



MONO COUNTY ECONOMIC DEVELOPMENT

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STAFF REPORT

SUBJECT: Community Economic Resilience Fund (CERF) Program –Public Comment

RECOMMENDATION: Review and approve draft public comment letter from Mono County Board of Supervisors regarding the Community Economic Resilience Fund (CERF) program, proposed Economic Regions and other program parameters.

BACKGROUND: The \$600M Community Economic Resilience Fund (CERF) was established by SB 162 within the Workforce Services Branch of the Employment Development Department (EDD), and with administrative assistance from the following agencies: Labor and Workforce Development Agency, Office of Planning and Research (OPR), and the Governor's Office of Business and Economic Development (GO-Biz).

The CERF Program Objectives: (1) *To build an equitable and sustainable economic recovery from the impacts of COVID-19 on California's industries, workers, and communities, and to provide for the durability of that recovery by fostering long-term economic resilience in the overall transition to a carbon neutral economy AND (2) To build a more robust, sustainable, and equitable recovery across all sectors of the California economy.*

Program Rollout: The Inter-Agency team is tasked with the following responsibilities: a. Identifying geographic boundaries of regions in a way that prioritizes economic recovery and transition strategies and are consistent with other state definitions of regional economic and labor markets. b. Create program guidelines and evaluation metrics that, at a minimum, support federal funding. c. Design a competitive grant structure. d. Develop technical assistance and evaluation infrastructure. e. Track and report progress and deliverables.

Grant Criteria: The Inter-Agency team will develop policies for grants to fund regional programs and economic development strategies that directly complement state and federal infrastructure funding in housing, transportation, advanced energy, broadband, and natural resources and "directly-connect" in each of those sectors to any existing or emerging high road training partnerships. In addition, the program shall: a. Provide financial support to establish

and support high road transition collaboratives in designing region and industry specific economic recovery and transition strategies. b. Include a focus on those regions and communities most affected by the economic impact of COVID-19 (as authorized in federal guidance) and whose economic distress has been: a. Exacerbated by COVID-19, and b. Compounded by macroeconomic impacts such as: i. The global transition to carbon neutrality ii. The Western US Region's acute vulnerability to climate change impacts.

Economic Regions and Planning Grants: The first step in the CERF Program Rollout is the determination of geographic boundaries of regions in California. Thirteen Economic Regions have been proposed. Each defined Economic Region will receive a \$5M planning grant to develop a regionwide "High Road* Transition Plan" with qualifying projects/programs to submit for CERF grant funding in the competitive process.

More Info about CERF: For more information on the CERF program, please see: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB162

** The term "High Road" refers to a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity and a clean environment. High road strategies include efforts that improve job quality and job access, meet the skill and needs of employers, meet the economic, social and environmental needs of the community, including for those from underserved/underrepresented populations.*

DISCUSSION: The CERF program roll-out was just launched with the recent Inter-Agency announcement of the thirteen Economic Region in the state. For details regarding these regional determinations, please see the attached PDF or click on this link: https://edd.ca.gov/Jobs_and_Training/pubs/wsin21-20att1.pdf.

Public Comment: Public Comment on the proposed regions was originally requested to be submitted by November 10, 2021 but was extended that day to November 19, 2021. The draft letter of public comment from Mono County (see attached) underscores three main issues/concerns related to:

- The proposed Eastern Sierra Region which includes Mono, Inyo, Alpine, Amador, Calaveras, Mariposa and Tuolumne counties
- Regional Planning parameters and inclusion of "sub-regional" planning
- Eligibility of local government (Cities, Counties, Councils of Governments) to apply directly for funding

A draft public comment letter is attached for review, discussion, and input by the Board of Supervisors.

FISCAL IMPACT: None currently.

Community Economic Resilience Fund Program (CERF)

Proposed Economic Regions for High Road Transition
Planning Grants: Released for Public Comment



Summary

This memo identifies thirteen economic regions of California for the purposes of disbursing ~\$65 million in High Road¹ Transition Planning Grants as part of the Community Economic Resilience Fund Program (CERF). The planning phase will lead locally-led implementation efforts to recover from COVID-19, by diversifying local economies and developing new, sustainable industries with high-quality, broadly accessible jobs. Thirteen regions were selected based on a two-part process. First, we leveraged analysis from the state's Labor Market Information Division that grouped locales using factors such as commute patterns and labor market data. Next, we considered four additional factors: (1) connections to existing definitions of regions in California, (2) relative size of population, (3) geographic scale and size, and (4) industry mix and economic relationships. Based on this methodology, the team has developed a provisional list of thirteen CERF regions for the purposes of distributing planning grants.

The program design will allow for flexibility to conduct economic analysis at a larger geographic scale, including economic flows between different regions. In other words, regions will be able to work together on plans as appropriate. Implementation grants will allow for projects that cross regional boundaries.

This memo provides our initial determinations of the thirteen CERF regions to allow for public comment, such as for slight modifications to these boundaries (e.g. shift a county from one region to an adjacent region). However, the state will only fund one fiscal agent and planning process per economic region.

¹ "High road" refers to a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity, and a clean environment. High road strategies include efforts that improve job quality and job access, including for women and people from underserved and underrepresented populations, meet the skill and needs of employers, meet the economic, social, and environmental needs of the community.

Proposed CERF Economic Regions



Phase 1: Data-Driven Analysis of California Regions by LMID

The first phase of our analysis was based on the Employment Development Department's Labor Market Information Division's (EDD-LMID) analysis of California's economic regions. This data-driven analysis is based primarily on commute patterns, but includes the analysis of industry employment and labor force data to link various groupings of counties into regions. The LMID analysis and framework can be adapted to support a variety of workforce development, economic development, education, and other policy initiatives.

The conclusion of LMID's analysis results in a total of twelve regions for California (Fig. 1). Based on LMID's twelve regions, we have suggested thirteen regions for the High Road Transition Planning Grants to better align the regions with the CERF program goals.

Figure 1: LMID's Economic Development Strategy Region Framework



Phase 2: Proposed Changes to LMID regions for CERF Program

For the purpose of the CERF Program's High Road Transition Planning Grants, we suggest several slight modifications to the grouping of the regions recommended by LMID – combining three regions into one (Bay Area) and subdividing two large regions into smaller subregions (Northern and San Joaquin Valley). Creating subdivisions within the larger regions will not only make the planning process more manageable across a large area but also allow for more geographic equity in economic recovery investments, enabling each region to target investments for populations disproportionately impacted by COVID-19 in their economic recovery and transition plans.

Our proposed changes are as follows:

Regional-Scale Modifications

1. Establish one nine-county Bay Area Region by combining LMID's North Bay, East Bay, and Bay Peninsula-Marin regions into the "Bay Area":
 - The nine Bay Area counties have a 100 year history of collaboration that the CERF process can leverage.

- The Bay Area is regarded as a highly resourced region. For example, although less than 20% of the state's population, the Bay Area's nonprofits generate over 53% of total nonprofit revenues in the state. Source: [California Association of Nonprofits \(PDF\)](#).
 - There are existing regional institutions that have worked and partnered at this nine-county scale, and they have worked with subregional organizations as well. These entities include the following region's: Metropolitan Planning Organizations (MPO)/Council of Governments, transportation planning organizations, air district (Bay Area Air Quality Management District), planning agency (Bay Area Conservation and Development Commission), and numerous NGOs and civic organizations.
 - The nine counties have several recent plans and processes to build on, including the collaboration around *American Recovery and Reinvestment Act (ARRA)*, Plan Bay Area, Bay Area Regional Prosperity Strategy, etc.
2. Divide LMID's Northern Region into two regions: the Redwood Coast and North State:
- LMID's Northern region is too large of a geographic area to be a single region. Splitting it into two regions allows for better connection points within the Coast and Inland region. There is also a longstanding history of collaboration amongst the Redwood Coast counties.
 - The division into two would more closely follow existing transportation corridors, including the 101 corridor and the I-5 corridor.
3. Divide LMID's eight county San Joaquin Valley region into three regions: the Northern San Joaquin Valley, Central San Joaquin Valley, and Kern County:
- The entire San Joaquin Valley region proposed by LMID is very large and there is no existing network to support convening at that scale.
 - There is a recent history of coordination on economic growth initiatives at the smaller scale, including initiatives like Kern's [B3K Prosperity](#), [Fresno DRIVE Initiative](#), and the emerging northern San Joaquin Valley planning process.
 - This region has fewer available resources overall, creating a greater need for additional planning funds to prepare for and succeed in various statewide competitive processes.
 - Because of key industries in this region (e.g., the oil and gas industry in Kern), there is a need to maintain more focus on the distinct economic impacts created by shifts in these regions.
 - The San Joaquin Valley region has existing venues to ensure there are connections and lessons learned across the 8 counties, so CERF does not need to play that role.

Northern San Joaquin Valley (Merced, Stanislaus, San Joaquin)

- The Northern San Joaquin Valley region is developing a regional identity through connections to both Sacramento and the Bay Area via population migration, commute patterns, and industry relationships.
- This region is different from the rest of the Valley, as it has previously been identified as a core part of the [Northern California megaregion \(PDF\)](#).

Central San Joaquin Valley (Fresno, Madera, Kings, Tulare)

- There is an existing collaborative effort to work across Fresno County. Fresno also has growing economic ties and increasing shared commute patterns with Madera and Tulare.
- The economic base across the more rural areas amongst all these counties is very similar.

Kern County

- Kern County is a very large region with both desert and valley landscape.
- It is an existing key center for the state's energy sector, housing about 80% of the oil and gas industry and a growing renewable energy market.
- The region has existing economic development processes at the county level to build on.

County-Level Modifications

4. Move Alpine County from the Sacramento region to Eastern Sierra region.
 - Alpine participates in regional planning through the EDA with the other 6 counties in the Eastern Sierra region.
5. Move Nevada County from the Sacramento region to the North State region.
 - Nevada County participates in regional planning through the EDA with the North State region.

Proposed CERF Economic Regions



Leveraging the twelve economic markets of California – identified by EDD-LMID – as an initial framework for the regional economies of California and applying the additional factors described above, we recommend establishing the below thirteen regions for the purposes of High Road Transition Planning. Each of these regions have populations and areas that have been disproportionately impacted by COVID-19, and are therefore eligible for State Fiscal Recovery Fund funding from the CERF Program.

Economic Regions	Counties
Southern Border	<ul style="list-style-type: none"> • San Diego • Imperial
Inland Empire	<ul style="list-style-type: none"> • Riverside • San Bernardino
Los Angeles County	
Orange County	
Central Coast	<ul style="list-style-type: none"> • Monterey • San Benito • Santa Barbara • Santa Cruz • San Luis Obispo • Ventura
Northern San Joaquin Valley	<ul style="list-style-type: none"> • San Joaquin • Stanislaus • Merced
Central San Joaquin Valley	<ul style="list-style-type: none"> • Madera • Fresno • Kings • Tulare
Kern County	
Eastern Sierra	<ul style="list-style-type: none"> • Alpine • Amador • Calaveras • Inyo • Mariposa • Mono • Tuolumne
Bay Area	<ul style="list-style-type: none"> • Alameda • Contra Costa • Marin • Napa • San Francisco • San Mateo • Santa Clara • Solano • Sonoma
Sacramento	<ul style="list-style-type: none"> • Colusa • El Dorado • Placer • Sacramento

Economic Regions	Counties
	<ul style="list-style-type: none"> • Sutter • Yolo • Yuba
Redwood Coast	<ul style="list-style-type: none"> • Del Norte • Humboldt • Mendocino • Lake
North State	<ul style="list-style-type: none"> • Lassen • Modoc • Plumas • Nevada • Shasta • Sierra • Siskiyou • Trinity • Glenn • Butte • Tehama

