



Economic Development Department

The Economic Development Department promotes economic vitality and growth citywide through four interconnected divisions: Business Development, Housing Development & Preservation, Infrastructure and Property Development & Management, and Arts & Culture Development.

The department develops programs that expand tax revenue and lead the City in economic recovery following natural disasters and economic downturns along with its mission to increase and support viable, sustainable, and innovative economic activities throughout the city.

In collaboration with other City departments, advocate for the City of Santa Cruz among the community and the rest of the world, letting people know that Santa Cruz is a profitable, and economically healthy city in which to live, work, play, and run a business.

The department strives to: Provide high-quality service by promptly responding to inquiries and providing as much information as possible. Find and implement solutions in order to get projects started, remove roadblocks, keep projects moving forward, and advance economic growth. Influence project outcomes that aim to create equity and inclusivity in the community. Strive to be a friendly open-door office with an understanding, supportive human touch, and collaborative atmosphere.

Core Services

- The Business Development Division is responsible for business retention and expansion (BRE) efforts. Grows the local economy by offering tailored permitting assistance, financial assistance programs, business planning and promotions.
- Promotes a vibrant local economy through storytelling and social media to highlight local businesses, and major projects.
- The Infrastructure & Property Development Division manages a diverse array of City-owned properties and community assets and provides real estate services across City Departments.
- Real estate services include acquisition, disposition, negotiation and contracting, as well as development of real property.
- Support and grow tenant businesses, while also ensuring a strong return on investment for City owned properties.
- Manage the citywide graffiti abatement program, including maintenance of the graffiti database used by local law enforcement.
- The Housing Development & Preservation Division works with both non-profit and for-profit housing developers to create and preserve affordable housing in the Santa Cruz community.
- Provide financial assistance to project and construction management to address the City's housing crisis.
- Administer funding through the federal HOME and CDBG Programs as well as the City's Inclusionary and Affordable Housing Trust Fund Programs. Monitor over 1,600 restricted units.
- Track housing issues, pursue new resources, and work to develop effective programs, such as the City's nationally recognized ADU Program.
- The Arts & Culture Development Division operates ongoing programs including sculpTOUR, Graphic Traffic Signal Boxes, the Mural Matching Grant program, Percent for Art Program, and Santa Cruz Recycled Art Program (SCRAP) in consultation with the Arts Commission.
- Nurtures partnerships with local organizations that support a vibrant arts culture in Santa Cruz to develop artists marketing skills and also multiply the impact of City Arts funds.

Accomplishments and Goals

FY 2021 Accomplishments	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Issued over 90 temporary outdoor expansion permits.		x		x	x	x	
Implemented Citywide "Shop Santa Cruz" holiday campaign to promote local support of small businesses.		x		x	x	x	
Led countywide coordination for Economic Development Administration (EDA) funded Revolving Loan Program.		x		x	x	x	
Completed development of 5-year Economic Development Strategy including 2 year focus on COVID-19 recovery.		x		x	x	x	x
Received several grants and funding sources including: competitive State Local Housing Trust Fund (LHTF) grant of \$5 Million, State Permanent Local Housing Allocation (PLHA) of \$1.2 Million and State Housing and Community Development (HCD) re-allocated funds of \$350K.						x	
Completed 5-Year Consolidated Plan for 2020-2025 including Annual Action Plan for FY21 resulting in more than \$1.2 Million of CDBG/CDBG-CV funding and more than \$400K of HOME funding for the community.					x		
In collaboration with the Housing Sub-Committee, City Council and the Planning Commission, amended the Inclusionary Housing Ordinance to bring Workforce Housing options to the community.					x		
Facilitated installation of the Black Lives Matter Mural with Arts Commission support.					x		
Coordinated installation of the Chinatown Gate.	x	x		x	x		
Launched of the City Arts of Recovery Design Pilot Grant Program.		x		x	x	x	

FY 2022 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Develop and implement Permanent Parklet Program.	x	x		x	x		
Develop and implement vacant storefront activation program.		x	x	x	x		
Implement Grow Santa Cruz County Revolving Loan Fund to support business recovery.		x	x	x	x		
Effectively manage HUD CDBG and HOME Programs to maximize community benefits.				x	x		
Support creation of new affordable housing through policy implementation and preservation of existing affordable housing as a valuable community resource.				x	x		
Pursue State funding programs for the creation of affordable housing.				x	x	x	
Operationalize the City Arts Design Recovery (CARD) Pilot Grant Program by funding at least 10 projects and conducting an evaluation of the first year.		x		x	x		
Install two pieces of artwork on the Santa Cruz segments of the Monterey Bay Sanctuary Scenic Trail Network (Coastal Rail Trail).	x			x			x
Complete renovation of Del Mar Retail Space and subsequently leasing it.		x	x				
Secure grant funds for Wharf Master Plan Projects.	x		x	x		x	
Restore tenant businesses to full operation and maintain full occupancy of leasable units.		x	x	x			

Workload Indicators and Performance Measures

Workload Indicators	Focus Area	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Estimate	FY 2022 Goal
Businesses contacted for assistance and retention	Core Services	251	374	307	307	400
Rental revenues, including café extensions	Core Services	\$2.7M	\$1.9M	1.5M	\$1.5M	\$2.3M
Number of affordable housing units monitored	Core Services	1,340	1,352	1,351	1,351	1,360
Number of affordable housing units developed	Equity, Health & Well-Being	42	79	67	67	100
Number of businesses receiving assistance to start or grow*	Core Services	n/a	n/a	50	50	100

Performance Measures	Focus Area	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Estimate	FY 2022 Goal
Percent of federal funded community grant (CDBG) contracts executed and ready to fund*	Equity, Health & Well-Being	N/A	N/A	93%	93%	100%
Percent change in commercial vacancies*	DT & Other Business Sectors	N/A	N/A	+23%	+23%	-10%
Percent change in new business licenses*	DT & Other Business Sectors	N/A	N/A	N/A	N/A	75%

* New measure, data not available

Budget Summary - Economic Development

	Fiscal Year* 2020 Actuals	Fiscal Year 2021			Fiscal Year 2022 Adopted
		Adopted Budget	Amended* Budget	Year-End Estimate	
EXPENDITURES BY CHARACTER:					
Personnel Services	1,579,006	1,599,021	1,489,021	1,031,980	2,116,005
Services, Supplies, and Other Charges	3,348,762	3,493,879	6,263,763	3,515,176	2,309,747
Capital Outlay	94,474	1,563,709	5,107,302	1,852,747	-
Total Expenditures	<u>5,022,241</u>	<u>6,656,609</u>	<u>12,860,086</u>	<u>6,399,903</u>	<u>4,425,752</u>
EXPENDITURES BY ACTIVITY:					
Community Promotion-Downtown Business Promotion	1502 261,817	247,700	247,700	247,700	-
Community Promotion-Arts Council-SC County	1503 70,875	70,875	70,875	70,875	70,875
Economic Development-Project Admin	5401 2,131,347	2,073,790	2,126,963	1,633,812	2,534,375
Economic Development-Project Admin	5590 619,031	729,167	1,126,824	717,417	573,300
Property Management	5591 102,932	197,000	533,776	533,777	137,000
City Arts	5592 48,166	70,000	341,009	341,009	70,000
Subtotal General Fund	<u>3,234,169</u>	<u>3,388,532</u>	<u>4,447,147</u>	<u>3,544,590</u>	<u>3,385,550</u>
Cafe Extensions & Kiosks	1504 15,000	15,000	15,000	15,000	15,000
Cafe Extensions & Kiosks	1505 38,497	40,700	56,696	56,696	40,700
Cooperative Retail Management	1506 212,815	220,000	220,000	220,000	220,000
Economic Development-Project Admin	5590 498,500	-	201,500	1,500	-
Subtotal Other General Funds	<u>764,812</u>	<u>275,700</u>	<u>493,196</u>	<u>293,196</u>	<u>275,700</u>
Housing & Community Development	5201 504,018	434,500	3,353,086	2,320,252	209,500
CDBG Programs	5204 130,699	121,771	121,771	-	130,648
CDBG Programs	5205 4,360	8,000	8,000	-	31,500
HOME Program Administration	5207 50,132	106,994	106,994	-	42,614
CDBG-CV	5209 -	353,463	540,773	-	100,000
Public Improvements Other	5579 19,896	34,000	111,878	91,878	22,000
Rental Assistance Programs	5604 22,000	22,000	22,000	22,000	22,000
Low & Mod Housing Property Acquisition	5610 -	1,523,709	3,254,556	-	-
Low & Moderate Housing Production	5650 147,655	242,940	255,687	102,987	56,240
CDBG Programs	6203 119,500	120,000	120,000	-	125,000
Red Cross Social Services Programs	6204 25,000	25,000	25,000	25,000	25,000
Subtotal Other Funds	<u>1,023,260</u>	<u>2,992,377</u>	<u>7,919,744</u>	<u>2,562,117</u>	<u>764,502</u>
Total Expenditures	<u>5,022,241</u>	<u>6,656,609</u>	<u>12,860,086</u>	<u>6,399,903</u>	<u>4,425,752</u>

*Sums may have discrepancies due to rounding

Budget Summary - Economic Development

	Fiscal Year*	Fiscal Year 2021			Fiscal Year 2022 Adopted	
		2020 Actuals	Adopted Budget	Amended* Budget		Year-End Estimate
RESOURCES BY FUND						
General Fund	101	316,844	515,783	699,487	452,519	82,700
Co-op Retail Management	122	218,747	220,000	220,000	220,000	220,000
Kiosk Maintenance	123	41,077	39,690	39,690	9,500	14,500
Economic Development Trust	136	-	-	50,000	187,700	-
HOME Investment Partnership	253	551,740	431,994	486,005	10,000	142,614
Community Development Block Grant	261	440,203	1,230,191	2,011,905	46,800	723,240
Affordable Housing Trust Fund	279	241,185	125,000	477,516	493,516	5,424,544
SA (H) LMIH-Merged 2-1-12	281	327,745	212,759	351,268	177,700	235,796
Total Resources		2,137,541	2,775,417	4,335,871	1,597,735	6,843,394
Net General Fund Cost		(2,917,324)	(2,872,749)	(3,747,660)	(3,092,072)	(3,302,850)
		FY 2020			FY 2021	FY 2022
TOTAL AUTHORIZED PERSONNEL:		14.50			13.50	14.50

*Sums may have discrepancies due to rounding

Staffing

Positions	2018-19 Revised*	2019-20 Revised*	2020-21 Revised*	2021-22 Adopted	FY 2022 Change
Administrative Assistant II	1.00	1.00	1.00	1.00	-
Administrative Assistant III	1.00	1.00	1.00	1.00	-
Arts Program Manager	1.00	1.00	-	-	-
Business Liaison	1.00	1.00	1.00	1.00	-
Development Manager	2.00	2.00	2.00	3.00	1.00
Economic Development Coordinator	-	1.50	1.50	1.50	-
Economic Development Director	1.00	1.00	1.00	1.00	-
Economic Development Manager	1.00	1.00	1.00	1.00	-
Housing and Community Develop Mgr.	1.00	1.00	1.00	1.00	-
Housing Programs Specialist	1.00	1.00	1.00	1.00	-
Management Analyst	1.00	1.00	1.00	1.00	-
Principal Management Analyst	2.00	2.00	2.00	2.00	-
Total	13.00	14.50	13.50	14.50	1.00

*Revised salary authorizations are Adopted staffing plus any Mid-year adjustments

Organization Chart

