



## Santa Cruz County Business Council

**Board of Directors - October 16, 2014**  
**Plantronics - 345 Encinal St., Santa Cruz**  
**7:30 - 9:00 AM**

### **Present**

Peggy Dolgenos (Cruzio), Ted Burke (Shadowbrook/Crow's Nest), Ryan Pacheco (Wells Fargo Commercial), Tom Gill (Plantronics), Marvin LaBrie (PMG), Rick Hofstetter (Lighthouse Bank), Karen Semingson (Hutchinson & Bloodgood), David Heald (Santa Cruz County Bank), Sid Slatter (Slatter Construction), Tom Hart (PAMF), Mickey Holzman (Pajaro Dunes Resort), Erica Manfre (Watsonville Coast Produce), Jarl Saal (First Alarm & Patrol), Rick Weiss (Bay Federal Credit Union), Richelle Noroyan (UCSC), Robert Singleton (SCCBC), Joe Foster (SCCBC)

### **Meeting Highlights**

- Directors discussed their positions regarding both market-rate and affordable housing in our community. The comments were recorded and will be used for formulate advocacy efforts moving forward.
- Directors approved adding “housing” as our officials fourth “focus area.”
- Directors approved SCCBC joining the Monterey Bay Economic Partnership
- Chair Peggy Dolgenos was re-appointed as Chair of SCCBC for 2015. Directors will identify a Vice Chair in the coming months. This Vice Chair will be expected to serve as Chair for a two-year term starting in 2016.
- New Director Watsonville Coast Produce attended their first Board meeting.
- Board approved additional Sustainable Santa Cruz County Plan comments to be submitted to the County by the Government Affairs & Economic Development Committee.

### **Meeting Minutes**

#### **1. Welcome/introductions**

1. September 2014 meeting minutes were approved'

#### **2. Committee reports**

1. Financial - *Machado*
  1. Directors were provided with a comprehensive financial overview prior to, and during the meeting. There were no questions and the report was accepted by the Board.
2. Government Affairs & Economic Development - *Hart*
  1. Current policy issues/discussions



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1. Sustainable Santa Cruz County Plan (County) - Mr. Hart briefing the Board on the current status of the policy. It was approved by the Planning Commission on 9/24, and will be going before the Board of Supervisors on 10/28. The Committee plans to submit additional written comments and speak before the Board on the matter. The SCCBC Board approved this strategy.
2. Economic Vitality Strategy (County of SC)
  1. Mr. Hart and Mr. Foster reported that a revised two-part draft is slated to be released on Thursday, November 13th as part of the Board of Supervisors' 11/18 meeting packet. The document will be one-part strategies and one-part "work plan." It will be presented to the BoS on 11/18 for comment.
  2. Implementation of actual strategies will not take place until late spring/early summer 2015. There will be more opportunity for us to play a roll in the initial implementation process.
3. Affordable Housing Policy (County of SC)
  1. Mr. Hart reported that the Committee has been contributing comments/feedback to the County regarding this matter. The intent is to provide more flexibility and certainty for private parties trying to get a project off the ground. The Committee's view is that tweaks in the County's policy could benefit all types of housing construction, though construction numbers would still remain extremely modest.
4. Water Solutions Advisory Committee (City of SC)
  1. Mr. Slatter reported that WSAC is moving into their seventh month of meetings. The process of compiling public feedback around the 10/16 water "ideas fair" is still taking place as the online component tallied remarks up until 11/11.
    1. Mr. Slatter, Ms. Dolgenos and Mr. Foster continue to hold pre-meeting planning sessions to provide support for Mr. Slatter's efforts during the formal WSAC meetings.
  2. Mr. Slatter reported that WSAC is planning to hold a joint meeting with the City Council in early 2015. This meeting would allow WSAC to brief the Council on progress, discuss strategies and outline steps to finish the process.
  3. The Board expressed their gratitude to Sid Slatter for his efforts on this issue.
3. Membership & Programs - *Burke*
  1. Mr. Burke provided a brief update on upcoming events/meetings
    1. October 24th - Business/Education roundtable discussion at Cabrillo College
    2. November 12th - Post-election briefing with Supervisor-elect Ryan Coonerty
    3. December 5th - annual economic forecast luncheon at Chaminade (Erik Davidson from Wells Fargo Private Bank to speak)
  2. Discussion took place about the need to nominate/approve 2015 officers/committee chairs. Mr. Burke reported that the Committee would like to extend the Chair's term



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to two year. This change was approved, and Ms. Dolgenos was asked to serve as Board Chair in 2015. She accepted the nomination.

3. Mr. Burke highlighted some of the Committee's discussions about member recruitment. He shed some light on a few of the current targets and where we are in the process with them. He also made special mention of Watsonville Coast Produce attending their first Board meeting.
4. Mr. Burke mentioned that the Committee is working on a number of potential policy changes that could be brought to the Board next month. Additionally, the Committee is also in the process of planning the 2015 Annual Membership Meeting. Chances are that it will take on a different format than the previous two years.

### 4. Infrastructure & Transportation - *Foster*

#### 1. Transportation tax - update

1. Mr. Foster reported that the RTC Board approved the RTC staff to pursue a 2016 ballot measure for transportation projects. The next step in the process will be for initial surveying/polling to be conducted to determine whether or not it will be feasible to go forward on this. The polling oversight committee will be comprised of SCCBC, SC Area Chamber, Plantronics and the RTC. The steering committee's first meeting will be in mid-November. From there, a project timeline will be established.
2. Mr. Foster provided a brief overview of the recent conversation the Committee had with SC Metro CEO Alex Clifford to discuss future projects of interest to the business community. Possible projects for the business community to engage in are as follows:
  1. "bus on shoulder" on Highway 1 from the fishhook to Aptos
  2. new coaches for the Highway 17 Express service
  3. daily Metro service to the San Jose airport

### 3. 2014 Focus Areas Update/Executive Committee - *Dolgenos*

1. Chair Dolgenos provided an overview of our progress related to SCCBC's focus areas.
2. The Board agreed that we are on the right track with our areas of focus, and they directed that we continue with the same list of topics for 2015.
3. It was also reported that at the recent Executive Committee meeting conversation took place about the best way to structure our committees. Do we have the right ones in place? Should we look at dissolving one and creating a new one? At this point, the Board felt we were on track and did not make a recommendation to change our current structure.
4. Chair Dolgenos also reported that the Executive Committee felt that holding a strategic planning retreat should happen every two (2) years and not annually. It should coincide with the new Chair coming onboard (which will be every two years).
5. Mr. Foster stated that a comprehensive look at our focus areas, including the newly adding "housing," would be given at the November Board meeting.



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### 4. Board Discussion: Housing in Santa Cruz County - *Dolgenos/Foster*

1. Questions that were considered by the Board:
  1. How does the cost of housing (purchase and rental) affect your business/organization?
  2. What should the countywide business community be requesting of our local policy makers regarding this issue?
  3. What should SCCBC's approach be going forward? What is our position statement? What should we be advocating for related to housing?
2. Comments given by the Board:
  1. I know that the City was trying to hire a few new director level positions, and their top level candidates all turned down the job due to the cost of housing
  2. We must have better public policy in place to encourage private investment in housing, both market-rate and affordable.
  3. Alternative transportation people are interested in this, as well.
  4. If you look at all the problems that are out there, I am kind of overwhelmed with the magnitude of the problem. What what it really take to make a difference in the community? We have such a huge problem? How many thousands and thousands of units would need to be built. Transportation should remain a priority. Transportation and housing are inter-related.
  5. Where is the land in north county where there is an opportunity to build? There is some availability in south county, but not mid and south.
    1. What you have to do is built up. There must be more density, because we do not have a plethora of land to utilize. We have a real opportunity to make this happen due to the private and public sector leadership that is currently in place.
  6. Student housing needs to be reworked. There must be more options
  7. Our typical employee can't afford to buy or rent in Santa Cruz. A lot of our employees chose to live outside of the community and they commute into Santa Cruz. Housing is taking up so much of our employees' paychecks.
  8. We must go up. We have to due to the land constraints and the overall cost of construction.
  9. We have tried to hire middle management folks from outside the area, and they are having a hard time making it work with renting/buying.
  10. 1/2 of our employees come from Silicon Valley, so they pay a lot over the hill. This is a wake up call for me - I will check with HR about whether or not we have people turning us down due to cost of living. We should focus efforts on the Soquel corridor.
  11. Our approach is to acquire homes near our office. I subsidize rent to bring in the right people. I have some property available right now. I wonder if we think the housing crisis is worse than it actually is. We pull a lot of people from outside the area; even some people commute from near Sacramento to San Jose. We have noticed a lot of people moving from Santa Cruz to Sacramento
  12. We have to affect some kind of change with public policy - right now the status quo is not working. We are not getting enough market-rate and affordable unit.



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13. I really encourage SCCBC to tackle this issue. The winds of change are blowing and even the most staunch “no growth” folks are interested in looking at ways to build more housing. Also, local police forces are having trouble recruiting officers from outside the community. Instead, they are trying to recruit from within the community.
14. Strong linkage between transportation and housing.
15. I want to live close to where I work and where I shop. Recent graduates from UCSC, the majority of the graduates leave after graduation. They would’ve loved to have lived/worked locally, but they can’t get pay to keep up with the cost of living. The affordability gap is much more pronounced in Santa Cruz.
16. The current make up of the Board of Supervisors, they want to hear our ideas. We have a real opportunity to make a difference here and now. We need to get the Sustainable Santa Cruz County Plan and the Economic Vitality Strategy approved, along with the right policies in place under the affordable housing program.
17. We must make sure we don’t bring back anti-growth attitudes. We have to be strategic about our practices...be educational...try not to galvanize the anti-growth folks. Yes, we need to go up, but don’t push so hard that it will bring the opposition out of the shadows.
18. We have all the players at the table to make things go in a positive way. We have lenders, builders, employers, etc. We know what the pay will be, we know what that pay will allow for someone to pay for housing; how many units are needed? where are the opportunity sites? how are we going to build units that are affordable?
19. We need more private and public sector leadership
20. We are having trouble recruiting top level talent to come to Santa Cruz due to the cost of living. We recently were hiring for a position and only got a few folks apply.
21. The number one reason why people leave our business is because they can’t afford to live here. We have purchased housing and put key people into it. That has helped us keep folks a little longer.
22. Affordable housing is important to a vibrant community. We are challenged every time we hire new staff to calm their concerns about housing.
23. I wouldn’t want affordable housing built next to my house because of concerns over the affect on property value. I hate that, but it is a reality.
24. If there is not an economic incentive, no one will build. This was quoted from 1991. Since then, we haven’t gotten much.
25. It is less expensive for local high school students to go out-of-state than to go to UCSC.
3. Chair Dolgenos said that we (SCCC) can really do a great job at affecting some change. Mr. Foster said that we will craft a position statement on housing and will have it reviewed by the Board once completed.
4. The Board said that they wanted staff to continue their work on this issue. More density.

### 5. Announcements



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1. A motion was made for SCCBC to join the Monterey Bay Economic Partnership (MBEP). Motion was seconded and approved by the Board.

### **6. Adjourn**

**Next meeting - Thursday, November 20th @ 7:30 AM - Cruzio Internet (Santa Cruz)**