



OFFICE OF ECONOMIC DEVELOPMENT

The Office of Economic Development’s mission is to increase and support viable, sustainable, and innovative economic activities and affordable housing development throughout the City. Programming is developed that expands tax revenue and leads economic recovery following natural disasters and economic downturns.

In collaboration with other City departments, Economic Development heralds Santa Cruz as an economically healthy and arts-enriched place to live, work, play, and run a business.



Responsibilities Include:

- ✓ Affordable Housing Development
- ✓ Arts and Culture Programming and Projects
- ✓ Business Services
- ✓ Infrastructure and Property Development
- ✓ Management and Investment of Federal, State, and Local Funds

Contact Us:

- ✉ economicdevelopment@santacruzca.gov
- ☎ 831-420-5150
- 🌐 choosesantacruz.com

📍 337 Locust St., Santa Cruz

Office Hours:

Monday - Thursday: 9:00 AM - 5:00 PM,
closed 12:00 PM - 1:00 PM

Core Services

The Office of Economic Development includes four operational divisions, the Business Services Division, the Infrastructure and Property Development Division, the Affordable Housing Development Division and the Arts and Culture Division. The Business Services Division is responsible for business retention and expansion (BRE) efforts. This division grows the local economy by offering tailored permitting assistance, financial assistance programs, business planning, and promotions.

- Provide support to commercial districts and promote a vibrant local economy
- Administer business support programs including Downtown Pops!, storefront beautification grants, and the Grow Santa Cruz loan program

The Infrastructure and Property Development Division manages and develops a diverse array of City-owned properties and community assets

- Provide real estate services across City departments, including 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 City capital improvement projects

The Affordable Housing Development Division works with non-profit and for-profit housing developers to create affordable housing in the Santa Cruz community and supports the Affordable Housing Division in the Community Development Department to preserve affordable housing

- Provide financial and technical assistance for project and construction management;
- Manage various state and local funding sources to leverage investment in the community, including State Local Housing Trust Fund (LHTF), Affordable Housing and Sustainable Communities (AHSC) and Infill Infrastructure Grant (IIG), the local Affordable Housing Trust Fund (AHTF) and the newly approved Measure C funding.

The Arts and Culture Division operates ongoing programs including the Mural Matching Grant program, Percent for Art Program, sculpTOUR, Graphic Traffic Signal Boxes, and the City Arts Recovery Design (CARD) Pilot Grant Program in consultation with the City Arts Commission

- Solicit and contract with artists for public art projects on City projects and properties
- Sponsor community groups and initiatives to activate public places with initiatives that promote equity, inclusivity, and environmental justice

- Nurture partnerships with local organizations that support a vibrant arts culture and expansion

of the creative economy in Santa Cruz

FY 2026 Accomplishments

FY 2026 Accomplishments	<i>Fiscal Sustainability and Transparency</i>	<i>Strong Businesses and a Vibrant Downtown</i>	<i>Housing</i>	<i>Homelessness Response</i>	<i>Public Safety and Community Well-Being</i>	<i>Natural and Built Infrastructure</i>	<i>Thriving Organization</i>
Completed process to determine feasibility of a Midtown Business Improvement District 🏛️	X	X			X		X
Continued to operate the Santa Cruz Beach and Downtown Electric Shuttle Program 🌲 ❤️		X					
Developed an Economic Vitality Business Incentive package, including a use extension ordinance, movie theater parking validation program, and building permit fee removal incentive ⚖️		X			X		
Activated three vacant commercial spaces and supported one retention business through Downtown Pops! ⚖️ ❤️		X				X	
Created the Construction Mitigation Loan Program to support businesses through the Murray Street Bridge construction	X	X			X	X	
Successfully relocated the Farmers' Market to a temporary location that has generated a historic high level of sales 🌲 ❤️		X			X		X
Following completion of several public hearings and the infrastructure financing plan analysis that determined the boundaries and financial plan, the Public Financing Authority adopted a resolution to form the Santa Cruz Enhanced Infrastructure Financing District, that will provide funding for infrastructure projects 🌲 ⚖️	X	X				X	
Started construction on phase one of the Downtown Library Affordable Housing Project 🌲 ⚖️		X	X			X	
Awarded a \$4.5M grant from State Library for phase two for the new Downtown Library Affordable Housing Project 🌲 ⚖️	X	X	X			X	
Continued tenant lease negotiations, renewals, and extensions 🌲	X	X					X
Complete installation of public Wi-Fi at the Wharf 🌲		X			X		

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Initiated engagement in the management of the Tannery commercial properties to more fully develop their economic potential 🌳					X		
Awarded a \$30M grant to fund the Coral Street substance use disorder Navigation Center 🏛️❤️	X			X	X	X	
Initiated planning and outreach of approximately \$8.6M in state funds for Wharf resiliency improvements	X					X	X
Continued administration of state grants totaling ~\$40M, which includes staff project management and budgeting for multiple affordable housing and infrastructure projects 🏛️❤️			X			X	
Awarded ~\$1.8M in LHTF grant funding for the 136 River Street Affordable Housing Project 🌳🏛️❤️			X				
Allocated additional funding as available to the Emergency Rental Assistance and Landlord Incentive programs 🏛️❤️			X				
Installed a six piece ceramic and steel sculpture public art installation, 'Feast of Flowers' by Jenni Ward, on the Rail Trail, at the intersection of Bay and California Streets 🏛️❤️					X	X	
Awarded two Mural Matching Grants on the 418 Project Front Street wall and on the new business Alley Oop in iconic Jazz Alley 🌳🏛️❤️		X				X	X
Completed a partnership community build contract for a new public art mosaic installation supporting water education on the Bethany Curve Culvert Bridge 🏛️❤️	X				X	X	
Funded the Chinatown Gate Signage Project to create a greater sense of place, led by a woman artist and providing a mentorship opportunity for a Chinese American art student 🌳🏛️❤️		X			X	X	
Funded a woman artist to lead the new Ripple Effect Art Festival which supported over 80 artists with the center of the festival activities located Downtown 🏛️❤️		X			X		X
Continued a full seated, diverse background Arts Commission with seven members opting in for stipends supporting equity in City government advisory bodies 🌳🏛️					X		X

FY 2027 Goals

FY 2027 Goals	<i>Fiscal Sustainability and Transparency</i>	<i>Strong Businesses and a Vibrant Downtown</i>	<i>Housing</i>	<i>Homelessness Response</i>	<i>Public Safety and Community Well-Being</i>	<i>Natural and Built Infrastructure</i>	<i>Thriving Organization</i>
Complete outreach and feasibility analysis for a potential Westside Business District		X			X		X
Grow ridership, rental, and sponsorships of the Santa Cruzer Shuttle program 🌲	X	X					
Activate at least four Downtown Pops! spaces 🌲	X	X			X		X
Complete Permit Streamlining package to include alcohol, entertainment, ground floor active uses, and sidewalk dining ordinance updates		X			X	X	X
Develop an alleyway activation program to align with Play and Paseo final designs		X			X	X	
Begin infrastructure development for permanent activation in Lot 32 and creation of "Midtown Plaza"		X			X	X	
Complete construction on Downtown Play and Paseo Project and Maple Alley Riverwalk connection 🌲 ⚖️ ❤️		X			X	X	
Begin installation of gateway signage, landscape, safety improvements, and public art in the Ocean Street area plan ❤️					X	X	
Continue tenant lease negotiations, renewals, and extensions 🌲	X	X					X
Continue engagement in the management of the Tannery commercial properties to more fully develop their economic potential 🌲					X		
Continue planning and implementation of Wharf resiliency improvements	X					X	X
Complete Eastside Resiliency Project 🌲 ⚖️ ❤️	X				X	X	
Replace PG&E gas distribution line at the Santa Cruz Wharf 🌲						X	
Continue construction of phase one of the Downtown Library Affordable Housing Project, including the affordable housing units, and start construction on phase two, consisting of the interior buildout of the new Downtown Library 🌲		X				X	
Continue administering state grants totaling ~\$40 M for multiple affordable housing and infrastructure projects ❤️			X			X	

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Allocate additional funding, as available, to the Emergency Rental Assistance and Landlord Incentive programs 🏛️❤️			X				
Complete acquisition of CalTrans property at Highway 1/9 for the future affordable housing mixed use project site 🌲🏛️			X			X	
Complete three projects and execute two additional agreements in the CARD Pilot Grant Program 🏛️❤️		X			X	X	X
Bring a proposed amendment to the Public Art municipal code to Council that adds an assessment on private development 🏛️❤️	X	X			X	X	X
Replace five public art installations on Pacific Avenue and in the new paseos through the SculpTOUR Program 🏛️❤️		X			X	X	
Launch a pilot for a new technique of large scale mural installation that would open the opportunities for artists working off-site 🌲🏛️❤️		X		X	X	X	X

Workload Indicators

Workload Indicators	Strategic Plan Focus Area	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Goal
Businesses contacted for assistance and retention 🌲 ⚖️	Fiscal Sustainability and Transparency; Strong Businesses and Vibrant Downtown	517	436	442	450	500
# of businesses receiving assistance to start or grow 🌲 ⚖️	Fiscal Sustainability and Transparency; Strong Businesses and Vibrant Downtown	179	189	240	250	275
Rental revenues, including café extensions* 🌲	Fiscal Sustainability and Transparency; Strong Businesses and Vibrant Downtown	\$2.3M	\$2.9M	\$2.8M	\$2.8M	\$2.9M
# of affordable housing units developed ⚖️ ❤️	Housing	88	126	162	649	128

*FY 2023 actuals updated to include rental revenue not previously reported

Performance Measures

Performance Measures	Strategic Plan Focus Area	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Goal
% change in downtown retail commercial vacancies 🌲	Fiscal Sustainability and Transparency; Strong Businesses and Vibrant Downtown	-0.6%	+2.2%	+4%	-1%	-2%
% change in new business licenses 🌲	Fiscal Sustainability and Transparency; Strong Businesses and Vibrant Downtown	3%	-13%	-14%	-4%	+7%

Staffing

Positions	FY 2024 Amended*	FY 2025 Amended*	FY 2026 Amended*	FY 2027 Adopted	FY 2027 Change
Administrative Assistant II (CMO)	1.00	1.00	1.00	1.00	-
Administrative Assistant III (CMO)	1.00	1.00	1.00	1.00	-
Business Liaison (CMO)	1.00	1.00	1.00	1.00	-
Development Manager (CMO)	5.00	6.00	6.00	5.75	(.25)
Development Manager (CD)	-	-	-	.25	.25
Deputy Director of Economic Development (CMO)	-	-	1.00	1.00	-
Director of Economic Development and Housing (N/A)	1.00	1.00	-	-	-
Economic Development Coordinator I/II (CMO)	1.50	1.00	1.00	1.00	-
Economic Development Manager (CMO)	1.00	1.00	1.00	1.00	-
Housing and Community Dev Mgr. (CMO)	1.00	1.00	1.00	.25	(.75)
Housing and Community Dev Mgr. (CD)	-	-	-	.75	.75
Housing Programs Specialist (CD)	1.00	1.00	1.00	-	(1.00)
Management Analyst (CD)	1.00	1.00	1.00	-	(1.00)
Principal Management Analyst (CMO)	2.00	4.00	4.00	2.00	(2.00)
Property Manager (CMO)	-	-	-	1.00	1.00
Total	16.50	19.00	19.00	15.00	(3.00)

* "Amended" refers to the FTE count as of the adopted budget of the indicated fiscal year, plus any adjustments authorized by City Council within the course of the year

Please note: The FTEs shown in the table above, as well as in the organization chart and budget summary, are also included in the departments where those positions report, as noted in parentheses after the position title provided.



Budget Summary - Office of Economic Development

	Fiscal Year*	Fiscal Year 2026			Fiscal Year 2027 Adopted	
		2025 Actuals	Adopted Budget	Amended* Budget		Year-End Estimate
EXPENDITURES BY CHARACTER:						
Personnel Services		3,167,029	2,650,645	2,704,695	2,750,820	3,088,057
Services, Supplies, and Other Charges		11,292,558	5,088,125	29,971,766	13,201,802	5,890,669
Capital Outlay		10,517	-	78,110	9,750	-
Total Expenditures		<u>14,470,104</u>	<u>7,738,770</u>	<u>32,754,571</u>	<u>15,962,372</u>	<u>8,978,726</u>
EXPENDITURES BY DEPARTMENT:						
City Manager		-	-	-	-	7,700,654
Planning and Community Development		-	-	-	-	1,278,072
Economic Development		14,482,569	7,738,770	32,754,571	15,962,372	-
Total Expenditures		<u>14,482,569</u>	<u>7,738,770</u>	<u>32,754,571</u>	<u>15,962,372</u>	<u>8,978,726</u>
RESOURCES BY FUND :						
General Fund	101	212,690	185,033	250,616	144,107	201,646
Co-op Retail Management	122	438,265	454,310	454,310	454,310	467,722
Kiosk Maintenance	123	36,103	45,769	45,769	38,099	3,748
Economic Development Trust	136	7,327	77,000	77,000	15,000	15,000
IIG-AHSC	137	-	-	16,715,940	-	-
Grant Loan Program	277	1,453,878	-	4,346,122	-	-
Affordable Housing Trust Fund	279	995,109	2,526,000	9,151,896	5,056,614	3,090,314
SA (H) LMIH-Merged 2-1-12	281	30,666	61,872	25,000	29,651	54,544
Total Resources		<u>3,174,037</u>	<u>3,349,984</u>	<u>31,066,652</u>	<u>5,737,781</u>	<u>3,832,974</u>
NET GENERAL FUND COST:		<u>(11,308,532)</u>	<u>(4,388,786)</u>	<u>(1,687,919)</u>	<u>(10,224,591)</u>	<u>(5,145,752)</u>

*Sums may have discrepancies due to rounding

Organization Chart

