Task Force Update

City of Santa Ana Economic Development Strategy
Tuesday, June 2, 2015
Schedule

- Assessment of Conditions
  - Ongoing Through End of July
- Evaluation of Existing Programs
  - Aug-Sept
- Land Use, City/Business Relations, and DTSA Opportunities
  - Sep-Oct
- Draft Strategic Plan
  - Nov-Dec

- Meetings
  - Ongoing Since April, Continuing Through November
Notable Findings Thus Far

Task Force Update – Economic Development Strategy
Employment Densities

Excluding small businesses
Demographics

- **Positives**
  - Household income growth projected to outpace County
  - Jobs/Housing balance favorable before adjusting for HH size
  - Over 154k jobs (exceeds resident workforce)

- **Concerns**
  - Small % of population work within Santa Ana
  - Educational attainment of resident population
  - Blue collar jobs transforming across most industries

<table>
<thead>
<tr>
<th>City</th>
<th>HH Size</th>
<th>Local Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anaheim</td>
<td>3.40</td>
<td>30.1%</td>
</tr>
<tr>
<td>Bakersfield</td>
<td>3.12</td>
<td>68.9%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>3.24</td>
<td>29.4%</td>
</tr>
<tr>
<td>Fresno</td>
<td>3.09</td>
<td>75.5%</td>
</tr>
<tr>
<td>Long Beach</td>
<td>2.78</td>
<td>36.5%</td>
</tr>
<tr>
<td>Oakland</td>
<td>2.49</td>
<td>44.3%</td>
</tr>
<tr>
<td>Riverside</td>
<td>3.20</td>
<td>45.1%</td>
</tr>
<tr>
<td>San Bern.</td>
<td>3.45</td>
<td>38.3%</td>
</tr>
<tr>
<td>Santa Ana</td>
<td>4.38</td>
<td>28.9%</td>
</tr>
<tr>
<td>Stockton</td>
<td>3.19</td>
<td>59.2%</td>
</tr>
</tbody>
</table>
Santa Ana has the lowest % of high school graduates and second lowest % of college graduates.
Incomes among Latino households are declining at a faster rate in Santa Ana. What may be happening in Santa Ana?

Source: 2009-2013 American Community Survey, 1-yr estimates

In 2013 Inflation-adjusted dollars:

- US: -4.3%
- California: -7.6%
- Orange County: -13.9%
- Santa Ana: -19.7%

Median Household Incomes Latino Households 2009-2013

2009

2013
Santa Ana has the largest share of Millennials (25-34) of similarly sized cities. Retention of these growing households could generate economic growth.

Source: US Census Bureau, 2014
Real Estate Market

- **Residential**
  - 2,000 units in planning pipeline throughout city
  - Santa Ana remains relatively affordable as an OC housing option

- **Commercial**
  - Industrial outperforming, despite obsolescence
  - Retail & office above County averages

![Commercial Vacancy Rates Graph]

- **Industrial**
  - Santa Ana: 3.2%
  - County: 4.0%
- **Office**
  - Santa Ana: 12.2%
  - County: 10.5%
- **Retail**
  - Santa Ana: 4.3%
  - County: 6.0%
CRE Drilldown

- Office (12.9% of OC)
  - City vacancies not improving with County
  - Grand/Edinger/55 area vacancies mitigating gains elsewhere
  - DTSA not seeing major shifts in vacancies since ’10

- Industrial (11.8% of OC)
  - Very little industrial suitable for new users
  - Little incentive for development involving assembly, even with low vacancy and higher lease rates

- Retail (7.9% of OC)
  - Rents generally 20% or more higher than “better” neighborhoods elsewhere (even excluding So.Co. Metro/MainPlace)
  - Could see economic support for rehab or some new construction

- Infill sites not easy to assemble for any use, larger parcels will be in demand
Economic Development needs to serve both parts of the community to be effective.
Questions / Comments

Task Force Update – Economic Development Strategy