



## Economic Development and Housing

The Economic Development and Housing Department\* promotes economic vitality and growth citywide through four interconnected divisions: Business Services, Housing & Community Development, 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.

\*Starting in FY2023, Housing was added to the Economic Development Department name.

## Core Services

- The Business Services 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 an active volunteer corps and maintenance of the graffiti database used by local law enforcement.
- The Housing Development & Community Development Division works with both non-profit and for-profit housing developers to create and preserve affordable housing in the Santa Cruz community.
- Provide financial and technical assistance to project and construction management as well as affordable housing programs to address the City's housing crisis.
- Administer the City's Inclusionary program, funding through the federal HOME and CDBG Programs as well as Affordable Housing Trust Fund Programs. Monitor approximately 1,750 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 Division operates ongoing programs including sculpTOUR, Graphic Traffic Signal Boxes, the Mural Matching Grant program, Percent for Art Program, and the City Arts Recovery Design (CARD) Pilot Grant Program in consultation and with support of with the City Arts Commission.
- Sponsors community groups and initiatives to activate public places with initiatives that promote equity, inclusivity, and environmental justice.
- Nurtures partnerships with local organizations that support a vibrant arts culture and expansion of the creative economy in Santa Cruz by developing artists marketing skills and opportunities.

## Accomplishments and Goals

FY 2022 Accomplishments	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Issued 100 <sup>th</sup> temporary outdoor expansion permit and monitored ongoing 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 and launch of Economic Development Administration funded Revolving Loan Program.		X		X	X	X	
Developed and implemented Downtown Pops! Vacant Storefront Activation Program and placed two tenants.		X		X	X		
Launched Midtown Fridays, a weekly summer block party in city-owned midtown parking lot	X	X		X	X		
Received grants including: State LHTF grant of \$5M for the second year in a row, AHSC funding of \$29.6M, IIG funding of \$20.9M, EPIC grant of \$1M, and Apple Tech funding for \$5M.				X		X	X
Completed Annual Action Plan resulting in more than \$1M of new CDBG and HOME funding for the community.					X		
In collaboration with Planning to amend the Inclusionary Housing Ordinance, updates related to SB35 and Objective Standards.					X		
City Arts sponsored the Seawalls Santa Cruz Festival producing 18 murals within three weeks that promote ocean conservation.		X		X	X		
City Arts sponsored Santa Cruz Equity Collab and the Black Health Matters Initiative for annual BLM Mural & Ofrenda activities.				X	X		
City Arts Design Recovery (CARD) Pilot Grant Program received 20 grant applications, approved funding 11, and completed 1.		X		X	X	X	

FY 2023 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Finalize Permanent Parklet Program and provide financial support for businesses transitioning to permanent program.	X	X		X	X		
Continue implementation for Downtown Pops! vacant storefront activation program placing 4 additional tenants.		X	X	X	X		
Continue implementation of Grow Santa Cruz County Revolving Loan Fund to support business recovery.		X	X	X	X		
Pursue State, local and other funding programs for the creation of affordable housing.				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		
City Arts Design Recovery (CARD) Pilot Grant Program will execute 15 sponsorship agreements and complete 9 projects.		X		X	X		
Operationalize the Coastal Rail Trail Master Right of Way Agreement and install one artwork.	X			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			
Secure entitlements for the Downtown Library Mixed Use Project creating up to 125 units of affordable housing and a 35,000 sq. ft. library with sustainable features.	X	X	X	X	X	X	X

## Workload Indicators and Performance Measures

<b>Workload Indicators</b>	<b>Focus Area</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Estimate</b>	<b>FY 2023 Goal</b>
Businesses contacted for assistance and retention	Core Services	251	374	377	405	450
Rental revenues, including café extensions	Core Services	\$2.7M	\$1.9M	1.9M	\$1.9M	\$2.3M
Number of affordable housing units monitored	Core Services	1,340	1,352	1,351	1,350	1,360
Number of affordable housing units developed	Equity, Health & Well-Being	42	79	67	83	100
Number of businesses receiving assistance to start or grow*	Core Services	n/a	n/a	93	127	150

<b>Performance Measures</b>	<b>Focus Area</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Estimate</b>	<b>FY 2023 Goal</b>
Percent of federal funded community grant (CDBG) contracts executed and ready to fund*	Equity, Health & Well-Being	N/A	N/A	93%	100%	100%
Percent change in downtown retail commercial vacancies*	DT & Other Business Sectors	N/A	N/A	+8%	+1.5%	-2%
Percent change in new business licenses*	DT & Other Business Sectors	N/A	N/A	N/A	-2%	25%

\* New measure, data not available

## Budget Summary - Economic Development and Housing

	Fiscal Year* 2021 Actuals	Fiscal Year 2022			Fiscal Year 2023 Adopted	
		Adopted Budget	Amended* Budget	Year-End Estimate		
<b>EXPENDITURES BY CHARACTER:</b>						
Personnel Services	1,460,180	2,116,005	2,116,005	1,613,382	1,968,289	
Services, Supplies, and Other Charges	2,515,456	2,309,747	5,357,539	4,104,363	4,107,601	
Capital Outlay	1,837,523	-	43,064	320,708	-	
Total Expenditures	<u>5,813,159</u>	<u>4,425,752</u>	<u>7,516,608</u>	<u>6,038,453</u>	<u>6,075,890</u>	
<b>EXPENDITURES BY ACTIVITY:</b>						
Community Promotion-Downtown Business Promotion	1502	240,561	-	7,139	-	-
Community Promotion-Arts Council-SC County	1503	70,875	70,875	70,875	70,875	70,875
Economic Development-Project Admin	5401	1,697,869	2,534,375	2,699,786	2,187,813	2,375,297
Economic Development-Project Admin	5590	401,211	573,300	1,106,435	594,419	468,000
Property Management	5591	174,724	137,000	474,941	452,942	161,000
City Arts	5592	27,295	70,000	383,714	383,714	70,000
Homelessness Response	6105	-	-	150,000	-	-
Subtotal General Fund		<u>2,612,536</u>	<u>3,385,550</u>	<u>4,892,890</u>	<u>3,689,763</u>	<u>3,145,172</u>
Cafe Extensions & Kiosks	1504	15,000	15,000	15,000	15,000	15,000
Cafe Extensions & Kiosks	1505	30,082	40,700	64,498	64,498	30,827
Cooperative Retail Management	1506	229,470	220,000	220,000	220,000	220,000
Economic Development-Project Admin	5590	2,619	-	201,500	200,000	1,045,000
Subtotal Other General Funds		<u>277,171</u>	<u>275,700</u>	<u>500,998</u>	<u>499,498</u>	<u>1,310,827</u>
Housing & Community Development	5201	2,143,489	209,500	1,249,862	1,106,156	818,995
CDBG Programs	5204	98,292	130,648	130,648	142,296	123,513
CDBG Programs	5205	4,200	31,500	31,500	31,500	30,000
HOME Program Administration	5207	40,846	42,614	42,614	42,614	53,983
CDBG-CV	5209	430,512	100,000	209,392	109,391	100,000
Public Improvements Other	5579	1,930	22,000	134,177	115,025	50,000
Rental Assistance Programs	5604	6,126	22,000	27,750	11,000	11,000
Low & Mod Housing Property Acquisition	5610	28,000	-	-	-	-
Low & Moderate Housing Production	5650	31,787	56,240	140,429	141,210	67,247
Homelessness Response	6105	-	-	-	-	215,153
CDBG Programs	6203	119,619	125,000	125,000	125,000	125,000
Red Cross Social Services Programs	6204	18,652	25,000	31,348	25,000	25,000
Subtotal Other Funds		<u>2,923,452</u>	<u>764,502</u>	<u>2,122,721</u>	<u>1,849,192</u>	<u>1,619,891</u>
Total Expenditures		<u>5,813,159</u>	<u>4,425,752</u>	<u>7,516,608</u>	<u>6,038,453</u>	<u>6,075,890</u>

\*Sums may have discrepancies due to rounding



## Budget Summary - Economic Development and Housing

	Fiscal Year*	Fiscal Year 2022			Fiscal Year 2023 Adopted	
		2021 Actuals	Adopted Budget	Amended* Budget		Year-End Estimate
<b>RESOURCES BY FUND</b>						
General Fund	101	482,576	82,700	274,404	20,300	156,607
Co-op Retail Management	122	219,143	220,000	220,000	220,000	220,000
Kiosk Maintenance	123	4,948	14,500	14,500	-	8,000
Economic Development Trust	136	261,900	-	50,000	185,200	-
HOME Investment Partnership	253	461,841	142,614	148,649	342,462	3,288,337
Community Development Block Grant	261	667,222	723,240	2,102,972	2,102,972	677,566
Affordable Housing Trust Fund	279	487,968	5,424,544	5,424,544	5,445,144	5,555,995
SA (H) LMIH-Merged 2-1-12	281	225,429	235,796	260,393	180,959	130,182
Total Resources		<u>2,811,027</u>	<u>6,843,394</u>	<u>8,495,461</u>	<u>8,497,037</u>	<u>10,036,687</u>
<b>Net General Fund Cost</b>		<u><b>(2,129,960)</b></u>	<u><b>(3,302,850)</b></u>	<u><b>(4,618,486)</b></u>	<u><b>(3,669,463)</b></u>	<u><b>(2,988,565)</b></u>
		<b>FY 2021</b>			<b>FY 2022</b>	<b>FY 2023</b>
<b>TOTAL AUTHORIZED PERSONNEL:</b>		<u>13.50</u>			<u>14.50</u>	<u>15.50</u>

\*Sums may have discrepancies due to rounding

## Staffing

Positions	2019-20 Revised*	2020-21 Revised*	2021-22 Revised*	2022-23 Adopted	FY 2023 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	-	-	-	-
Business Liaison	1.00	1.00	1.00	1.00	-
Development Manager	3.00	3.00	4.00	5.00	1.00
Economic Development Coordinator	0.50	0.50	0.50	0.50	-
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 Dev 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	-
<b>Total</b>	<b>14.50</b>	<b>13.50</b>	<b>14.50</b>	<b>15.50</b>	<b>1.00</b>

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



# Organization Chart

