



CHOOSE  
**SANTA CRUZ**



GUIDE:

*FREELANCE/CONSULTANT*



## STARTING A FREELANCE/CONSULTING GIG

So you've decided you want to be your own boss. Maybe you're consulting or doing freelance work as a graphic designer, marketer or other creative venture. This guide will walk you through the process of getting your business up and running on the right track. You'll learn about the permits you need and tools and resources available specifically for freelancers and consultants.



## PLAN

### **Business Plan:**

Creating a business plan can help you to focus your ideas, outline goals, and develop a strategy for reaching them. Even if you plan to keep your business small it will be helpful start from a strong foundation plan.

#### **Note:**

Online Business Resource, **SizeUp Business Analytics**, can provide you with data on how your business will stack up against potential competition and can help up inform your business plan.

The **Small Business Development Center (SBDC)** is a great resource and can match you with a business consultant who can provide feedback and help you to focus your business plan to achieve your goal.

### **Business Structure:**

Choosing the right business structure is important for legal and tax purposes. There are several different types of structures that might work for your business.

For more information about the benefits and risks of the different types of business structures, check out **NOLO Law for All**.

#### **Note:**

We recommend you talk with an attorney and a CPA to ensure you understand the legal and financial implications of the business structure you plan to operate.

- Prepare Business Plan**
- Connect with SBDC for business mentoring**
- Work with an attorney or CPA to determine business structure
- More tasks...
- More tasks...
- More tasks...



## PLAN

### **Choosing a Name:**

Choosing a name for your business is an important decision. It has to fit and feel right for your brand and business identity. Your name also needs to be registered properly to protect you for the long term. Some things to consider when choosing a name: How will your name look on the web or in a logo? How internet friendly is it? Does it reflect your business philosophy, values, and brand?

You can check if the name you want is available and reserve an available name by mail with the CA Secretary of State. Learn more about this process at [sos.ca.gov](https://sos.ca.gov).

### **Choosing a Location:**

You may have more location options than you would think as a solopreneur. You can always work from the comfort of your own couch, but there are also lots of local co-working spaces offering high speed internet and lots of networking opportunities. Getting a membership or even the occasional day pass to **NextSpace**, **CruzioWorks**, or **Satellite Coworking Space** can be a great way to get out of the house and be apart of a community of one-person businesses just like you!

The type of location you choose will impact the type of Zoning Clearance you will need. We will cover this in the next section, Permit.

- Check if your business name is available**
- Choose a location**
- Check with Planning to make sure the location is zoned correctly for your use
- More tasks...
- More tasks...
- More tasks...



**Employer Identification Number:**

If you are hiring employees you will need to apply for an Employer Identification Number (EIN) also known as a Federal Tax ID number from the IRS. This is used to identify your business and allows you to hire employees. To apply for an EIN visit [www.irs.gov/businesses](http://www.irs.gov/businesses).

**Fictitious Business Name:**

Registering your business name involves a process known as registering a Fictitious Business Name, also known as a “Doing Business As (DBA)” name or trade name. This process shouldn’t be confused with incorporation and it doesn’t provide trademark protection. Registering your DBA name is simply the process of letting the state government know that you are doing business as a name other than your personal name or the legal name of your partnership or corporation. You will file your Fictitious Business Name through the **Santa Cruz County Clerk’s Office**.

**Note:**

If you are operating under your own name, then you can skip this process.

- Apply for Employer Identification Number**
- Apply for Fictitious Business Name**
- More tasks...
- More tasks...
- More tasks...

**How to Get Your Fictitious Business Name:**

<b>Address:</b>	Santa Cruz County Clerk, 701 Ocean Street, Room 210	<b>Costs:</b>	\$40 (plus fee to place name in newspaper)
<b>Forms Needed:</b>	<b>Fictitious Business Name Application</b>	<b>Processing Time:</b>	4 weeks

It might be a good idea to apply for **Trademark Protection** as well. A trademark protects words, names, symbols, and logos that distinguish goods and services. Your name is one of your most valuable business assets, so it’s worth protecting. You can file for a trademark for less than \$300.



**Zoning Clearance:**

Once you've found a location—whether it's a traditional brick and mortar or your kitchen table—you'll need to visit the Planning Counter to obtain your Zoning Clearance. The Zoning Clearance is a one-time process, with a one-time fee, that the City uses to ensure your business type is permitted to operate in your chosen location.

**Note:**

You'll need your Zoning Clearance before you can get a business license through the Finance Department, so it's important to take care of this step first. Ready, set, go.

A Home Occupation Zoning Clearance is required to operate a business out of your residence. As a consultant or a freelancer providing professional services where you use your residence as your primary office, this is for you. The Home Occupation Zoning Clearance is a simple, over-the-counter form where you provide information about your business and acknowledge receipt and understanding of the Home Occupation regulations by signing a Zoning Clearance form. The fee is **\$164**, but you only pay this once for the life of the business operating in that specific location.

**Note:**

(1) Your business can not use more than 400 sq ft, (2) employees cannot work out of your home, unless they also live there, (3) you can't display advertising, (4) your business cannot generate more than 6 trips [3 round trips] per day including deliveries and clients, and, (5) beware that operating a home business could violate your lease or Homeowners Association (HOA) charter.

- Apply for Zoning Clearance
- More tasks...
- More tasks...
- More tasks...



# PERMIT

## Zoning Clearance (Continued):

A Non-Home Occupation Zoning Clearance is required to operate a business out of all other non-residential locations for standard commercial locations. This means that if you are operating out of a coworking space or other commercial property, you will need this type of Zoning Clearance and the fee varies based on the previous use of the space you are occupying. In general, operating out of a coworking space would result in a "Same Use" fee of **\$84**.

- Apply for Zoning Clearance
- Apply for Business License
- More tasks...
- More tasks...

## How to Get Your Zoning Clearance:

<b>Address:</b>	City of Santa Cruz Planning Counter 809 Center Street, Room 206	<b>Costs:</b>	Determined by use type at the Planning Counter
<b>Information Needed:</b>	Your address and type of business	<b>Processing Time:</b>	Typically 1 day

## Business License:

Once you have the Zoning Clearance in hand from the Planning Department, you're all set to get your Business License. The Finance Department issues Business Licenses, which are an annual fee charged to businesses operating in the City of Santa Cruz as a way to monitor business activity in the City and best prioritize our resources to help businesses across all City departments as well as the variety of free **resources for businesses online**.

## How to Get Your Business License:

<b>Address:</b>	Finance Counter, 809 Center Street, Room 101.	<b>Costs:</b>	\$145.15 (plus employee fees if applicable)
<b>Forms Needed:</b>	<b>Business License Application</b>	<b>Processing Time:</b>	1 day ( plus 1-2 weeks to receive certificate)



## LAUNCH

### **Prepare Your Marketing Strategy:**

A marketing strategy is key to attracting clients and customers and most of all, spreading the word about your new business. The SBDC can connect you with an expert mentor to help you hone your marketing skills. You can also attend one of the many free or low cost seminars they host on the topic. Building visibility and brand awareness is crucial. Consulting with a graphic designer to make sure you have a website, marketing materials, signage, and other graphics that promote a unified message and overall look for your business is an important step to launch your business.

### **Celebration!**

Starting and running a business is a lot of work, so it's important to celebrate the wins! Launching your business is definitely cause to party, so big or small do something to mark the achievement of getting your business up and running! Congrats!

### **Solicit Work:**

There are a number of ways to seek out work, including using the web, word-of-mouth, advertising, and partnerships, etc.

#### **Note:**

A good website can go far. Consider investing a little money in a website that effectively tells your story, breaks down exactly what you do, and clearly shows how to reach you.

You can also seek out local freelancer or consultant groups specific to your expertise or the general nationwide freelance community like the **Freelancers Union**.

- Prepare your marketing strategy
- Take time to celebrate getting this far!
- Build your network to help you find customers
- More tasks...
- More tasks...
- More tasks...





GROW

### **Expand Your Operations:**

Depending on what kind of business you have you may start to outgrow your home office. If you decided you need to hire on 1 or more on-site employees or your business grows to use more than 400 square feet, you will no longer be permitted to operate out of your home. There are lots of opportunities to grow into a rented office space at a co-working location or lease office space within the City. Our online property database, **Space Available**, is a great resource for helping you find the perfect location.

#### **Note:**

If you work out of your home, you are permitted to employ residents or family members that live on-site.

This is a great opportunity to expand your business capacity, provide jobs to the community, and maybe even get you some time off; but you will want to consider to the additional costs and complexity this may add. You will need to obtain an employer Identification number (EIN), set up records for withholding taxes, report with California's new hire reporting system, obtain workers compensation insurance, and find out if you are required to pay unemployment or disability insurance taxes.

#### **Note:**

If you're thinking about taking this next step we recommend you work with a mentor from the **Small Business Development Center** to make sure you are ready to make the leap with the right permits and business plan to help you succeed.

- Work on a growth plan with the SBDC
- Look on the Space Available list for a larger office space
- Work with an attorney or CPA to determine what insurance and taxes you may be required to pay
- More tasks...
- More tasks...
- More tasks...

## GUIDE:

# FREELANCE/CONSULTANT

## CHECKLIST



### PLAN

- Prepare Business Plan
- Connect with SBDC for business mentoring
- Work with an attorney or CPA to determine business structure
- Choose a location
- Check if your business name is available
- Check with Planning to make sure the location is zoned correctly for your use



### PERMIT

- Apply for Fictitious Business Name
- Apply for Zoning Clearance
- Apply for Business License



### LAUNCH

- Prepare your marketing strategy
- Take time to celebrate getting this far!
- Build your network to help you find customers



### GROW

- Work on a growth plan with the SBDC
- Look on the Space Available list for a larger office space
- Work with an attorney or CPA to determine what insurance and taxes you may be required to pay



## RESOURCES

### *SBDC BUSINESS PLANNING SERVICES*

The Santa Cruz Small Business Development Center (SBDC) helps to take business ideas to the next level by providing ongoing business education and 1 on 1 support to savvy and first time entrepreneurs.

[www.santacruzsbdc.org](http://www.santacruzsbdc.org)

### *BUSINESS LICENSE APPLICATION*

Doing business in the city limits of Santa Cruz requires a City of Santa Cruz Business License Tax Certificate. Application must be submitted on or before the day you start business. Apply online at: [www.mycityofsantacruz.com](http://www.mycityofsantacruz.com)

### *SIZEUP BUSINESS ANALYTICS*

Market research can be time consuming and difficult to do as a small business. SizeUp Business Analytics gives you a comprehensive view of how your business stacks up against others in your industry.

[www.choosesantacruz.com/sizeup](http://www.choosesantacruz.com/sizeup)

### *SPACE AVAILABLE*

Finding the right space can be challenging. ZoomProspector helps you easily filter through our online property database to find the spot that's the right fit for your business.

[www.choosesantacruz.com/space-available](http://www.choosesantacruz.com/space-available)

### *YOUR ECONOMIC DEVELOPMENT TEAM*

We're here to help businesses launch, grow and prosper. It all starts when you get in touch.

**OFFICE HOURS**  
Mon - Fri: 8am-5pm

**ADDRESS**  
337 Locust Street  
Santa Cruz, CA 95060

**PHONE**  
(831) 420-5150

[WWW.CHOOSESANTACRUZ.COM](http://WWW.CHOOSESANTACRUZ.COM)



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