COVID-19 impacts the County's revenue from Transient Occupancy Tax (TOT), the County's hotel room tax collected in the unincorporated area. In Fiscal Year 2019-20, this revenue source was projected to realize a shortfall of \$1.8 million, in Fiscal Year 2020-21 TOT revenue was budgeted at a lower amount due to decreased air travel and overall tourism to the region, and as of Second Quarter in Fiscal Year 2020-21 TOT revenue was expected to be \$2.2 million higher than budget but still lower than the Fiscal Year 2018-19 baseline by about \$1.0 million. In terms of jobs and employment, the region's numbers are getting better.

A study using 2019 data and reported by the Union-Tribune found that San Diego County had 23 percent of its workforce in either the retail or leisure & hospitality sectors; this setup left the region headed for a hard fall during the pandemic ("San Diego's reliance on tourism jobs could mean a bigger economic COVID-19 hit," The San Diego Union Tribune, April 21,

2020). According to monthly data from the California Employment Development Department, San Diego County went from adding jobs in the month of February to losing jobs by tens, then by hundreds of thousands. Unemployment rose sharply from pre-COVID-19 levels of 3.2 percent to a 2020 peak of 15.9% at the end of April; it dropped to a pandemic low of 6.8% in November before the winter surge in COVID-19 cases sent cases upward and caused additional State closures on businesses (California Employment Development Department. San Diego - Carlsbad MSA Labor Force Data, accessed on March 29, 2021). By May 2021, the local San Diego unemployment rate was 6.3%, slightly higher than the US average (5.5%) and lower than the State's rate (7.5%) (California Employment Development Department. San Diego - Carlsbad Metropolitan Statistical Area Press Release. June 2021). Growing unemployment constrains consumer spending and associated County revenues, while increasing the County's costs due to demand for the County's essential safety net services that residents rely upon in times of uncertainty and need.

When it came to wages, low earning and middle wage San Diego County workers made more than the State average, however high earners on average made less than the State average (California Employment Development Department. Occupational Employment Statistics, accessed on March 30, 2021). The median household income for San Diego County in 2019 was nearly \$79,000, but diminishing factors including inflation and the real estate market can reduce that overall buying power.

Inflation can have a dampening effect on the region's wage gains; inflation occurs when prices rapidly increase and reduce buying power; economists consider high inflation bad for the economy although some inflation is healthy ("Deflation: Who Let the Air Out", Federal Reserve Bank of St. Louis, pg. 2). Deflation exists when overall prices decrease, and this is also a concern for economists because it encourages consumers to save and wait for lower future prices, which can create a cyclical problem (ibid). Both inflation and deflation are measured by the Consumer Price Index (CPI). As of January 2021, the CPI for San Diego County was up 0.4 percent, indicating slight inflation for November and December 2020 (Bureau of

Labor Statistics. Consumer Price Index, San Diego Area. January 2021). While food prices increased 0.6 percent during this period, it was not as sharp of an increase as earlier in the pandemic when there were other COVID-related food-supply issues; energy prices also rose by 3.7 percent due primarily to higher gas prices (gasoline and natural gas) (ibid). The behavior of consumers will continue to shape the post-COVID recovery for the San Diego region. If consumers save, deflation will snowball and the pace of any economic recovery will slow; if consumers spend, prices will stabilize, and economic recovery will surge.

Increasing unemployment exacerbates the pressure of high housing costs. San Diego housing is among the least affordable. The median price of a home in the region reached \$744,000 in the first quarter of 2021, up 11 percent from the prior year and keeping San Diego's housing market as the second most expensive in the nation according to the San Diego Regional EDC (San Diego Regional EDC. Economic Snapshot, accessed on March 30, 2021). The EDC concludes San Diego has an affordability crisis and housing is at the epicenter. "The cost of housing is the primary driver of the region's high cost of living... if left unaddressed, the region's cost of living pressures will erode its economic competitiveness" (San Diego Regional EDC. Addressing San Diego's Affordability Crisis, accessed on March 30, 2021).

After initial analysis of COVID-19 impacts, economists predicted the local housing market would eventually slow in activity and stop appreciating (San Diego Business Journal. San Diego Business Journal Economic Trends 2020. February 2020). While new listings for sale slowed significantly (19.6% annual decrease), sales (5.9%) and sales price (20.0%) have increased compared to one year ago while average days a home is on the market decreased by about one month (San Diego Association of Realtors. Monthly Indicators. February 2021). By one measure (new listings), the housing market slowed, but by nearly every other metric it heated up. The federal economic stimulus measures, a booming stock market, and historically low interest rates "fueled the San Diego region's housing market where prices have increased" (SANDAG. The San Diego Economy: COVID-19 Impacts A Year in Review. March 2021).

Looking to construction as an indicator of future activity in the residential real estate market, the San Diego Regional EDC reports that in the fourth quarter of 2020, "Housing permits increased by 1,378 in 2020 compared to 2019, driven by multifamily units" (San Diego Regional EDC. Economic Snapshot, accessed on March 30, 2021). San Diego and Riverside Counties were the only Southern California regions to increase home building during the pandemic; the Building Industry Association attributes this to designating the construction industry as an essential service (The San Diego Union Tribune. San Diego County on Track to Build More Housing in 2020. December 2020).

Outside of the single family home sector and pre-COVID-19, according to market rental rate data from Zillow rents in San Diego were higher than the national average but increased at the same rate (Zillow Research. Zillow Observed Rent Index, accessed on March 30, 2021). However, with the 2020 upward trend in the housing market, the rental rate in San Diego outpaced the national average by 3.5% in 2020 (ibid). This upended real estate tracker CoStar's prediction of a 10% drop in rents across the County by the end of the year as a result of the pandemic (The San Diego Union Tribune. Forecast: San Diego Rent.)

While increasing rents did not generally put pressure on property owners to eventually default on their property, job loss and economic hardship during a recession can ultimately force a property owner to default. Another measure of the housing market is the rate of foreclosures, as well as the companion indices of notices of loan default and deeds recorded (changes in ownership). According to the Assessor/Recorder/County Clerk, foreclosures compared to total deeds recorded averaged 0.3 percent over the three-year period of 2003 through 2005, then rose significantly reaching 16.9 percent in 2008 and has declined to 0.2 percent in 2020. Total deeds recorded in 2020 were 138,302, an increase of 16.9 percent from the previous year. Notices from lenders to property owners that they were in default on their mortgage loans peaked at 38,308 in 2009, and foreclosures reached a high of 19,577 in 2008. In comparison, San Diego County saw 1,333 Notices of Default in 2020, down 55.2 percent from the 2019 level. The percentage of properties with delinquent mortgage loans that went into foreclosure

averaged at approximately 11.6 percent from 2003 through 2005. During the Great Recession, this indicator peaked at 57.5 percent in 2008 but since has declined to 19.7 percent in 2020, a slight 0.4 percent increase but an overall decrease in terms of the number of foreclosures from 2019. This can be partially explained due to the estimated forbearance outstanding in San Diego (4.7%) (Federal Reserve Bank of Atlanta. Mortgage Analytics and Performance Dashboard, accessed on March 30, 2021).

Coronavirus Disease 2019 (COVID-19) and Economic Conditions

As discussed, the County was heavily impacted by the Coronavirus Disease 2019 (COVID-19) global pandemic and its resulting business closures and "stay-at-home" orders beginning in March 2020. Under the responsibilities of the region's Public Health Officer, the County was directly responsible for safeguarding health in response to the COVID-19 pandemic through various Public Health Orders and actions under the Local Health Emergency issued in February 2020. Additionally, the County itself underwent significant changes in how core government services were delivered, along with employers across the nation, as businesses shuttered and the majority of employees and the public remained at home for months. Resulting job losses pushed the County's caseloads higher in many essential public assistance programs residents rely upon in times of uncertainty and need.

Further, many County services were interrupted, prohibited or otherwise impacted by the response to the COVID-19 pandemic's effect on businesses, residents and government. Like most government agencies, the County had unknown revenue impacts during the Fiscal Year 2020-21, but it continued to monitor the recovery and adapt as the public health situation progressed and the economy reopened incrementally. The County will continue to respond to COVID-19 with programs like Test, Trace, Treat strategy (T3), vaccination efforts, and meals to at-risk seniors under the Great Plates Delivered program. It will also receive and prioritize new federal stimulus dollars from the American Rescue Plan Act of 2021 (ARPA) to offset costs of the County's direct COVID-19 response.

When the Fiscal Year 2020-21 Adopted Operational

Plan was approved, much was still unknown about COVID-19 and the recovery. To mitigate any revenue shortfalls and unexpected impacts, the Fiscal Year 2020-21 Operational Plan assumed there would be no new programs or expansion of existing programs, and no additional staffing for non-essential County services. Since that time, three new County Supervisors were sworn in, a framework for the future was set, and many have been vaccinated against the deadly virus. It is clear the Board wants to continue a safe reopening with maximum COVID-19 response efforts but also begin to thoughtfully expand services to those most in need of County services and hardest hit by the effects of the pandemic. This will require all levels of the County to be more focused when reaching out to stakeholder groups as well as more data-driven in its decision making and resource allocation.

With a signed stimulus and vaccination levels that will reach herd immunity levels by the end of the summer, the County expects residents to begin to feel a return to normal by the beginning or middle of Fiscal Year 2021-22. SANDAG predicts those sectors that did well during the pandemic to continue to do well and grow at a steady pace, including innovation, manufacturing, construction, finance, insurance, and the military (SANDAG. The San Diego Economy: COVID-19 Impacts A Year in Review. March 2021). Some of the hardest hit sectors like retail and education may quickly recover once the economy is fully reopened with tourism perhaps taking up to five years to recover, according to the San Diego Tourism Authority (ibid). With the fiscal year 2021-22 Operational Plan, the County will execute the short and long-term direction the Board sets to begin to fully recover from the pandemic and bring lasting, positive change to the region.

County's Economic Base

The County's economic stability is based on significant manufacturing presence and innovation clusters (e.g. energy storage, cyber-security, and clean tech), a large tourist industry attracted by the favorable climate of the region, a considerable defense-related presence from federal spending, and a thriving hub of biotech and telecommunications industries. Highlights of seasonally unadjusted County employment as of August 2021 data from the California Employment Development Department Labor Market Information

Division are listed below:

- Non-farm industry employment totals 2.82 million jobs. This represents a gain of nearly 121,000 jobs from August 2020. Agriculture includes 9,400 jobs, or 0.7 percent of all industries in the region.
- Goods-producing industries make up 7.2 percent of non-farm employment or 204,200 jobs. The most significant sectors include manufacturing, which accounted for 4.0 percent of non-farm employment or 113,600 jobs; and construction, which accounted for 3.2 percent of total non-farm employment or 90,300 jobs.
- Private (non-government) services industries constitute the largest share of employment in the region and accounted for 34.7 percent of total non-farm employment, with 978,200 employed.
- Of these, professional and business services make up the largest non-government sector, comprising 8.9 percent of total non-farm employment, totaling 249,700 jobs. Other large non-government sectors in the private services industry category include: trade, transportation and utilities (208,500 jobs); educational and health services (211,800 jobs); and leisure and hospitality (164,600 jobs).
- Government accounted for 8 percent of total non-farm employment, or 224,900 jobs. San Diego's local governments, including education, contribute significantly to this sector.

County revenues that are affected by the state of the local economy include property taxes, sales taxes, and charges for services. Key factors impacting these revenues include real estate activity and consumer spending which are in turn greatly influenced by interest rates and employment levels. Short- and long-term interest rates remain low by historical standards.

General Management System

The General Management System (GMS) is the County of San Diego's ("County") foundation that guides operations and service delivery to residents, businesses and visitors. The GMS outlines the County's strategic intent, prioritizes its goals and use of resources, describes how it monitors progress on performance, ensures collaboration and recognizes accomplishments in a structured, coordinated way. By communicating and adhering to this business model, the County of San Diego is able to maintain an organizational culture that values transparency,

accountability, innovation, and fiscal discipline and that provides focused, meaningful public services.

At the heart of the GMS are five overlapping components which ensure that the County asks and answers crucial questions, as well as completes required deliverables:

- Strategic Planning
- Operational Planning
- Monitoring and Control
- Functional Threading
- Motivation, Rewards and Recognition

These five GMS components form an annual cycle that is renewed each fiscal year with review of the Strategic Plan and development of a new Operational Plan. More information about the GMS and the Strategic Plan is available online at: www.sdcounty.ca.gov/cao/.

Context for Strategic and Operational Planning

To be effective, the goals that the County sets and the resources that are allocated must be consistent with the purpose of the organization. The context for all strategic and operational planning is provided by the County's vision; a vision that can only be realized through strong regional partnerships with the community, stakeholders and employees.

Vision:

A region that is Building Better Health, Living Safely and Thriving - Live Well San Diego

Mission:

To efficiently provide public services that build strong and sustainable communities

Values:

The County recognizes that "The noblest motive is the public good." As such, there is an ethical obligation for employees to uphold basic standards as we conduct operations. The County is dedicated to:

- Integrity - Character First:
 - We maintain the public's trust through honest and fair behavior
 - We exhibit the courage to do the right thing for the right reason
 - We are dedicated to the highest ethical standards
- Stewardship - Service Before Self:

- We are accountable to each other and the public for providing service and value
- We uphold the law and effectively manage the County's public facilities, resources and natural environment
- We accept personal responsibility for our conduct and obligations
- We will ensure responsible stewardship of all that is entrusted to us
- Commitment - Excellence in all that we do:
 - We work with professionalism and purpose
 - We make a positive difference in the lives of the residents we serve
 - We support a diverse workforce and inclusive culture by embracing our differences
 - We practice civility by fostering an environment of courteous and appropriate treatment of all employees and the residents we serve
 - We promote innovation and open communication

Strategic and Operational Planning (Budgetary) Process

The County ensures operations are strategically aligned across the organization by developing a five year Strategic Plan that sets forth priorities the County will accomplish with public resources. The Strategic Plan is developed by the Chief Administrative Officer (CAO) and the County Executive Team, based on the policies and initiatives set by the Board of Supervisors, an enterprise review of the issues, risks and opportunities facing the region and reflects the changing environment, economy and community needs. All County programs support at least one of these four Strategic Initiatives through Audacious Visions, Enterprise-Wide Goals and departmental objectives that make achievement of the initiatives possible. The Strategic Initiatives include:

- Building Better Health
- Living Safely
- Sustainable Environments/Thriving
- Operational Excellence

The Operational Plan provides the County's detailed financial plan for the next two fiscal years. However, pursuant to Government Code Section 29000 et seq., State law allows the Board of Supervisors to formally adopt only the first year of the Operational Plan as the

County's budget. The Board approves the second year of the plan in principle for planning purposes. To demonstrate that resources are allocated to support the County's Strategic Plan, all program objectives in the Operational Plan and department performance measures are aligned with the County's Strategic Initiatives, Audacious Visions and/or Enterprise-Wide Goals.

State law permits modifications to the adopted budget during the year with approval by the Board of Supervisors, or in certain instances, by the Auditor and Controller.

The Chief Administrative Officer reviews the status of the County's performance against the budget, and requests adjustments as needed, in a quarterly status report to the Board of Supervisors.

Financial (Budgetary) Policies

California Government Code (GC) Sections 29000 through 29144 provide the statutory requirements pertaining to the form and content of the County's budget. Government Code Section 29009 requires a balanced budget in the recommended, adopted and final budgets, defined as "funding sources shall equal the financing uses."

County Charter Section 703 establishes the Chief Administrative Officer as responsible for all Groups/Agencies and their departments (except departments with elected officials as department heads), for supervising the expenditures of all departments and for reporting to the Board of Supervisors whether specific expenditures are necessary.

County Code of Administrative Ordinances Article VII establishes the components and timeline for the budget process and establishes the Chief Administrative Officer as responsible for budget estimates and submitting recommendations to the Board of Supervisors. This article also establishes guidelines for the use of fund balance and the maintenance of reserves in order to protect the fiscal health and stability of the County. Expenditures for services are subject to fluctuations in demand and revenues are influenced by changes in the economy and State and federal regulations. This section ensures the County is prepared for unforeseen events by establishing, maintaining and replenishing prudent

levels of fund balance and reserves, and by ensuring that all one-time resources generated by the County are appropriated for one-time expenditures only.

On February 14, 2020, the County of San Diego declared a local public health emergency due to COVID-19. In response to the declared emergency and the economic impacts of COVID-19 on County finances, on May 19, 2020 the Board of Supervisors ratified the Chief Administrative Officer's suspension of sections 113.2, 113.5(a), and 113.5(b) of the San Diego County Administrative Code and any other provision of local law pertaining to General Fund balance, reserves, commitments, assignment and management practices until further notice.

Furthermore, on January 12, 2021 (Minute Order No. 11), the Board of Supervisors took action to realign policies that govern County resources. It is anticipated that as a result of this planned framework adjustment that the Administrative Code provisions regarding fund balance will be revised in the near future.

The County has the following policies that serve as guidelines for financial and budgetary processes:

Board of Supervisors Policies

A-81 Procurement of Contract Services: The County may employ an independent contractor if it is determined that the services can be provided more economically and efficiently by persons employed in the Classified Service.

A-87 Competitive Procurement: The County shall procure items or services on a competitive basis unless it is in the County's best interests not to use the competitive procurement process.

A-136 Use of County of San Diego General Management System for Administration of County Operations: Establishes the General Management System (GMS) as the formal guide for the administration of County departments, programs and services, and ensures that all County departments and offices operate in compliance with the GMS.

B-29 Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery: Provides a methodology and procedure to encourage County departments to recover full cost for services whenever possible.

B-37 Use of the Capital Program Funds: Establishes funding methods, administration and control, and allowable uses of the Capital Program Funds.

B-58 Funding of the Community Enhancement Program: Establishes guidelines and criteria for allocating the appropriations for the Community Enhancement Program.

B-63 Competitive Determination of Optimum Service Delivery Method: Provides that selected departments analyze services, either County-operated or contracted, to determine if the quality, economy and productivity are equal to that of an alternative delivery method, including other government agencies, and to determine how the revenues can be maximized so the highest level or volume of services can be provided.

B-65 Long-Term Obligations and Financial Management Policy: Governs the management and planning for the long-term financial outlook and obligations that bear the County of San Diego's name or name of any related Agency for the County.

B-72 Neighborhood Reinvestment Program: Establishes guidelines and criteria for allocating the appropriations for the Neighborhood Reinvestment Program.

E-14 Expenditure of Tobacco Settlement Revenue in San Diego County: Establishes that revenue received from the Tobacco Master Settlement Agreement (1998) shall be allocated to support a comprehensive tobacco control strategy, to increase funding for health care-based programs, and to supplement, but not replace, existing health care revenue.

G-16 Capital Facilities and Space Planning: The Department of General Services shall be the responsible agency to manage the capital facilities planning and space needs of the County. On May 19, 2020 (Minute Order No. 19), portions of the Board Policy G-16 were revised to reflect the changes to the Capital Improvement Needs Assessment (CINA) Program and update the County's current standards and practices for the Capital Program. **M-13 Legislative Policy: State-Mandated Local Program Costs:** Calls on the State and Federal Legislatures to encourage equitable reimbursement of mandated program costs.

Administrative Manual

0030-01 Procedure for Fees, Grants and Revenue Contracts for Services Provided to Agencies or Individuals Outside the County of San Diego Organization: Establishes a procedure within the framework of Board of Supervisors Policy B-29, to serve as guidance in the process of recovering full costs for services provided to agencies or individuals outside the County of San Diego organization under grants or contracts or for which fees may be charged.

0030-06 State Mandated Cost Recovery: Establishes guidelines to attempt full recovery of all State-mandated costs resulting from chaptered legislation and executive orders.

0030-10 Transfers of Appropriations Between Objects within a Budget Unit: Establishes a procedure authorizing the Auditor and Controller, under the direction of the CAO, to transfer appropriations between objects within a budget unit (department).

0030-14 Use of One-Time Revenues: Establishes that one-time revenue will be appropriated only for one-time expenditures such as capital projects or equipment, not for ongoing programs.

0030-18 Establishing Funds and Transfer of Excess Cash Balances to the General Fund: Establishes the procedure for approval and establishment of funds and a policy to transfer cash balances into the General Fund, as authorized by California Government Code Section 25252.

0030-22 Revenue Management - Auditor and Controller Responsibilities: Establishes the Auditor and Controller as responsible for reviewing and evaluating revenues from all sources in order to maximize these revenues within legal provisions and to institute internal controls and systems to be used by departments to estimate, claim, and collect revenues.

0030-23 Use of the Capital Program Funds (CPFs), Capital Project Development and Budget Procedures: Establishes procedures for developing the scope of capital projects, monitoring the expenditure of funds for capital projects, timely capitalization of assets and closure of capital projects within the CPFs.

Strategic Initiatives and Achievements

Strategic planning communicates the County's strategic direction for the next five years. The Strategic Plan explains the County's four strategic initiatives, in addition to its vision, mission and values. The four strategic initiatives focus on how the County achieves the vision of a region that is Building Better Health, Living Safely and Thriving.

The five-year Strategic Plan is developed by the Chief Administrative Officer, the Assistant CAO, the four General Managers and the Strategic Planning Support Team based on the policies and initiatives set by the Board of Supervisors and a countywide review of the risks and opportunities facing the region.

The four strategic initiatives are:

- **Building Better Health** - ensure every resident has the opportunity to make positive healthy choices, that San Diego County has fully optimized its health and social services delivery system with an intentional focus on equity to make health, safety and thriving a focus of all policies and programs.
- **Living Safely** - make San Diego the safest and most resilient community in the nation, where youth are protected and the criminal justice system is balanced between accountability and rehabilitation.
- **Sustainable Environments/Thriving** - strengthen the local economy through planning, development and infrastructure, protect San Diego's natural and agricultural resources and promote opportunities for residents to engage in community life and civic activities.
- **Operational Excellence** - promote continuous improvement in the organization through problem solving, teamwork and leadership, focus on customers' needs and keep employees positive and empowered.

Strategic planning starts with audacious visions, which are bold statements detailing the impact the County wants to make in the community. Enterprise-wide goals (EWGs) support the audacious visions by focusing on collaborative efforts that inspire greater results than any one department could accomplish alone. Audacious visions and EWGs are developed to support each of the strategic initiatives.

Within the structure of the two-year operational planning process, the County plans for and attains interim progress toward achievement of the Strategic Initiatives. Some of the highlights over the last year include:

Building Better Health

- The County increased opportunities for public recreation by constructing new parks in underserved communities. This included the first phase of the Tijuana River Valley Regional Park (TRVRP) Campground and Nature Education Center, and eleven new parks and major park improvement projects including: Lincoln Acres Park Expansion, Otay Valley Regional Park (OVRP) Bike Park, Don Dussault Phase 2 and 3, Ildica Park, Lamar Park Trail Connection and Pathway Lighting, Estrella Park, Woodhaven Park Well and Fitness Stations, San Diego Botanic Garden Improvements, Lakeside Baseball Park Turf Replacement and Energy Upgrades, Jess Martin Park Well and Vallecito Stage Station Wall Repair.

Living Safely

- The Sheriff's Department integrated new technology in the deployment of public safety response. Among these tools is the Alert Response Tool (ART) mobile app which takes the public safety grid book and puts it in the hands of first responders out in the field. First responders can use the ART mobile app in the field to accurately select and alert areas for evacuation orders. ART reduces delays and creates efficiencies for managing large evacuation events such as wildfires.
- Live Well Mobile Office (LWMO) Pandemic Response - The County of San Diego Health and Human Services Agency (HHSA) Self-Sufficiency Services, in response to COVID-19, placed the Live Well Mobile Office (LWMO) into service in support of public health activities. The Live Well Mobile Office allows for services to be delivered directly to San Diego County communities in a comprehensive and multidisciplinary way. The vehicle is available agency-wide and accessible to all HHSA departments and is equipped with the latest technology and tools required to provide a variety of services on the field, such as: disaster response, public assistance benefits, immunizations, veteran services, Public Health

services, homeless services, and much more. Since the beginning of the pandemic, over 20,000 COVID-19 tests were administered in various locations, as well as over 6,000 COVID-19 vaccinations. The LWMO was an idea born from public feedback that now has proven results delivering essential services to all residents. The Live Well Mobile Office further adds to the County's capability to deliver indispensable services in a coordinated and integrated manner, to improve the lives of residents, and realize the Live Well San Diego vision.

- The Office of the District Attorney implemented the pre-file Juvenile Diversion Initiative. Instead of filing criminal charges against a juvenile, the program embraces juvenile justice interventions, including restorative community conferencing, through the values of reconciliation, restoration and reintegration by addressing the underlying cause of unsafe behaviors.

Sustainable Environments/Thriving

- The County continues to take multiple actions to reduce greenhouse gas emissions and protect the environment. That runs from planting thousands of trees to installing electric vehicle (EV) charging stations and encouraging EV ownership, buying open space land, building green with solar power and developing conservation and sustainable farming practices. Those and other actions helped the County exceed its 2020 emission goals by 22% and reduce carbon dioxide emissions by 160,743 metric tons. Looking to help County residents who may be thinking about buying an electric vehicle, the County published the Electric Vehicle Consumer Guide - a website with information about the benefits, costs, incentives, and even a link to start shopping for vehicles. The website was the latest addition to the EV Roadmap the County created in 2019, designed to build charging stations, encourage people to buy electric vehicles, and reduce greenhouse gas emissions.
- The Department of General Services expanded electric vehicle (EV) infrastructure and use, completing the design of 119 charging stations at the County Operations Center and installing 16 public charging stations at County sites. Another 39 public charging stations were funded as part of existing capital projects. 70 plug-in/battery EVs

were placed in service by 2020, 20 ahead of goal. Delivered 21 plug-in hybrid electric vehicles (PHEV) to client departments.

Operational Excellence

- The Department of Purchasing & Contracting provided COVID-19 pandemic response through procurement of Personal Protective Equipment (PPE), testing and vaccination supplies and contracts, community public health outreach services, hotel rooms and other support services. Distributed over 20 million individual items.
- HHSA Aging Roadmap: Creating Thriving Communities for People of all Ages - The Aging Roadmap is the County of San Diego's (County) regional program to support the needs and celebrate the contributions of the region's growing population of older adults. The Aging Roadmap identifies specific goals and action steps in ten priority areas. Highlighted projects include an Accessory Dwelling Unit Symposium that engaged five County departments; implementing policy language to address older adults' housing needs in collaboration with Housing and Community Development Services; partnering with the Office of Emergency Services to create an emergency preparedness guide for people with access and functional needs; working with the Department of Public Works to develop an "Age-Friendly Complete Streets" guide; collaborating with Public Health Services to apply for and receive a Healthy Brain Initiative grant (\$750,000); and supporting geriatric department accreditation in partnership with West Health institute and local hospitals.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual

comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Other Awards and Recognitions

The County of San Diego workforce continually plans to cut costs, streamline processes, incorporate the newest technology and expand services to improve the lives of residents and save taxpayer dollars. While the goal is to improve communities, it is gratifying to be recognized for those efforts. The following is a sample of the recognition the County received during the past fiscal year for its leadership and excellence in operations:

The County earned 51 Achievement Awards from the National Association of Counties (NACo) for its innovative programs. Some of the award-winning programs include:

- Building Inspector Mobile App: Planning & Development Services developed a custom mobile application for use on electronic tablets in the field to transform the building inspection process onto a digital platform that improves the inspection process and the delivery of results to customers. The app allows County of San Diego staff electronic access to permit information from our database to support field review and collect data and result inspections digitally. The mobile app allows for more efficient and accurate data collection and results are available immediately to the public, eliminating delay.
- Emergency Access Program Gives Vulnerable Residents Peace of Mind: Imagine you're having chest pains, or you've taken a serious fall inside your home. What if no one could get to the front door to let in firefighters? The Residential KnoxBox program is designed to help in just these scenarios. The objective is to provide back-up emergency access to overcome a barrier during crises: a locked front door. Launched in 2020, the program provides indestructible lock boxes that store a spare house key. Called KnoxBoxes, County Fire staff install the boxes at no cost on the homes of qualifying residents. The program is available to some of County Fire's most vulnerable residents: those 62 years or older, disabled, or who need help with a major

life activity. Prior to launch, staff took multiple steps to ensure the program's success. Those steps included securing local and federal funding, developing a detailed program guide, building an online system to track customers, and forming new partnerships to promote the program. County Fire exceeded its goal of enrolling nearly 200 customers in the initial four months. The program is providing peace of mind and improving trust with our diverse communities.

- Assessor/Recorder/County Clerk - The Marriage Hut was created to continue issuing marriage licenses to the public during the global pandemic, while following State and County public health orders. A separate space was set up in an open-air environment to allow for proper ventilation as well as social distancing during marriage license appointments, and has been very well received by the public.
- Handle with Care Program: The San Diego County District Attorney's Office (SDCDA), in collaboration with the San Diego County Office of Education, local law enforcement and fire departments, has implemented the Handle with Care Program. The Handle with Care Program provides schools with a heads-up when a child has been at the scene of a traumatic event. First responders identify children who are present at the scene and determine where they attend school. Using the custom program application on their smart phone, a notice is sent to the child's teacher that simply says, "Handle this Child with Care". The purpose of the program is to provide a notification to the school and the teacher that the student has experienced a traumatic event so they may understand why the child may be sleepy, aggressive, non-responsive or have incomplete homework. The objective is to enable the school to provide the child with extra support to assist them through the traumatic life experience and support their academic success.
- Digital Library: In response to the lack of access to physical collections during COVID-19 closures, San Diego County Library's (SDCL's) Digital Library became the primary point of library access for the community. SDCL's total circulation in 2020 was 3.242 million books and items, an increase by 60.9% over the previous year's mark of 2.07 million. Circulation of kids' and teen materials increased 155%, from 347,049 to 885,572 books and items, showing an even greater impact among the library's youngest readers.
- Department of Human Resources - The 5 Day Challenge is an online training series designed by the County's Department of Human Resources to provide a space to learn about and reflect on racial equity and social justice - growing awareness in a self-paced learning environment.
- San Diego County COVID-19 Response - Academic Detailing by Zip Code. HHSA was recognized by National Association of County and City Health Officials (NACCHO) with a 2021 Innovative Practice Gold Award for designing and implementing the Academic Detailing by Zip Code program. The Healthcare Sector of the County of San Diego's (County) COVID-19 Emergency Operations Center implemented Academic Detailing by Zip Code (ADZC) to provide current, evidence-based information to healthcare practices to reduce health disparities. Personalized, virtual outreach was conducted to practices providing medical, dental, behavioral health, optometry, home health, hospital, and alternative care services in zip codes with the highest rates of COVID-19 cases, hospitalizations, and deaths. As of June 20, 2021, ADZC successfully engaged 91% (408/450) of practices in San Diego County's hardest hit communities. Of those polled, 100% responded that their knowledge increased as a result of academic detailing, 97% reported changing behavior to improve protection for staff, and 90% reported changing behavior to improve care given to patients.
- Operationalizing the *Live Well San Diego* Framework: A Population Health Approach to the COVID-19 Pandemic. HHSA was recognized by National Association of County and City Health Officials (NACCHO) with a 2021 Innovative Practice Silver Award for leveraging the *Live Well San Diego* Framework to communicate sector-specific information, virtually to thousands of stakeholders across the region. During the COVID-19 pandemic, the Education and Outreach Branch of the County of San Diego (County) Emergency Operations Center was charged with ensuring that timely and accurate information was distributed to the diverse

population of 3.3 million San Diego County residents. The Education and Outreach Branch leveraged the *Live Well San Diego* collective impact framework and vision so that existing partnerships and sectors could be quickly activated and expanded. The County developed Sector Teams that consisted of subject-matter experts who communicated sector-specific information, virtually, to thousands of stakeholders across the region through telebriefings, emails and presentations. Over 16 months Sector Teams: hosted 634 telebriefings with over 72,500 views; completed 280 COVID-19 presentations with over 10,500 attendees; sent 1,377 eblasts to over 15,000 stakeholder contacts. Sector Teams built new partnerships and strengthened existing connections among partners that led to the creation of tools that supported vulnerable communities, businesses, houses of worship, schools, and healthcare providers. From the outset, the sectors engaged vulnerable populations to ensure that the pandemic response was equitable

Acknowledgments

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Respectfully,



A handwritten signature in blue ink that reads "Ebony Shelton".

EBONY N. SHELTON
Deputy CAO/
Chief Financial Officer

A handwritten signature in black ink that reads "Tracy Drager".

TRACY DRAGER
Auditor and Controller

