

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GABE OSBURN, ACTING DIRECTOR
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: DRAFT ECONOMIC DEVELOPMENT STRATEGIC ACTION PLAN
2024-2029

AGENDA ACTION: NONE

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council hold a Study Session to receive information, ask questions, and provide direction related to the City's draft Economic Development Strategic Action Plan 2024-2029. No action is required.

EXECUTIVE SUMMARY

Pursuant to Council's economic and community vibrancy goal to sustain and develop a diverse and thriving economy that benefits Santa Rosa residents and businesses and contributes to the community's economic health while preserving historical and cultural integrity, a strategic action plan has been developed. The plan focuses on objectives and tactics around business and workforce retention, expansion, and attraction, including resiliency and community investment, infrastructure, and access and opportunity.

BACKGROUND

Stemming from equity issues arising from or identified as a result of the pandemic as well as the civil unrest of 2020, the Economic Development Division was directed to develop an economic development equity strategic plan – an effort that became an equity overlay document to existing Division efforts. Completed in late 2021, the community informed process focused on three primary goals: for the City to be a champion of innovation and a driver of transformation for the Santa Rosa community, to design and implement data-driven policies and programs to elevate and support local business owners and entrepreneurs representing historically marginalized groups, and to drive policies and leverage partnerships to address urgent economic challenges and improve livability across Santa Rosa.

DRAFT ECONOMIC DEVELOPMENT STRATEGIC PLAN

Page 2

Staff was able to leverage the community perspectives gained from interviews, focus groups, strengths, weaknesses, opportunities, and threats (SWOT) analysis, and case studies and best practices, with regional economic development plans and the General Plan Update outreach efforts to develop a new community informed Economic Development Strategic Plan. Through this renewed focus, the needs identified through community engagement re-emphasized housing and cost of living, an inclusive approach to economic development, and infrastructure needs as priorities.

In early 2023, staff began working with the Economic Development Subcommittee as the public forum through which to outline and structure the new Strategic Plan, discussing and fleshing out goals, objectives, and tactics over the course of multiple meetings.

PRIOR CITY COUNCIL REVIEW

None.

ANALYSIS

Reflecting Council's Economic and Community Vibrancy Goal statement, the Draft Economic Development Strategic Plan vision statement is to sustain and develop a diverse and thriving economy that benefits Santa Rosa residents and businesses and contributes to the community's economic health while preserving historical and cultural integrity. Similarly, the structure of the plan mirrors that of Council's Goals and Priorities document, leading with the stated goals, followed by objectives, then tactics.

Input and feedback was gathered through a multitude of methods including individual interviews and focus groups with community leaders and industry cluster representatives, community surveys, business surveys, in person engagement (e.g. tabling, and attending community meetings), as well as research, studies, and data culling. A 2021 survey conducted in English and Spanish for which over 600 people responded, 59% of whom identified as business owners, found that the top issues related to Santa Rosa economic development are the lack of affordable housing, the high cost of living, and limited workforce attraction and development. Specifically, it was noted that costs are high for businesses and employees alike, posing challenges to business retention and attraction, and is a critical limiting factor for workforce development. In addition, employers cited the need for downtown entertainment and living options for young professionals. These findings were reiterated in more recent interviews and in person surveys. In addition, the surveys also indicated the feeling that City processes are difficult and time consuming to navigate.

Also important to the development of the strategic plan is understanding Santa Rosa's landscape. Of the city's population of around 177,000 people, the median age is 40, and around 49% are categorized as male, and 51% female. Santa Rosa remains majority white (56%) followed by 31% Hispanic/Latinx, 6% Asian, and 3% Black. 45% of the population has an associate's degree or higher. There are approximately 8,000

DRAFT ECONOMIC DEVELOPMENT STRATEGIC PLAN

Page 3

business establishments in the city employing a labor force of approximately 96,000. Of the registered businesses, nearly 69% have 4 or fewer employees. While Santa Rosa is generally considered an island economy, the economy is fairly diverse with strengths in healthcare, retail trade, manufacturing, and accommodation and food services.

FISCAL IMPACT

This Draft Economic Development Strategic Action Plan Study Session does not contain nor anticipate additional funding recommendations outside of discussions and decisions made through the traditional budget process.

ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Economic Development Subcommittee: at the November 14, 2023, meeting, the Subcommittee recommended the attached Draft Economic Development Strategic Action Plan be forwarded to City Council as a Study Session. This recommendation was made by Subcommittee Chair Chris Rogers and Councilmember Okrepkie, with Councilmember Alvarez absent from the meeting.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 - Draft Economic Development Strategic Action Plan

PRESENTER

Gabe Osburn, Acting Director
Planning and Economic Development