

CITY OF SANTA ANA

Economic Development Strategic Plan

JULY 7, 2016

Introduction

In 2014, the City of Santa Ana (City) adopted a Strategic Plan which identified the need for this Economic Development Plan (EDP). The Strategic Plan identified the following four objectives as guideposts to be wrapped into an Economic Development Strategy:

1. Create new opportunity for business and job growth and encourage private development.
2. Promote a solutions-based customer focus.
3. Leverage private investment that results in tax base expansion and job creation.
4. Pursue objectives that shape downtown into a thriving, culturally diverse, shopping, dining, and entertainment destination.



The process to develop this EDP began with obtaining data from the US Census, the State Employment Development Department, CoStar Real Estate Service, Dun and Bradstreet, and US Clustermapper, among others. This data is used to analyze metrics, provide fact-based background information, and show trending to identify areas of success and challenge. The second part of the process, and the most revealing, was to gather information through conversations - one on one interviews, public meetings, and question/answer sessions with established groups. It's this insight that frames the strategies the City can undertake to support economic development at the municipal level.

Santa Ana is a beautiful, diverse community of people who share a deep passion for creating a better future. One of its greatest resources is its roster of advocates, champions, and fans that have yet to find their best network to support each other. However, by strengthening its own relationships with the business community and others, the City can provide some of the infrastructure - both literal and figurative - to support the community's potential.

This EDP will not be everything to everyone. With all its vibrancy and downright explosive potential, Santa Ana faces serious challenges. No single plan will ameliorate all issues. However, implementation of the strategies outlined here will result in increased investment - in the residents, the businesses, and City services.

The following pages lay out the EDP in four focus areas: Development, Job Clusters and Growth, Small Business Community and Downtown, and Education. Each focus area includes relevant data and information gathered, and the strategies that result.

OTHER INFORMATION SOURCES

Chamber of Commerce	Santa Ana Business Council
Orange County Business Council	MainPlace Mall
Santa Ana College	Chamber of Commerce
OC Children and Families	OPEN San Antonio
High School Inc.	Real estate brokers
Career College of California	Commercial developers
Kipp Schools Houston	Manufacturing businesses
Workforce Development Board	Small businesses
Downtown Inc.	Community participants

City Profile and Demographics

Santa Ana lies at the heart of Orange County, offering easy access through the 5, 405, 55, and 22 freeways, as well as an historic train depot served regularly by Metrolink and Amtrak. Incorporated in 1886, Santa Ana has also been the County seat since Orange County was separated from Los Angeles County in 1889. Most County offices, as well as County and Federal Courts are located in Santa Ana’s downtown core.

A long-standing industrial land use base has built up along the eastern and southern edges along the highways, as well as commercial and industrial uses along the historic Main Street Corridor. MainPlace Mall, Santa Ana Auto Mall, and a handful of power centers act as key retail locations, while smaller retail centers and free-standing markets dot the predominately single family residential landscape.

Historic Downtown Santa Ana (DTSA) has transformed over the last 30 years from an area of high crime and blighting conditions to potentially the most important cultural and economic center in the county. A flashpoint of gentrification concerns and open debates about race, income, and audience, DTSA is home to community events, artists, and a lively restaurant and bar scene – supported in part by the substantial influx of government employees during the week.

Santa Ana is a populous, dense city - one in ten Orange County residents live here. It’s a community of families, with 80% of households living in a family unit, compared to 69% statewide. The comparatively large household sizes speak to intergenerational families living together, as well as the large number of children in Santa Ana, contributing to the very low median age of 30.1.



Orange County demographics tell a story of aging. The decline of younger generations is a loss of talent for jobs, and a threat to the retail industry, which relies heavily on these shoppers. Santa Ana has a different story, with younger generations outpacing county averages. This Millennial generation is a critically important economic driver today, with the greatest number of people in the workforce – more than Baby Boomers and Generation X. Businesses are looking for the next generation of leaders, and retailers are clamoring for the demographic – Santa Ana’s youth is a coveted asset.

2016

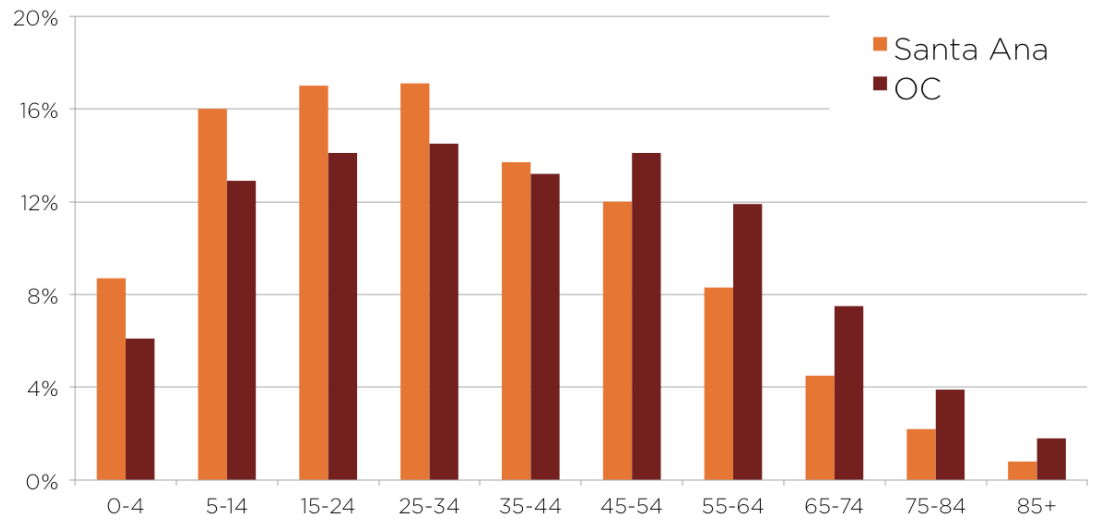
- Population:** 333,189
- Median Age:** 30.1
- Median HH Income:** \$52,883
- Unemployment Rate:** 4.1%
- Households below Federal Poverty Line:** 19.8%
- Residents:** 47.5% owners; 52.5% renters
- Median Home Value:** \$394,344

DEMOGRAPHICS

	Santa Ana	Orange County	California
Population	333,189	3,124,130	38,371,836
Households (HH)	74,960	1,026,508	12,932,388
Families	59,648	733,654	8,901,351
Families as % of HH	80%	71%	69%
Average HH Size	4.38	3.00	2.90

Source: ESRI estimates based on US Census

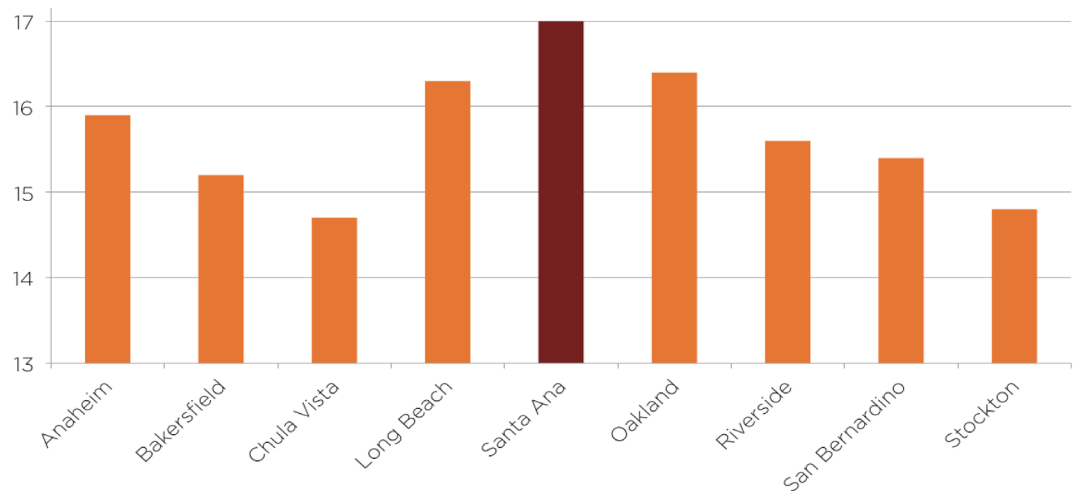
SANTA ANA POPULATION BY AGE



Source: US Census Bureau, 2014

% OF POPULATIONS AGES 24 TO 35

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

Development

One of the most traditional roles for a city in economic development is facilitating private investment in property. The General Plan and Zoning Ordinance provide the rules for how this can be done, and staff acts as a conduit to help investors see their vision, as allowed by local law, to come to fruition. As an older city, Santa Ana has very little raw land for development, so most new investment comes in the form of infill and redevelopment, which is more challenging. Additionally, the City's 130-year history has built up a long lineage of older and often outdated land use restrictions. These cumbersome codes deter investment, and as a result, Santa Ana has not experienced the same amount of new development as neighboring communities in recent years despite its excellent location and freeway access. The Planning and Building Agency is seeking to change these conditions, and is in the process of a General Plan Update, which will be followed by a Zoning Ordinance update.

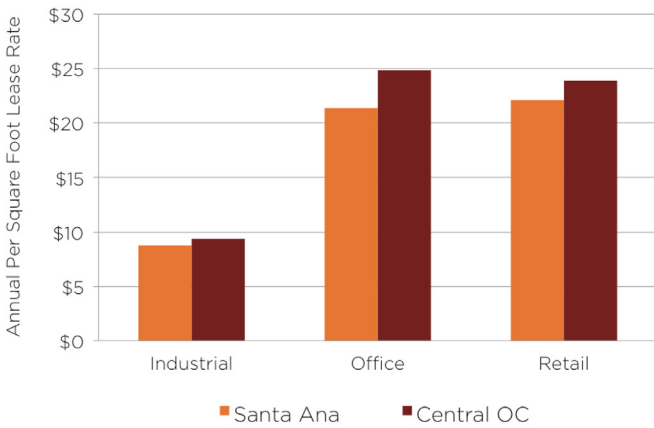
The development community and the public provided feedback during both this process and the Strategic Plan process indicating not all challenges were with land use controls. Many reported staff acted more as a barrier, instead of a facilitator, to the development process. Additionally, many potential developments can only be entitled through a discretionary process under current codes – which means they require direct approval from the City Council. Discretionary processes increase risk to investors, and act as a deterrent. The Planning and Building Agency is also working to reduce these barriers through a re-alignment of staff processes at the front counters. Increased by-right development, if approved for updated codes, will decrease discretionary controls and provide assurances to developers that their projects can move forward.



Lower levels of investment and demand can be seen in real estate metrics, particularly those associated with office and retail uses, where Santa Ana lease rates are below the Central Orange County average. Much of Santa Ana's retail is in older and smaller strip centers, and which aren't as appealing to many retailers who seek out newer spaces and can pay higher rents. New, higher-density residential development in and around major corridors and retail clusters like downtown can help to support local businesses by expanding the immediate audience, while simultaneously contributing to a walkable environment. Office uses experience the most significant depression of rents, particularly in Class A (think: steel and glass construction) buildings that are experiencing tremendously high vacancy rates at 23%. This is particularly concerning, as office users, particularly Class A office users, typically offer higher-wage jobs that are much needed in the city. Industrial, fortunately, is more competitive, because a large number of Santa Ana businesses utilize industrial space, keeping vacancies low and allowing for rents closer to the regional market.

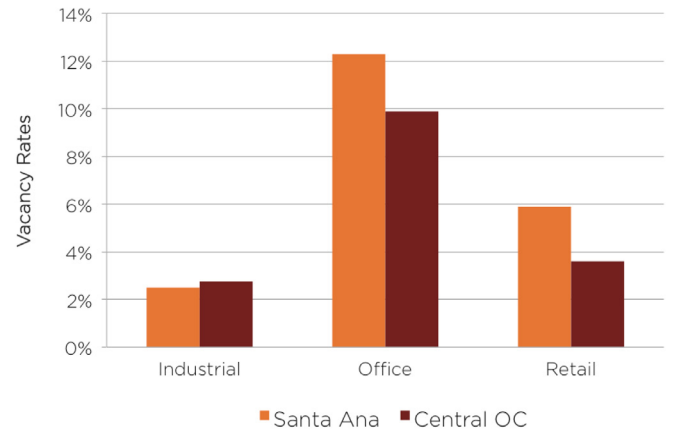
New development in Santa Ana faces the same challenges as much of California, where high land costs drive the need for developers to charge high rents in order to make the project financially feasible. The most common solution to this issue is to increase the density and spread the costs among more square footage, effectively lowering the rents (or sales prices) needed. Some limited financial and policy resources are available at the state and local levels to incentivize affordable housing development through density bonuses and tax credits, for example. Such incentives – with extremely rare exception – are not available for commercial development, making density a function of local zoning codes.

LEASE RATES - SANTA ANA VS. CENTRAL OC



Source: CoStar
 Note: Central OC includes Costa Mesa, Irvine, Orange, Santa Ana, and Tustin

VACANCY RATES - SANTA ANA VS. CENTRAL OC



Source: CoStar
 Note: Central OC includes Costa Mesa, Irvine, Orange, Santa Ana, and Tustin

WHAT WE HEARD

- Significant inventory of dilapidated / outdated retail deters new tenant interest.
- The existing permitting and entitlement process is too slow and cumbersome, City codes are overly complex, and too much uncertainty is generated by high levels of discretionary approvals.
- The City needs to improve its overall image to attract investment. Some “high profile” project success stories would help increase investor interest.
- More rental housing is needed in all walkable areas to support local retail and promote health. This is particularly important in Downtown.
- New rental housing needs to serve multiple audiences for different incomes and lifestyles.

WHAT WE CAN DO

1. Increase by-right development opportunities to significantly reduce discretionary procedures through the General Plan and Zoning Ordinance updates. This will lower development risk, helping incent investment.
2. Focus density opportunities on major corridors/transit centers, and southeast commercial pockets.
3. Ensure a range of incomes in new rental housing development focused in walkable nodes through the use of in-lieu and other available housing funds.
4. Develop a marketing and branding strategy, and uphold its promise including training at City Hall at public counters.
5. Increase and improve connectivity with local businesses to achieve economic development goals; including defining roles for Chamber and City staff.

Jobs and Clusters

Growth and retention of jobs, particularly livable wage jobs, is critical in Santa Ana. The household median income of about \$56,000 is well below the county average of about \$78,000, and needs to support about 1.4 more people per household than the countywide figure. As Santa Ana is a much younger population, lower incomes can be partially attributable to the workforce being early in their careers. However, lower education levels also mean that residents have less access to higher-wage jobs that would improve income statistics. This may be particularly true in Latino households, where incomes have been decreasing more rapidly than other areas.

Income is also a function of the types of jobs residents hold. Compared to some similarly-sized California cities, Santa Ana residents are much more likely to work in the service or blue-collar labor sectors. While some jobs in these sectors may be high wage, they are on average, lower paying than white collar jobs, which incidentally, often require higher levels of education.

The jobs available in the city are quite different than those held by its residents in many sectors. Most notably, residents are primarily employed in construction, manufacturing, administrative services, and accommodations and food service. Meanwhile, many jobs located in Santa Ana are importing labor, particularly in wholesale trade, finance and insurance, professional services (lawyers, consultants) and public administration.

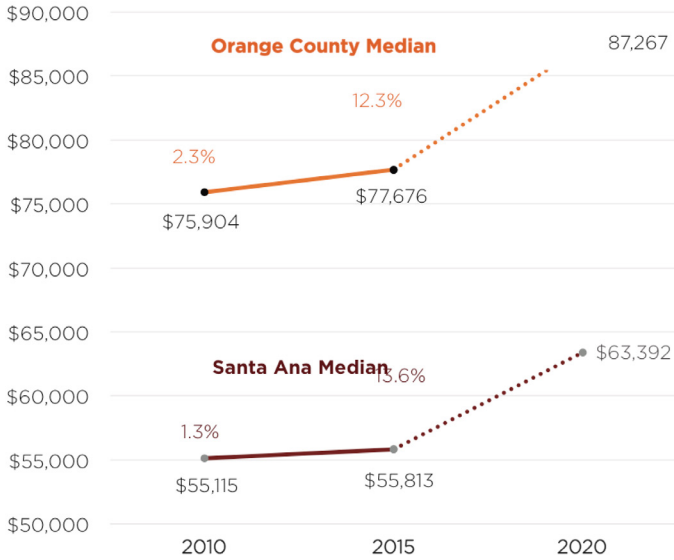
Economic developers commonly look at job “clusters” to determine an area’s competitive strengths and weaknesses. A cluster is a group of related jobs / industries that are disproportionately located in an area, giving that area an advantage in developing more jobs in that field. Jobs can be divided into two categories – those that drive the regional economy, and those that drive the local economy. Regional economy jobs provide products and services that leave the local area, and tend to offer higher wages. Santa Ana’s regional job profile shows strength in education employment, and some advantages in information technology and analytical instruments compared to the county. However, it is noticeably weak in business services – the primary regional job cluster for the county – and hospitality and tourism, the third largest sector.

Local economy jobs are those that feed demand in an immediate area. Santa Ana jobs are below county levels in the top five local job clusters, but most notably in health services, restaurants, and real estate and development. Santa Ana’s overwhelming job cluster, public administration, far exceeds the county average, as do jobs in the education and training field.



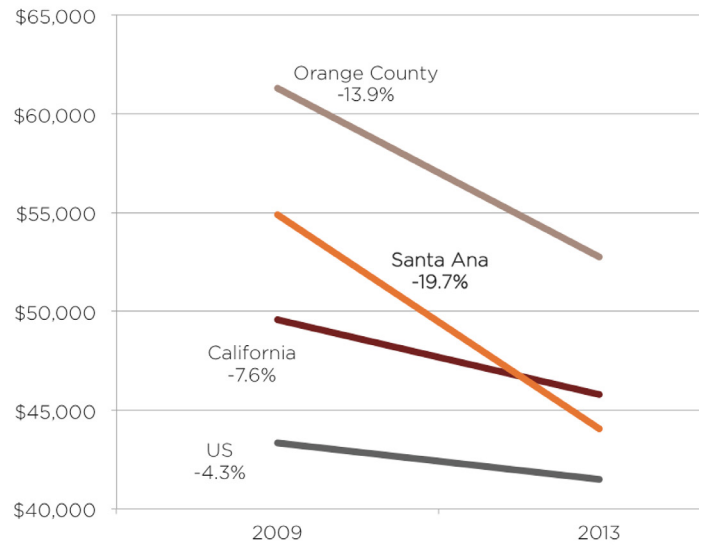
MEDIAN HOUSEHOLD INCOME PROJECTIONS

Household income growth projected to outpace County
In 2015 Inflation-Adjusted Dollars

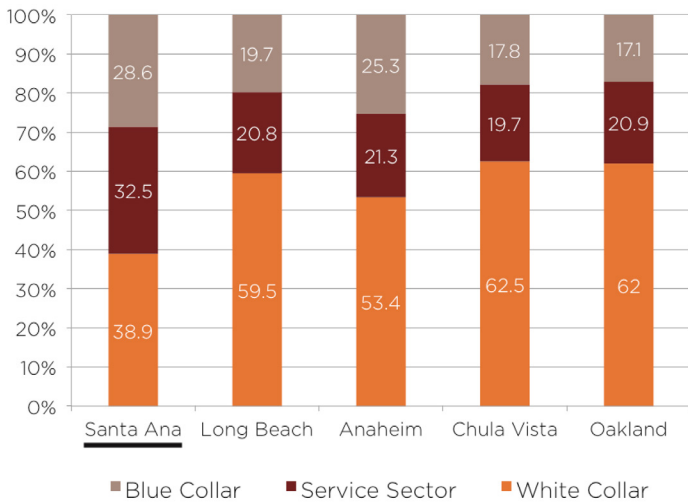


MEDIAN HOUSEHOLD INCOMES LATINO HOUSEHOLDS 2009-2013

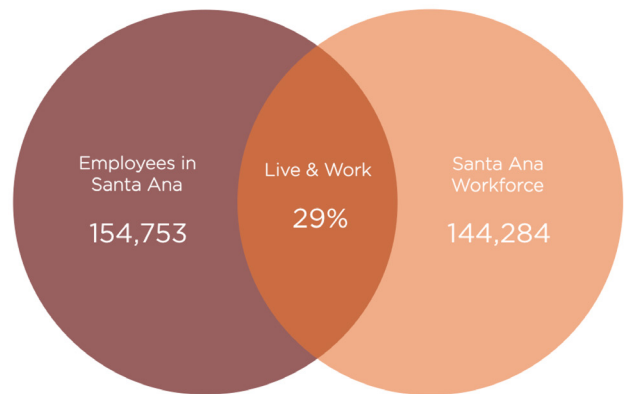
Incomes among Latino households are declining at a faster rate in Santa Ana.



EMPLOYMENT OF RESIDENTS



71% OF SANTA ANA WORKERS LEAVE THE CITY FOR JOBS

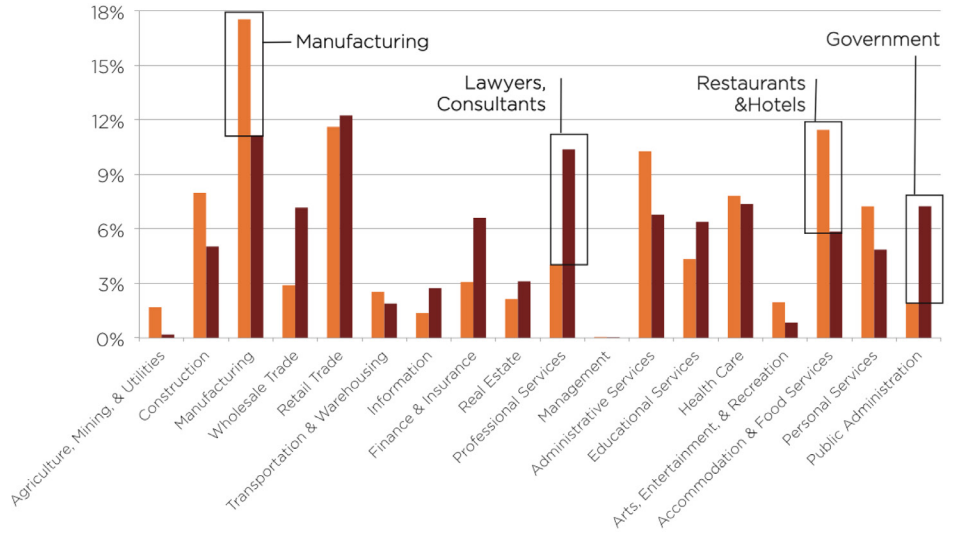


Sources: ESRI Business Analyst Online, 2015.

RESIDENTS AND WORKERS BY INDUSTRY

■ Residents ■ Workers

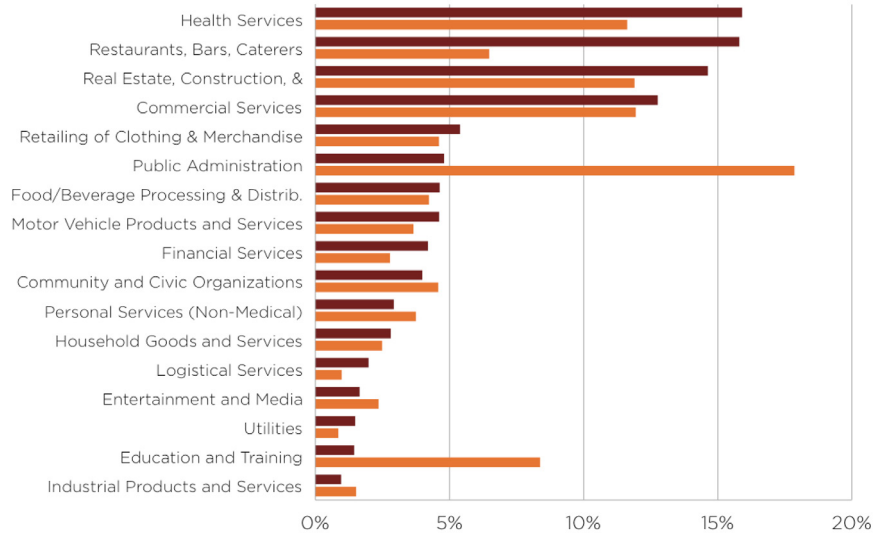
Sources:
ESRI, based on US
Census' American
Community Survey
and Infogroup.



LOCAL ECONOMY JOBS IN SANTA ANA AND OC

■ OC ■ Santa Ana

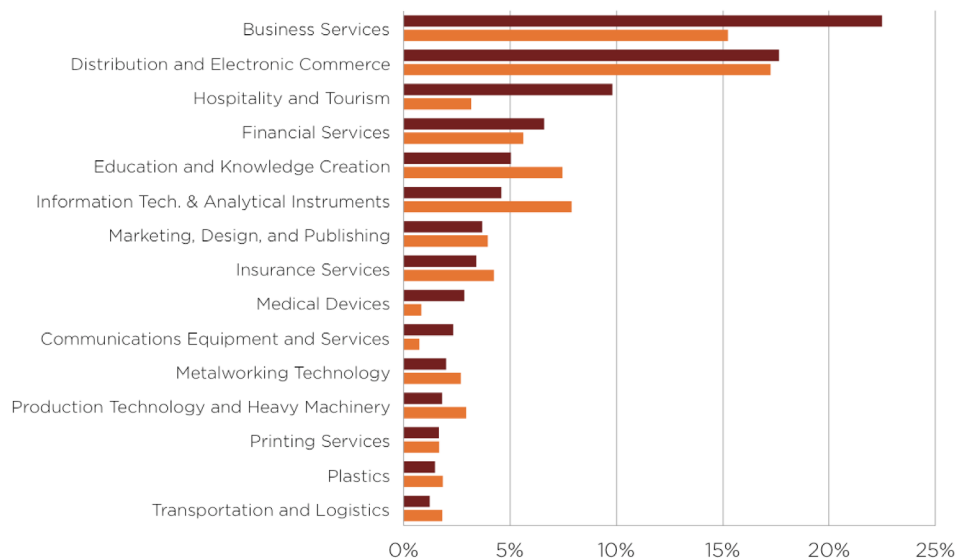
Sources:
Dunn and Bradstreet,
US Clustermapper



REGIONAL ECONOMY JOB IN SANTA ANA AND OC

■ OC ■ Santa Ana

Sources:
Dunn and Bradstreet,
US Clustermapper



WHAT WE HEARD

- Large-scale under-employment is obscured by low unemployment figures.
- Manufacturing is evolving. Traditional manufacturing jobs continue to move to Mexico at a high rate, specifically the iconic livable-wage factory floor positions. Those jobs that remain here are much more technologically driven than they were even 5 years ago.
- CEQA is a challenge to many manufacturers, making relocation almost impossible in some cases. This serves to drive more jobs out of the state. However, some State-level CEQA exemptions available around transit hubs. Manufacturing businesses interviewed stay in town as they own their own land and have no reason to leave. Unfortunately, they didn't feel particularly connected to the Santa Ana community, in fact some stated their location worked because of proximity to peers in Irvine.
- Many "factory floor" jobs in Santa Ana pay below the livable wage for OC, albeit well above minimum wage.
- Businesses including Santa Ana's strong information technology, e-commerce clusters, as well as manufacturing (in some cases) have increasing need for fiber/data availability.
- Rapid expansion of marijuana dispensaries in city following local ordinance has mixed reviews by community; however, statewide legalization will be voted on in November. Because Santa Ana is already participating in this economy, it may be better served to develop leadership by providing structure to the system and reduce reactionary involvement.
- Need to increase and invest in technology infrastructure to accommodate users and plan for greater data needs, utilizing the City's technology plan.

WHAT WE CAN DO

1. Develop plans for a Smart City future to ensure continued ability to retain businesses providing IT and technology-related jobs including manufacturers; improve data collection and usage for businesses, residents, and local government; and foster creative culture.
2. Plan now for expanding the marijuana industry as it relates to medical technology and support industries in Santa Ana. Use this opportunity to leverage the finance and professional services jobs that exist in Santa Ana including specialized attorneys, financial services, and other necessary professional infrastructure. Immediate outreach is necessary in order to implement a streamlined system.
3. Plan for and help extend medical-related uses from Orange into No. Main to capture strong cluster jobs. This will require support from the General Plan and Zoning Ordinance updates, but also individual outreach by staff to developers, property owners, and nearby businesses to understand expansion opportunities.
4. Develop a first-source referral program focused on connecting residents with jobs from employers the City either contracts with, or development projects that receive City financial or in-kind assistance. These companies would be required to post positions that would be created because of City investment to the first-source program. The WDB, Santa Ana College, Hopebuilders, High School Inc., and other local job training programs should be engaged and leveraged to develop a continual pipeline of potential employees to match with employers. Ultimately, once streamlined and implemented, this program could be a regional resource for employers - particularly for entry-level positions that require some specialized training. Employers benefiting from City contracts or funding should commit to working in good faith to utilize the first-source program, but will not be required to hire through it.

Downtown and the Small Business Community

Small businesses are the foundation of a community. They know and serve the needs of the local audience, and are routinely cited as one of the most important ways in which individuals can improve their financial well-being. However, being a small business owner is very challenging. Between managing the business itself and complying with tax laws and other government codes, many business owners do not have the capacity to consider how to improve their profit margins, keep up with evolving technologies, and vie for an ever-changing audience.

The success of each small businesses is not the responsibility of the City. Nevertheless, the City's well-being is inextricably linked to a strong business environment, thus strategic investment is in the City's best interest. Cities have a natural role providing certain services to support businesses, which includes infrastructure such as well-maintained streets and drainage, as well as public safety.

The City also provides special assistance to the Downtown, its small business core. DTSA, with its historic mixed-use developments, walkability, and significant recent private investment is often viewed as a geographic focal point for the city – a place for tourists, families, creative culture, and business suits alike. The Fourth Street corridor boasts several blocks of dense development populated by retailers, restaurants, and services. Many have offices or apartments above. Santa Ana already provides improvements like landscaping, public parking, and signage to encourage patrons and support the amenities it provides to the City's most significant job cluster – public administration. The City also authorized a Business Improvement District (BID) along Fourth Street, which provides a tool to support the small businesses located there through the levying of an assessment on the businesses.



The attention provided to Downtown does elicit frustration from retailers in other areas that have fewer tools at their disposal. On the surface, it certainly appears that the private market is taking care of DTSA and public resources should be directed elsewhere. However, the Downtown's real estate economy is actually quite fragile, with retail and office rents below citywide averages (which themselves are well below regional averages.) All the charm and character of the historic buildings also comes paired with a need for significant reinvestment to meet current safety codes and desirable standards for modern users. Santa Ana needs higher-paying jobs, and the area holds natural appeal to younger, creative businesses that would boost the local economy; but renovating a space for function and aesthetic appeal is often more capital outlay than a start-up or other even an established small business can take on.

Though the BID can (and does) offer support that encourages more local business investment, the highly-publicized fracture in the vision for Downtown has resulted in a politically and emotionally charged environment. Advocacy groups, non-profits, and two separate administrative BID entities are all deeply committed to the community, but in turn at odds with each other and often the City as well.

Downtown & Community Highlight - Charlie's Tattoo Supply

To understand Charlie's Tattoo Supply you need to understand Charlie (Carlos) Rico, who owns the current rendition of this retail shop in the East End area of Downtown Santa Ana. Over 30 years ago, Charlie and his wife Lupe came to the US from Mexico and quickly discovered that \$3/hour wages would not provide them what they need to take care of their family. So they began selling homemade tamales, and eventually found themselves with a space at the Orange County swap meet. After a few years and witnessing how customers flocked to certain booths, Charlie and Lupe began making unique custom leather boots and hats. A building owner brought them to their first store at 17th Street and Towner in Santa Ana, which eventually relocated to a larger space on 4th Street, and has remained there for 17 years.



But you won't find western wear at Charlie's today. As customers' visits to the shop for a fine felt cowboy hat or ostrich skin boots slowed, Charlie and Lupe again adapted to what was going on around them. As Charlie says, they "looked beyond the tip of your own nose" and after doing their market research (consisting of walking around the swap meet to see what people were seeking), they completely revamped the business and now specialize in tattoo and body modification services, offering vintage records, and skateboards – or whatever else their customers ask them to sell. With a solid 4-stars on Yelp and a diverse customer base, Charlie and Lupe are able to provide for their 9 children and 15 grandchildren. They still own the business, but have already handed some of the management to their kids to do what they want to do with it.

Spending 30 minutes with Charlie and Lupe, you cannot help but be inspired by their spirit, perseverance and drive – which is rooted in taking care of their family. Charlie and Lupe, and now their children, aren't just owners of a tattoo shop, but a way of life that they support by meeting the needs of others.

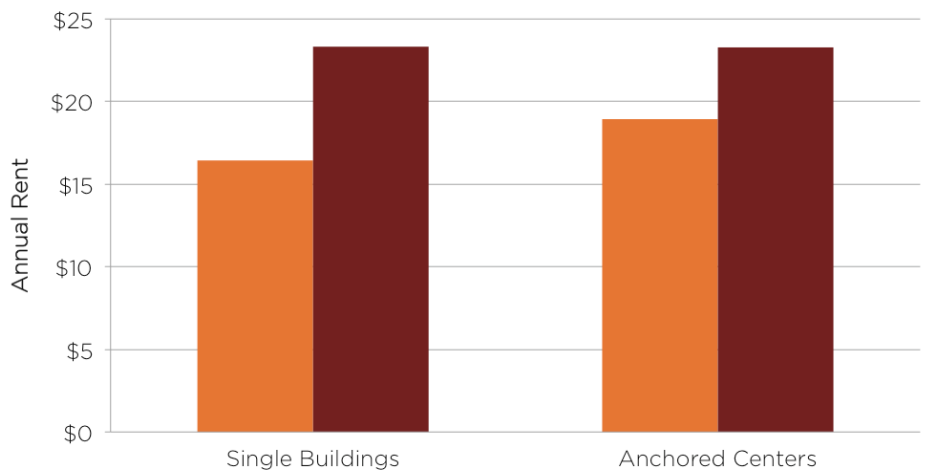
SANTA ANA'S REGULAR POPULATION

Santa Ana Residents	333,000
Incoming Labor Force	+ 113,000
Santa Ana's Day-to-Day Audience	446,000
<i>(Plus shoppers, diners, jury members and others)</i>	

DOWNTOWN RETAIL RENTS

- Greater Civic Center Area
- Remainder of City Average

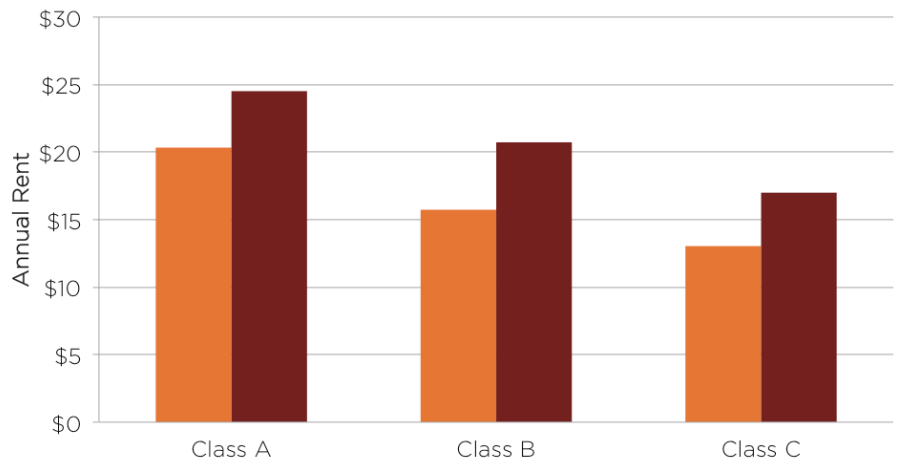
Source: CoStar



DOWNTOWN OFFICE RENTS

- Greater Civic Center Area
- Remainder of City Average

Source: CoStar



WHAT WE HEARD

- There is a deeply rooted fear of gentrification in the community, and a feeling that the City has a bias favoring outsiders. During community meetings when people were asked what scares them most about economic development, the overwhelming majority were afraid that they would be displaced from their home or business.
- Despite dramatic improvements over the last year, there are continued challenges to align the two BID administrators Santa Ana Business Council (SABC) and Downtown Inc. The general discord among different groups, including the BID, in Downtown has contributed to seemingly disjointed City investment efforts. Even well-intentioned actions like the small business grant program or the Calle Cuatro sign program are met with opposition from groups that don't feel they benefit. Ongoing conflicts also involve large events. However, the City did successfully implement a Downtown Liaison position, which has been helping to unify the BID, and improve relationships between the City and business community.
- The increase in homelessness is deeply impacting businesses and desirability, especially in Downtown.
- The train station area is underutilized, and needs better connectivity with the Downtown core.
- Parking options don't encourage people to stay in Downtown and patronize the local retailers, and poor street lighting in some commercial areas gives a bad impression to visitors at night.
- The business license tax is too expensive for small businesses, and the data is not kept in a manner that can be used meaningfully at the City level. Better information would allow the City to track trends and understand how their investments can be more fully leveraged so the businesses paying the tax can see the benefit.
- Small firms seeking capital are locating in Irvine because it has a better reputation among investors, and turnkey commercial spaces. This is particularly challenging – while no one wants Santa Ana to be Irvine, it needs to improve its reputation on all levels to be competitive for jobs.
- Some local businesses are receiving successful support from other entities. The Chamber of Commerce holds business walks where volunteers go speak to businesses and learn about their experiences. This interaction provides insight on the tools needed to support businesses, and helps the Chamber identify those that may require assistance of some kind to stay in the community or in business. MainPlace Mall has also been providing intensive coaching for its retailers – offering assistance with social media, merchandising, and meeting the needs of their consumer.

WHAT WE CAN DO

1. At the first opportunity, implement a new operating agreement between City and downtown BID groups that requires the SABC and Downtown Inc to put forth collaborative proposals for expenditures, events, etc., and commit that the City will follow the BID's lead as long as all legal requirements are met and public safety preserved.
2. Modify and streamline the business license system such that information gathered for the licenses allows for analysis to understand trends in the business community and spot red flags. Though a simple concept, this will require a major overhaul of the City's current system. Nevertheless, if the City had real, usable data on what was happening with its businesses, it could better plan investments and share information with its partners like the Chambers of Commerce.
3. Modify business license fees, offering significantly reduced fees for micro-businesses under 4 employees. Offer fee reduction for businesses owned by Santa Ana residents, and those who hire locally through the WDB or first-source referral program.
4. Become a collaborator with the Santa Ana and Hispanic Chambers of Commerce and the BID administrators to create business coaching and training opportunities. Some efforts are already underway with SABC to work with SCORE and other partners to help up-level local business owners that may not otherwise know how to get access to such resources.
5. Create low-cost pop up incubator opportunities in vacant spaces for So. Main to provide a boost to this area, and generate interest in filling storefronts or redeveloping sites. When seeking tenants, design a qualification system that gives consideration for residents or those that will employ locally (e.g. points in a point-driven ranking scale.).
6. Continue investment in infrastructure, including internet infrastructure to support technology-driven businesses and improve street lighting to make commercial areas more inviting at night.
7. Take advantage of the train station by working with partners to increase events held there, reconsider the tenant mix to have more private companies locate there, and ultimately increase connectivity with central downtown.



Education

Santa Ana is served by the Santa Ana Unified School District, the Garden Grove School District, and the Rancho Santiago Community College District. It's important to understand that these entities are entirely separate from the City, with their own elected governing boards. However, the City did work in conjunction with local schools, businesses, and universities throughout the 1990's to curb violence and drug use, and develop a clear pathway to a college education for Santa Ana students. The "Santa Ana 2000" program provided, among other things, that graduates of a SAUSD high school will be granted admission to Santa Ana College and in turn guaranteed admission to UCI or CSUF if successful at SAC. Unfortunately, while some of the provisions of Santa Ana 2000 are still in place, the coalition was unable to sustain and evolve over time.

Community wealth cannot be built without competitive-wage incomes, and employers are seeking an educated (to varying degrees) workforce. Today, Santa Ana still suffers from low educational attainment compared to its neighboring cities, and to cities of similar size around the state. While unemployment rates are low, incomes and jobs data make it clear that underemployment is overwhelmingly common.



The business attraction and retention paradigm is shifting all over the nation. The City, in its capacity to interface with the business community, can help to facilitate a transition to a talent pipeline management approach to education, particularly at the high school level, but also at the community college level. One of the most successful programs taking place in Santa Ana is High School Inc. An effort initiated by the Chamber of Commerce, high school students at Valley High School voluntarily select an "academy" to participate in, and receive job training. However, the program is not limited to this training, but is a holistic effort aligning classes and workloads for the participating students to support them in all aspects of their high school career.

Education Highlight - High School, Inc.

In the center of one of our most at risk neighborhoods where a reportedly low 54% of adults hold a high school diploma, Valley High School has traditionally had one of the lowest graduation rates (62.5%) and was a center for drop-outs at a rate of nearly 23%, among Orange County's highest. At High School Inc. (HSI), we are determined to turn that around and recognize the potential in these students to make a positive change in both themselves and the world with a little bit of support. **Our mission is to empower youth and strengthen communities through education and business partnerships.**

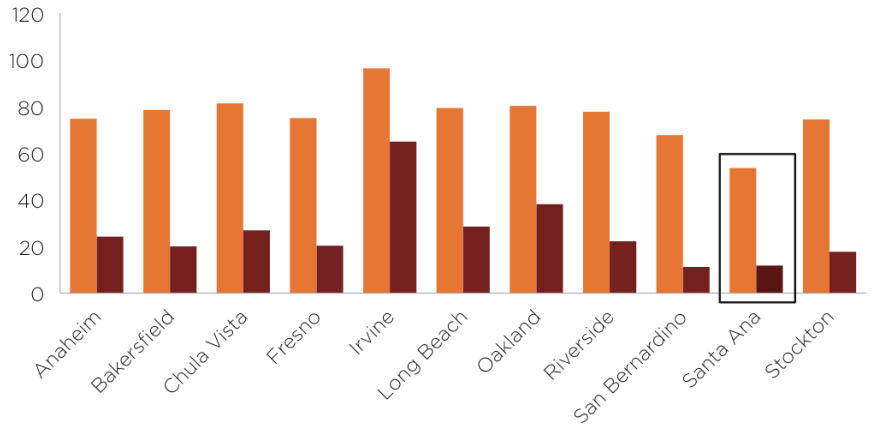
At HSI, we have (6) College and Career Readiness Academies all located on Valley's campus. Academies were identified through labor research, and directly correlate to job growth industries that include: Culinary Arts & Hospitality, Healthcare, Automotive Transportation & Logistics, New Media, Global Business, and Engineering & Computer Technology. Helping to fund activities like industry-relevant field trips, certifications, competitions and other student events, HSI relies on our amazing business partners, foundations, and countless contributors to support the program. With our partners, we also create internships, networking opportunities, and mentorships that occur on and off campus. Finally, HSI supports college and university placement, and assists with scholarship programs.



Through the partnership with the Santa Ana Unified School District, Santa Ana Chamber of Commerce, and HSI, we have raised the graduation rate to an average of 95.5% and currently have one of the lowest drop-out rates in the district. Here to augment and enhance the academies and programs available for all students, HSI is proud to support the youth in Santa Ana and its rich future ahead.

SANTA ANA HAS THE LOWEST % OF HIGH SCHOOL GRADUATES AND SECOND LOWEST % OF COLLEGE GRADUATES

- High school graduate or higher
- Bachelor's degree or higher



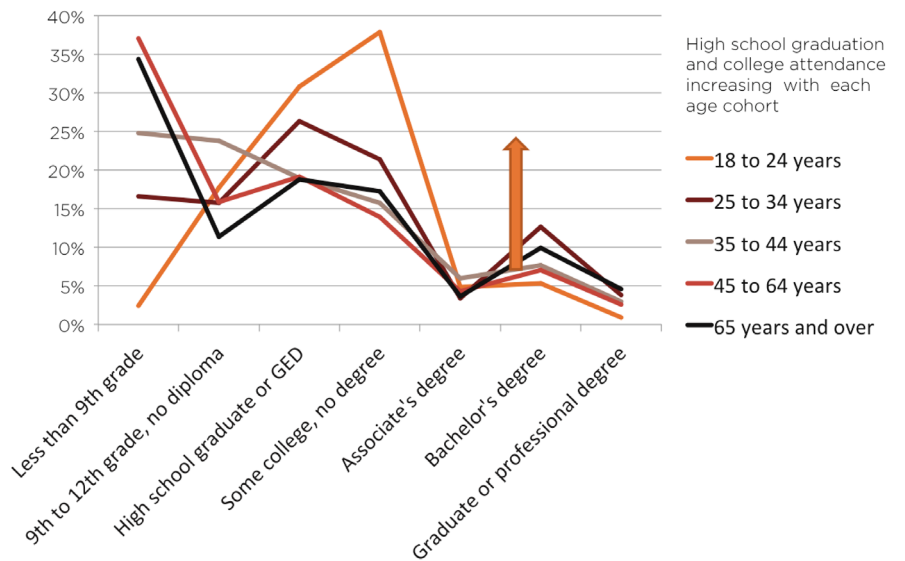
HIGH SCHOOL GRADUATION RATES 2014

Source: Orange County Register

School	Graduation Rate
Caesar Chavez High School	87.4%
Century High School	87.2%
Godinez Fundamental High School	99.4%
Middle College High School	100%
Saddleback High School	88.4%
Santa Ana High School	85.9%
Segerstrom Fundamental High School	98.2%
Valley High School	81.5%

SANTA ANA EDUCATIONAL ATTAINMENT BY AGE

Source: American Community Survey



NEW EMPLOYMENT POTENTIAL FOR CITY - 10 YEARS

Sources: ESRI, based on Dun and Bradstreet, 2015. CA Employment Development Department, 2014.

Administrative Services • 4,870 Jobs	Professional Services • 3,421 Jobs	Healthcare • 2,254 Jobs
Finance • 2,179 Jobs	Construction • 2,131 Jobs	Wholesale Trade • 2,016 Jobs

WHAT WE HEARD

- Limited interaction has taken place between SAUSD and City after Santa Ana 2000 coalition lost steam.
- Santa Ana’s Fundamental High Schools are performing very well, however students can only remain in these schools if they maintain a certain GPA.
- Parental engagement during early school years needs to be increased, and OCBC’s Latino Educational Attainment program has been effective in building this bridge in other school districts, including Garden Grove School District, which serves a portion of Santa Ana.
- Poverty levels alone do not dictate kindergarten readiness. OC Children and Families is researching this phenomenon to determine the circumstances that are most influential in young student success.
- The leap from high school to a career in a livable-wage job is becoming increasingly difficult in this competitive environment. The socio-economic challenges faced by Santa Ana residents, including lack of regular access to a computer and/or a car, further limit their options.
- Hands-on personal career counselling in high school as well as college is extremely effective for student retention and advancement.
- Improved graduation rates and college interest through High School Inc. academies.
- Alignment of high school and college programming with the job market is critical. Many are trying, but the effort needs support.
- The Santa Ana Workforce Development Board (WDB) seems to be a largely untapped resource for job training. Many don’t know it exists.

WHAT WE CAN DO

1. It’s time for the City to re-engage with SAUSD and businesses to develop a talent pipeline management effort. The City is best suited to act as the conduit between the business community and schools in order to connect students to local employers. High School Inc. can scale up its successful academies in other non-fundamental schools, but needs support. Note that this effort will need to expand out of the Santa Ana business network, and include regional job providers. As such, the City will need to leverage relationships with not only businesses, but the Chamber of Commerce, Hispanic Chamber of Commerce, and Orange County Business Council.
2. The importance of career counseling in student success was a recurring finding in research performed. The WDB is best suited to augment or re-align a career counselling program that could be developed within the confines of its funding rules, scaled, and potentially exported through partnerships such as SCORE, the Chamber of Commerce, or local workforce development non-profits.

Supporting Efforts

General Plan Update (In Progress)

Sets broad policy guidelines for land use. Evaluates and determines goals and objectives that can be supported by land use designations or other City policies.

<http://www.santa-ana.org/generalplan/default.asp>

Arts and Culture Master Plan (In Progress)

Creates a common vision for the role that arts and culture should play in Santa Ana, and ascertains how related policy and programming can enhance the quality of life for Santa Ana residents, businesses, and visitors.

http://santaana.granicus.com/MetaViewer.php?view_id=&clip_id=256&meta_id=20495

Economic Development Budget Line Item

Funding allocated to support Economic Development efforts in the City's Adopted Budget for Fiscal Year 2016-17.

<http://www.ci.santa-ana.ca.us/finance/budget/>