

CERF HRTC Meeting
June 30, 2023
8:30 to 10:00am
Zoom Video Conferencing

<https://us02web.zoom.us/j/86993468590?pwd=bkRibjZGaCtoSVFZMTNxNEtwN2ZJdz09>

Webinar ID:
869 9346 8590
AGENDA

- 1. Call to Order** (Ish Herrera)
- 2. Public Comments** (Ish Herrera)
- 3. Introductions of Community Members on the HRTC** (Ish Herrera)
- 4. HRTC Member Comments** (Ish Herrera)
- 5. Review of Current State Deliverables** (Jesse Ben-Ron)
- 6. Research**
 - A. UCI Labor Center (Dr. Virginia Parks)
 - B. Stakeholder Mapping (Rebecca Alvarez)
 - C. Regional Plan Part I Draft (Dr. Wallace Walrod)
- 7. CERF Catalyst Fund** (Jesse Ben-Ron/Matt Phillips)
- 8. Next HRTC Meeting** (Jesse Ben-Ron)
 - CERF "Office Hours"
 - ☐ [July 11, 11 to 11:30 am](#)
 - ☐ [July 12, 2 to 2:30 pm](#)
 - ☐ [July 13, 9 to 9:30 am](#)
 - Stakeholder Convenings on Regional Plan Part I
 - Friday, July 28, 2023
 - ☐ Approve Regional Plan Part I
- 9. Adjourn** (Ish Herrera)

Orange County Worker and Employment Profile

UCI Labor Center

Dr. Virginia Parks, Faculty Director

Youjin Kim, PhD student

June 30, 2023

Overview

- Worker-centered analysis
- Employment changes
- Median wages by gender, race, industry, occupation
- Unionization
- Union wage differentials

Employment change, 2019-2021

2019 total employment	2,037,217
2021 total employment	1,964,746
Change	-72,471

- OC lost 72,471 jobs between 2019 and 2021, a contraction of 3.6%
- Impact of Covid-19
- 2021 data catching economy in recovery mode
- 2022 data will be released Sept 2023, providing more information about OC's recovery trajectory

Data

- American Community Survey, or ACS
- Census data
- Yearly 1% sample, or 1-year estimates, for Orange County
- Provides robust sample size and detailed individual-level data
- What does that mean?
- Information reported about individuals, allowing us to identify individual characteristics of workers in OC such as gender, race, occupation, wage ... but not at a geographically fine scale such as what neighborhoods they live in

Employment change by gender, 2019-2021

	2019		2021		2019-2021 change	
	n	%	n	%	n	%
Men	1,059,762	52.0	1,029,398	52.4	-30,364	-2.9
Women	977,455	48.0	935,348	47.6	-42,107	-4.3

- Women experienced greater job losses than men, a job loss rate of 4.3 percent compared to 2.9 percent for men
- As a result, men slightly increased their share of the workforce between 2019 and 2021 while women's share decreased by three times as much (0.4 compared to 1.3 percentage points)

Employment change by race/ethnicity, 2019-2021



	2019		2021		2019-2021 change	
	n	%	n	%	n	%
White	941,529	46.2	868,866	44.2	-72,663	-7.7
Latinx	592,045	29.1	560,647	28.5	-31,398	-5.3
API	332,631	16.3	338,114	17.2	5,483	1.6
Black	118,790	5.8	120,781	6.1	1,991	1.7
Other	52,222	2.6	76,338	3.9	24,116	46.2

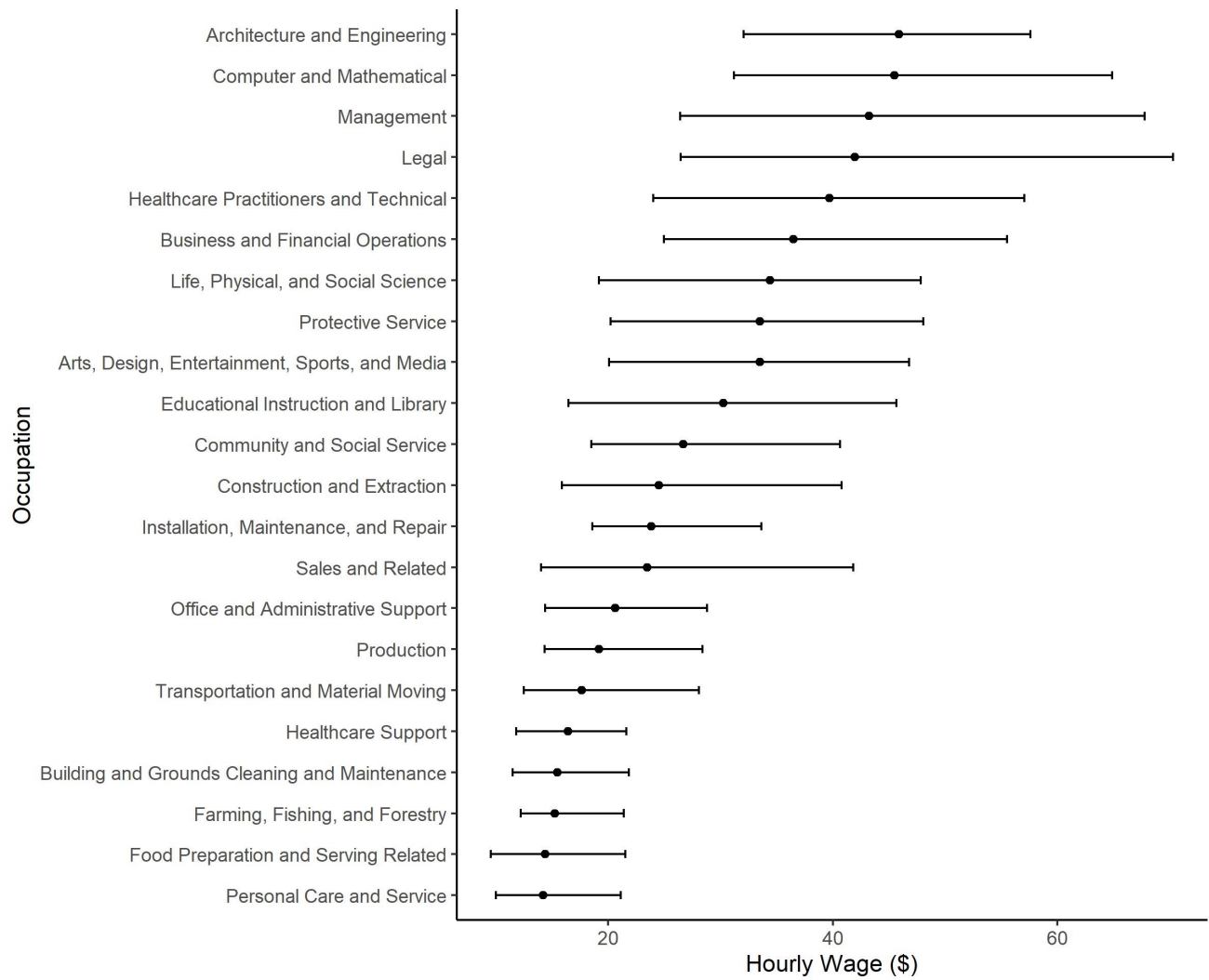
Employment Change by Occupation, 2019-2021

	2019		2021		2019-2021 change	
	n	%	n	%	n	%
Office and Administrative Support	232,237	11.4	215,385	11.0	-16,852	-7.3
Management	228,924	11.2	247,339	12.6	18,415	8.0
Sales and Related	202,124	9.9	176,282	9.0	-25,842	-12.8
Educational Instruction and Library	145,611	7.2	157,513	8.0	11,902	8.2
Business and Financial Operations	138,723	6.8	151,857	7.7	13,134	9.5
Healthcare Practitioners and Technical	130,318	6.4	140,333	7.1	10,015	7.7
Food Preparation and Serving Related	120,595	5.9	95,549	4.9	-25,046	-20.8
Transportation and Material Moving	109,619	5.4	109,884	5.6	265	0.2
Production	101,112	5.0	86,643	4.4	-14,469	-14.3
Construction and Extraction	90,799	4.5	72,081	3.7	-18,718	-20.6
Computer and Mathematical	72,650	3.6	82,237	4.2	9,587	13.2
Healthcare Support	63,495	3.1	61,660	3.1	-1,835	-2.9
Building & Grounds Cleaning, Maintenance	61,206	3.0	51,912	2.6	-9,294	-15.2
Architecture and Engineering	52,745	2.6	59,242	3.0	6,497	12.3
Installation, Maintenance, Repair	52,168	2.6	39,671	2.0	-12,497	-24.0
Protective Service	51,180	2.5	48,085	2.5	-3,095	-6.1
Personal Care and Service	50,923	2.5	35,226	1.8	-15,697	-30.8
Arts, Design, Entertainment, Sports, Media	41,819	2.1	40,826	2.1	-993	-2.4
Legal	32,809	1.6	29,689	1.5	-3,120	-9.5
Community and Social Service	31,483	1.6	33,377	1.7	1,894	6.0
Life, Physical, and Social Science	19,145	0.9	22,416	1.1	3,271	17.1
Farming, Fishing, and Forestry	7,532	0.4	7,539	0.4	7	0.1
All Employment	2,037,217	100.0	1,964,746	100.0	-72,471	-3.6

Employment Change by Industry, 2019-2021

	2019		2021		2019-2021 change	
	n	%	n	%	n	%
Health Care and Social Assistance	278,652	13.7	287,619	14.6	8,967	3.2
Educational services	223,246	11.0	229,482	11.7	6,236	2.8
Manufacturing	209,059	10.3	212,630	10.8	3,571	1.7
Retail Trade	206,775	10.2	192,807	9.8	-13,968	-6.8
Accommodation and Food Services	162,366	8.0	125,308	6.4	-37,058	-22.8
Professional, Scientific, Technical Services	161,869	8.0	186,082	9.5	24,213	15.0
Finance and Insurance	128,119	6.3	119,117	6.1	-9,002	-7.0
Construction	120,893	5.9	103,510	5.3	-17,383	-14.4
Public Administration	82,175	4.0	85,745	4.4	3,570	4.3
Administrative & support, waste management services	80,990	4.0	73,203	3.7	-7,787	-9.6
Transportation and Warehousing	74,590	3.7	81,900	4.2	7,310	9.8
Other Services, Except Public Administration	74,476	3.7	64,909	3.3	-9,567	-12.9
Wholesale Trade	66,488	3.3	56,450	2.9	-10,038	-15.1
Arts, Entertainment, Recreation	47,061	2.3	37,697	1.9	-9,364	-19.9
Information	45,181	2.2	40,287	2.1	-4,894	-10.8
Real Estate, Rental, Leasing	43,237	2.1	37,954	1.9	-5,283	-12.2
Utilities	16,511	0.8	13,150	0.7	-3,361	-20.4
Agriculture, Forestry, Fishing, Hunting	10,704	0.5	11,661	0.6	957	8.9
Management of companies and enterprises	2,452	0.1	2,923	0.2	471	19.2
Mining, Quarrying, Oil and Gas Extraction	2,373	0.1	2,312	0.1	-61	-2.6
Total	2,037,217	100.0	1,964,746	100.0	-72,471	-3.6

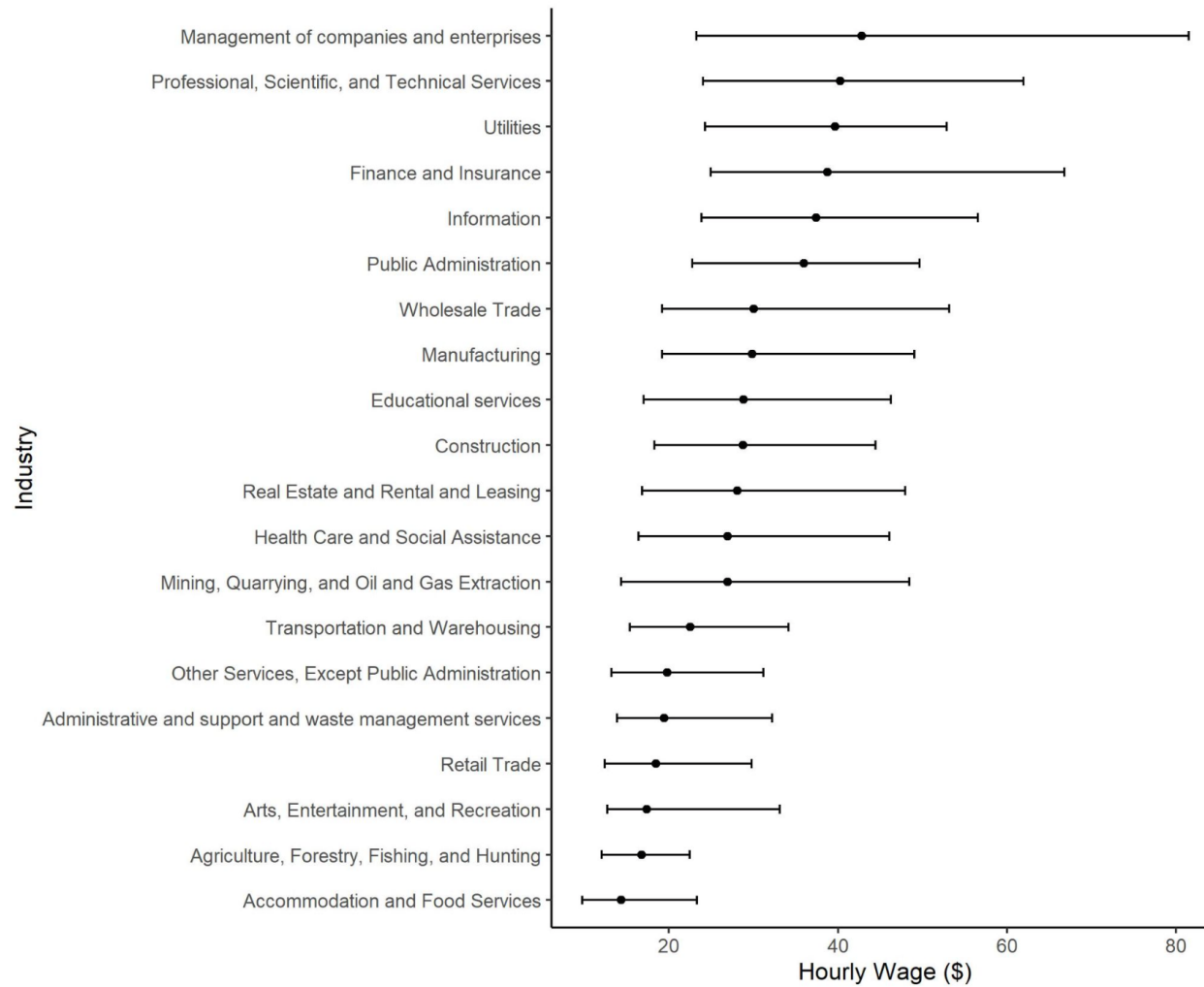
Hourly Wage by Occupation, 2021



Hourly Wage by Occupation, 2021

	% emp	Median	25th	75th
Architecture and Engineering	3.0	\$45.91	\$32.07	\$57.58
Computer and Mathematical	4.2	\$45.49	\$31.23	\$64.88
Management	12.6	\$43.22	\$26.41	\$67.76
Legal	1.5	\$41.96	\$26.48	\$70.32
Healthcare Practitioners and Technical	7.1	\$39.70	\$24.01	\$57.06
Business and Financial Operations	7.7	\$36.49	\$24.98	\$55.52
Life, Physical, and Social Science	1.1	\$34.40	\$19.19	\$47.83
Protective Service	2.5	\$33.49	\$20.22	\$48.05
Arts, Design, Entertainment, Sports, Media	2.1	\$33.49	\$20.10	\$46.78
Educational Instruction and Library	8.0	\$30.25	\$16.48	\$45.65
Community and Social Service	1.7	\$26.68	\$18.51	\$40.67
Construction and Extraction	3.7	\$24.52	\$15.91	\$40.77
Installation, Maintenance, and Repair	2.0	\$23.85	\$18.60	\$33.63
Sales and Related	9.0	\$23.48	\$14.02	\$41.83
Office and Administrative Support	11.0	\$20.64	\$14.41	\$28.81
Production	4.4	\$19.21	\$14.35	\$28.40
Transportation and Material Moving	5.6	\$17.64	\$12.50	\$28.10
Healthcare Support	3.1	\$16.41	\$11.81	\$21.62
Building & Grounds Cleaning & Maintenance	2.6	\$15.50	\$11.53	\$21.84
Farming, Fishing, and Forestry	0.4	\$15.27	\$12.24	\$21.42
Food Preparation and Serving Related	4.9	\$14.41	\$9.59	\$21.56
Personal Care and Service	1.8	\$14.22	\$10.03	\$21.15

Hourly Wage by Industry, 2021



Hourly Wage by Industry, 2021

	% emp	Median	25th	75th
Management of companies & enterprises	0.2	\$42.79	\$23.27	\$81.52
Professional, Scientific, Technical Services	9.5	\$40.28	\$24.04	\$61.94
Utilities	0.7	\$39.66	\$24.27	\$52.88
Finance and Insurance	6.1	\$38.77	\$24.97	\$66.80
Information	2.1	\$37.43	\$23.83	\$56.54
Public Administration	4.4	\$35.98	\$22.77	\$49.64
Wholesale Trade	2.9	\$30.05	\$19.18	\$53.15
Manufacturing	10.8	\$29.86	\$19.21	\$49.04
Educational services	11.7	\$28.84	\$17.00	\$46.24
Construction	5.3	\$28.75	\$18.26	\$44.45
Real Estate, Rental and Leasing	1.9	\$28.10	\$16.82	\$47.98
Health Care and Social Assistance	14.6	\$26.98	\$16.40	\$46.08
Mining, Quarrying, Oil and Gas Extraction	0.1	\$26.92	\$14.33	\$48.43
Transportation and Warehousing	4.2	\$22.52	\$15.38	\$34.12
Other Services, Except Public Administration	3.3	\$19.81	\$13.18	\$31.19
Administrative & support, waste management services	3.7	\$19.41	\$13.90	\$32.19
Retail Trade	9.8	\$18.44	\$12.39	\$29.80
Arts, Entertainment, and Recreation	1.9	\$17.40	\$12.71	\$33.12
Agriculture, Forestry, Fishing, Hunting	0.6	\$16.75	\$12.06	\$22.45
Accommodation and Food Services	6.4	\$14.35	\$9.73	\$23.34

Good Jobs

Workers with Good Jobs are defined as:

1. Earning a living wage according to MIT Living Wage Calculator
2. Receiving employer-sponsored healthcare
3. Having a full-time (30 hours/week according to Obamacare) and full-year appointment (50 weeks or more)

Definition in line with other researchers, including Bay Area CERF research teams.

Good Jobs

Orange County Hourly Living Wage Rates

- Living wage for single adult, no children: \$23.66/hour
- Living wage for two adults, one child: \$25.57/hour

Calculated using MIT Living Wage Calculator 2023

Good Jobs for Single Adults, 2021

833,447 workers held good jobs, or 42% of all OC workers

Men are more likely than women to hold good jobs--
47% percent of men compared to 38% of women

Good Jobs for Two Adults + One Child, 2021

770,690 workers held good jobs, or 39.2% of all OC workers

Men are more likely than women to hold good jobs--
43.5% percent of men compared to 34.6% of women

Good Jobs for Two Adults + One Child, 2021

By Race/Ethnicity

	n	% of group
White	416,299	47.9
API	156,700	46.4
Other	36,174	40.2
Black	39,750	32.9
Latinx	121,767	22.3

Good Jobs for Two Adults + One Child by Occupation 2021

	n	% of occ
Architecture and Engineering	45,086	76.1
Computer and Mathematical	56,807	69.1
Management	159,475	64.5
Legal	18,696	63.0
Business and Financial Operations	94,114	62.0
Life, Physical, and Social Science	12,438	55.5
Healthcare Practitioners and Technical	76,224	54.3
Protective Service	23,705	49.3
Arts, Design, Entertainment, Sports, Media	18,101	44.3
Educational Instruction and Library	61,935	39.3
Community and Social Service	12,880	38.6
Installation, Maintenance, and Repair	14,031	35.4
Construction and Extraction	23,681	32.9
Sales and Related	56,676	32.2
Office and Administrative Support	53,432	24.8
Production	16,737	19.3
Transportation and Material Moving	17,551	16.0
Building & Grounds Cleaning & Maintenance	3,681	7.1
Healthcare Support	2,598	4.2
Personal Care and Service	1,232	3.5
Food Preparation and Serving Related	1,552	1.6
Farming, Fishing, and Forestry	58	0.8

Good Jobs for Two Adults + One Child by Industry 2021

	n	% of ind
Management of Companies & Enterprises	1,959	67.0
Utilities	8,789	66.8
Finance and Insurance	78,416	65.8
Public Administration	50,430	58.8
Professional, Scientific, Technical Services	108,151	58.1
Information	22,601	56.1
Mining, Quarrying, Oil and Gas Extraction	1,166	50.4
Wholesale Trade	27,067	48.0
Manufacturing	101,940	47.9
Educational services	92,726	40.4
Construction	41,460	40.1
Health Care and Social Assistance	112,906	39.3
Real Estate and Rental and Leasing	14,445	38.1
Transportation and Warehousing	24,940	30.5
Retail Trade	41,582	21.6
Administrative & Support, Waste Management Services	15,654	21.4
Other Services, Except Public Administration	13,382	20.6
Arts, Entertainment, and Recreation	5,284	14.0
Agriculture, Forestry, Fishing, and Hunting	879	7.5
Accommodation and Food Services	6,913	5.5

Unionization

- Data: Current Population Survey (Bureau of Labor Statistics)
- Monthly household survey; monthly unemployment numbers reported the first Friday of every month
- Question about union membership and coverage
- Limitations: small sample size at county level
- Larger margins of error than ACS
- Provides useful estimates, especially percentages

Unionization in Orange County

Workers who were members of a union or covered by a union contract

15% in 2019

11% in 2021

Union Wage Differentials

- In 2019, union wages were 30% higher than non-union wages
- In 2021, union wages were 55% higher than non-union wages
- These are median wages for all workers, across all industries in OC
- Contraction in union employment pushed union wage rate up in 2021, i.e., fewer union workers but those with higher wages remained

Union Wage Differentials, 2021

Median Wage differentials for industries with sufficient sample sizes

	Non-union	Union	% difference
Construction	\$18.25	\$26.45	44.9%
Transportation & Warehousing	\$15.75	\$28.50	81.0%
Educational Services	\$19.87	\$24.00	20.8%
Retail Trade	\$14.25	\$17.45	22.5%

Union Wage Differentials

Union wage rates compared to overall wage rates for select jobs
(occupation within industry)

- Licensed Vocational Nurses
- Hotel Housekeepers
- Grocery Cashiers

Union wage rates sourced from current OC union contracts

Overall wage rates from ACS 1% sample, 2021

Union Wage Differentials

Licensed Vocational Nurses (SEIU-UHW)

- Kaiser, Anaheim Global Medical Center, Chapman Global Medical Center, South Coast Global Medical Center
- Median hourly union wage = \$41.43
- ACS median hourly wage, 2021 = \$27.40
 - All LVNs in OC (union + non-union)

Union Wage Differentials

Hotel Housekeepers (Unite Here Local 11)

- Disney hotels = \$23.50/hr
- Anaheim Hilton & Sheraton Park = \$21.00/hr
- Irvine union hotels, Balboa Bay, Laguna Cliffs = \$18.00/hr
- ACS median hourly wage, 2021 = \$15.60/hr
 - All hotel housekeepers in OC (union + non-union)

Union Wage Differentials

Grocery cashiers/food clerks (UFCW Local 324)

- Vons & Albertson's entry-level wage, 2021 = \$15.40/hr
- Vons & Albertson's entry-level wage, 2023 = \$16.25/hr
- Vons & Albertson's top-level wage, 2021 = \$22.50/hr
- Vons & Albertson's top-level wage, 2023 = \$25.50/hr
- ACS median hourly wage, 2021 = \$15.19/hr
 - All grocery cashiers in OC (union + non-union)



COMMUNITY ECONOMIC RESILIENCE FUND (CERF)

Orange County Stakeholder Mapping: Preliminary Findings

Presented to the HRTC
June 30, 2023



NP STRATEGIES

A Source for Nonprofit Innovation

Stakeholder Mapping & CERF Purpose

The Community Economic Resilience Fund (CERF) was created to promote a sustainable and equitable recovery by supporting new plans and strategies to diversify local economies and develop sustainable industries that create good paying, broadly accessible jobs for all Californians.

What organizations are or could be involved?

1. Connect to communities, with an emphasis on 'Disinvested' communities
2. Help people prepare for and access good paying jobs
3. Strengthen Orange County's economy and environment
4. Provide good paying jobs in sustainable industries

Purpose of Stakeholder Mapping Effort

1. Provide a list of organizations and entities and discuss their potential role in developing the plan and engaging in the Implementation Phase.
1. Clarify opportunities for collaborations and partnerships.



Focus of this effort is grasstops as opposed to grassroots. It includes organizations and stakeholders that can connect with and represent the perspectives of their their sector(s).

Methodology

HRTC Members (*n=65*)

CERF Partnership
Agreements

Websites

Completed Stakeholder
Mapping Survey

Stakeholder Mapping Survey Respondents (*n=120 organizations*)

Other Organizations
that Completed the
Stakeholder Mapping
Survey

Survey link was shared
widely by Sector Leads
and partner
organizations

Additional Orgs/ Entities

Shared by Sector Leads

Outreach &
Engagement RFP
Responses

Other Community
Initiatives (e.g. Census
orgs in Map My CBO)

Focus for Today

Stakeholder Mapping List of Organizations

ORGANIZATION, PRIMARY SECTOR & CONTACT INFORMATION					
Sector that BEST describes you	Name of organization/entity you represent.	HRTC Member	Link to organization/entity's website	Full Name	Email Address
Community-based Organization	Trellis		https://wearetrellis.com/	Ian Stevenson	ian@wearetrellis.com
Community-based Organization	FAM	Yes	www.lovefam.org	elizabeth andrade	elizabetha@lovefam.org
Community-based Organization	Vital Link	Yes	www.vitalink.org	April Barnes	april@vitalink.org
Community-based Organization	Charitable Ventures OC	Yes	https://charitableventuresoc.org/	Joseph Ball	joe.ball@charitableventu
Community-based Organization	ORANGE COUNTY COASTKEEPER	Yes	www.coastkeeper.org	GARRY BROWN	GARRY@COASTKEEPER.OF
<div> ► Master HRTC & Survey California Native American Community Based Organizations Disinvested Community Gov't & Economic Development Workforce Orgs Et </div>					

Depth of Information: Partner Snapshots

**The Cambodian Family
Ana**

HRTC Member

Office Location: Santa

www.cambodianfamily.org

Primary Sector: Community-based Organization

Other Sectors: Disinvested Community

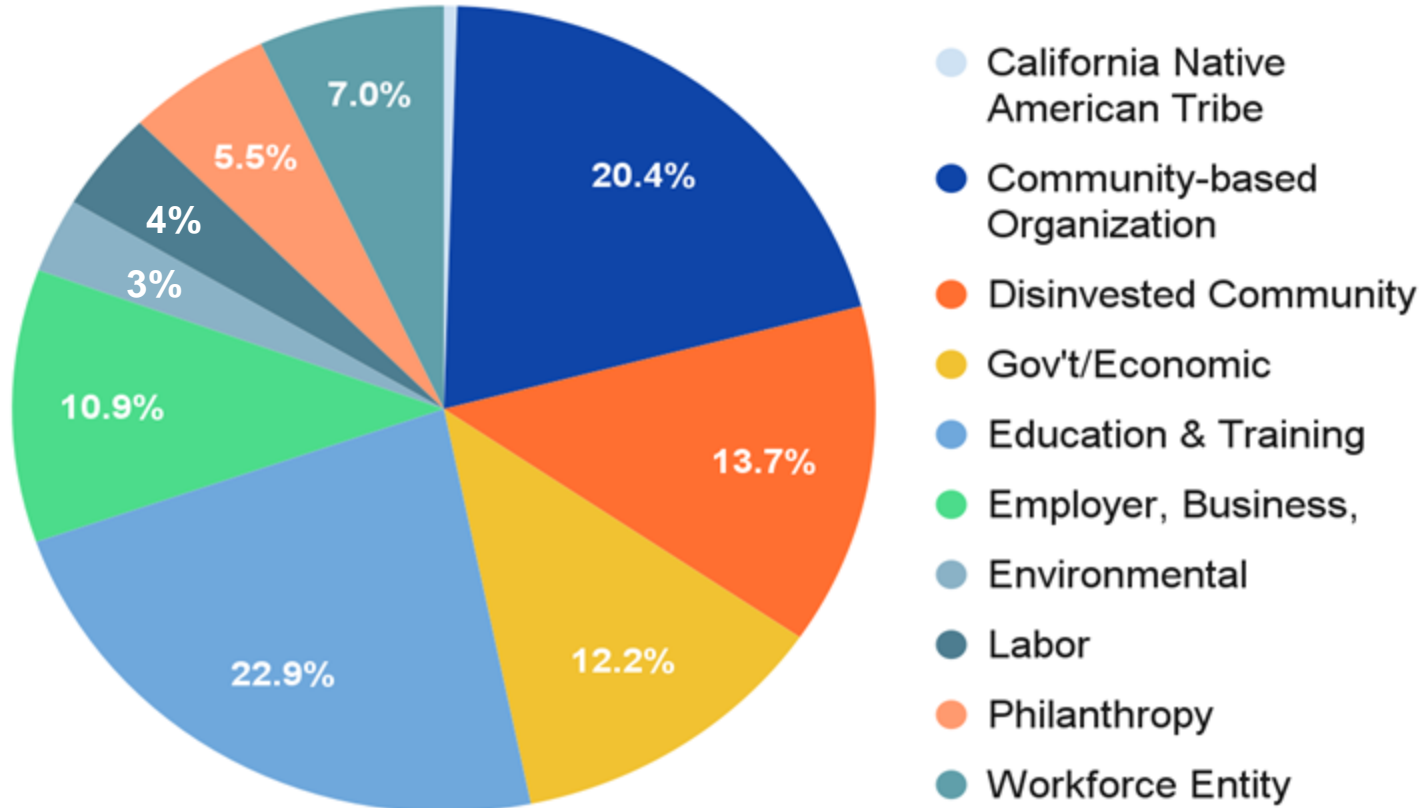
About TCF: The Cambodian Family (TCF) is a nonprofit, community-based organization that was formed in 1980 when Cambodian refugees first settled in America after escaping the horrors of war and genocide in their homeland. Our mission is to provide opportunities for refugee and immigrant families to develop the knowledge, skills, and desires for creating better health and well-being in their lives. Over the years, our services have been expanded to immigrants and refugees from all over the world.

Geographic Areas Served: County-wide and specifically Anaheim, Costa Mesa, Garden Grove, Orange, Santa Ana, Stanton, Tustin, and outside Orange County (Long Beach and Riverside)

Since TCF is the only Cambodian-serving organization in Orange County, we provide services to the Cambodian community in all areas of Orange County; however, there are community members from 7 cities noted above who frequently come to utilize our services.

Communities/Groups Served: TCF serves a very diverse population, with 60% of our clients of Southeast Asian descent (mostly Cambodian), 35% Latinx, and 5% other ethnicities. Over 33% of our clients are seniors 65+. TCF also serves teens and transitional age youth through our after-school and SUD prevention programs. We also provide education and support to small business ethnic owners of donut stores and restaurants.

Stakeholders by Self-Identified Sector

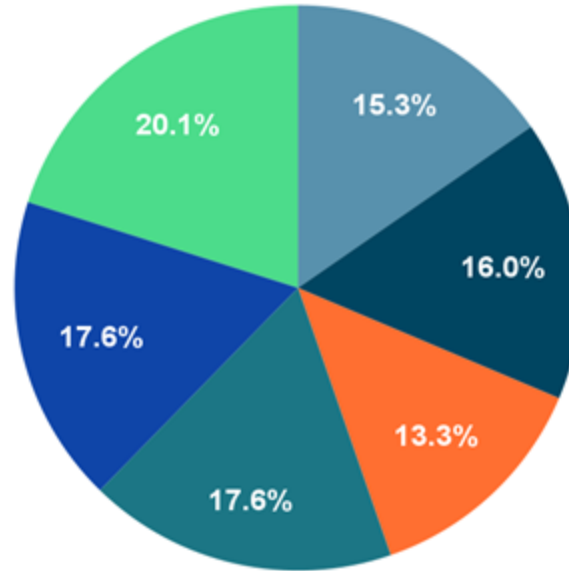


Organizations Working w/ Disinvested Communities

- 55 organizations selected 'Disinvested Communities' as a sector that describes their organization
- 60% were Community-based Organizations
- Others primarily included: Education & Training Organizations, Business Associations and Workforce Development Organizations

Stakeholders by Geography Served

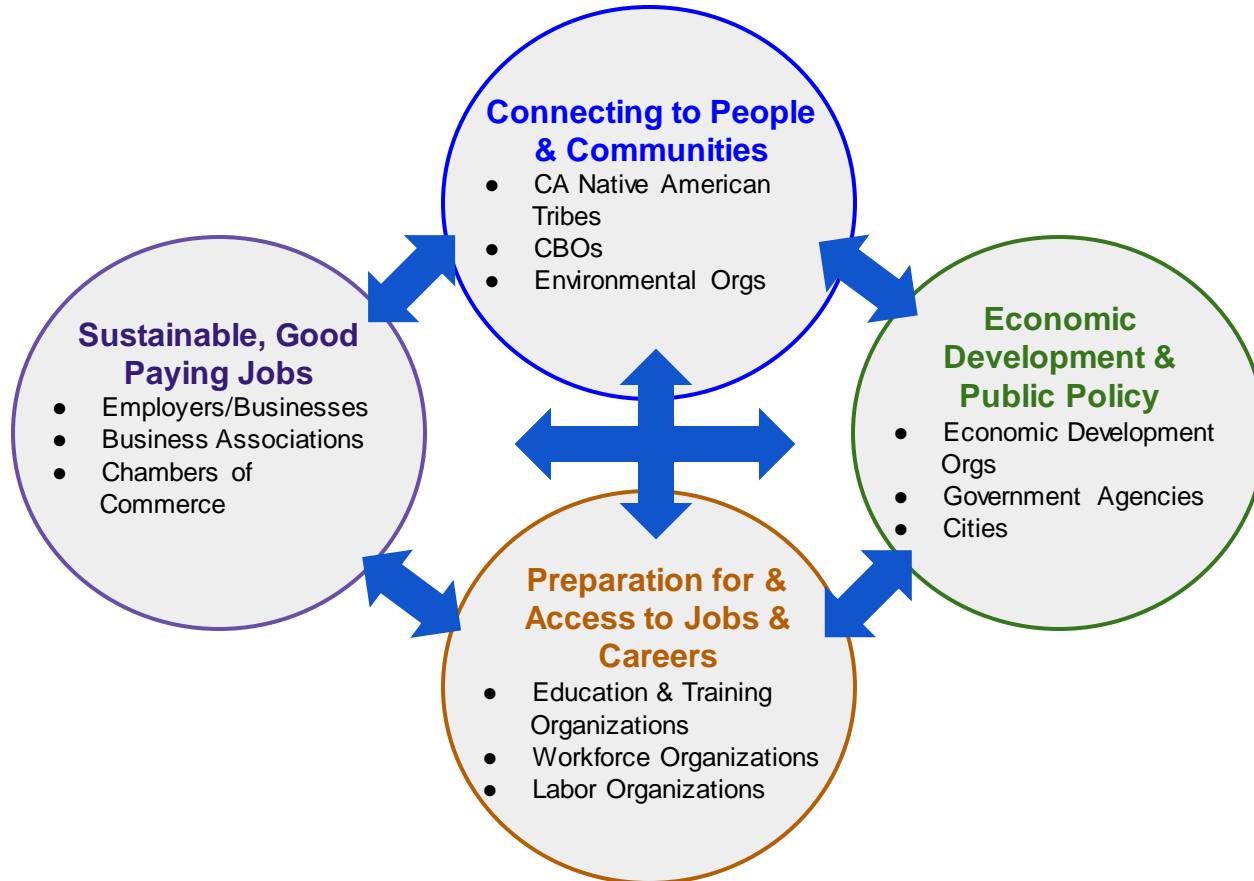
Regions Served (by Supervisorial District)



Over 60% of stakeholders reported their services are county-wide.

● District 1 ● District 2 ● District 3 ● District 4 ● District 5 ● Outside OC

Framework for Segmenting Stakeholders



Sample: Preparation for & Access to Jobs

Role in creating a ‘High Road Economy’: Providing career exploration, skills building (soft and technical skills), job placement and support, upskilling, and supporting and representing workers.

Education & Training Ogs

- 92 Stakeholders
- Community Colleges (3) and Universities (7)
- Schools (ROP, CTE) (14)
- Workforce, CBO and other orgs

Workforce Ogs

- 28 Stakeholders
- Organizations whose entire mission is focused on workforce development
- Others with broader missions that have some workforce programming

Labor Ogs

- 16 Stakeholders
- Unions providing apprenticeship, training, support, and representation of workers across trades and industries

Utilizing the Stakeholder Mapping Data

Sample Question: La Habra has several census tracts that are ‘Disadvantaged’ census tracts and tracts below the cutoff median income levels. What stakeholders noted that they serve La Habra *specifically*?

- City of La Habra
- EXP The Opportunity Engine
- Fullerton College
- Fullerton Joint Union High School District
- North Orange County Community College District
- North Orange County Regional Occupational Program (ROP)
- Pathways of Hope
- St. Jude Neighborhood Health Center

Questions for Thought

- What questions would you like to answer with this data?
- How might our stakeholder mapping findings support new or strengthen existing partnerships?

Next Steps

- ❑ Final push with Stakeholder Mapping Survey (**Survey will be open July 5th - 12th**) – please complete if you haven't already and share among your networks
- ❑ Finalize analysis based on HRTC input
- ❑ Update slides and finalize written report (to be shared in advance of July 28 meeting)

Back-up

Organizations Identify in Multiple Sectors

	CA Native	CBO	Disinvested	Govt/ Econ	Education	Em/ Business	Env	Labor	Phil	Workforce
CA Native (1)							1			
CBO (66)			32	11	27	7	3	2	8	7
Disinvested (3)		1		1	2					1
Govt/Econ (16)			2		2	1	1		1	
Education (41)		3	7	10		10	1		3	8
Em/ Business (22)	1	2	3	8	5					1
Environment (6)		3	1		2					
Labor (13)		1	2	2	7	1				3
Philanthropy (9)		2	2		1					1
Workforce (7)		4	3	1	5	3		1	1	

Why Catalyst funds?

Pre-development bridges the gap between planning and implementation

- Maximize funding streams
 - Federal, state, and private funding available for ready-to-go projects
 - Economic Development Pilots showed lack of ready projects
 - Increase investments flowing into regions
- CERF timeline constraints
 - Ensure timely expenditures of CERF funding
 - Funding will reach communities sooner
- Prepare CERF projects
 - More projects developed by and for disinvested communities

Catalyst Program



Catalyst Funding Streams

Up to \$26.5M per region

HRTC
Maintenance
\$1.5M

Project
Development
\$25M

Careers
Coordinator
\$3M

Community
Asset Survey
\$1M

Revolving Loan
Fund
\$5M

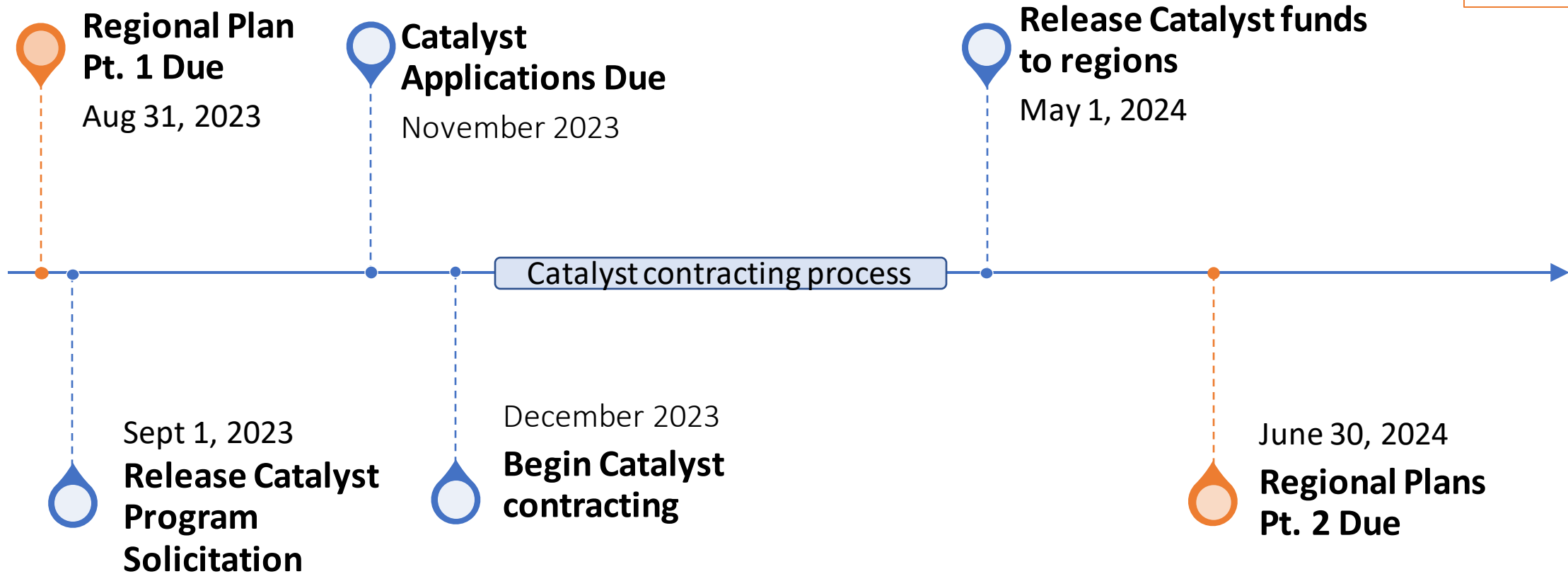
Project
Investment
\$15M

Anchor
Institutions
\$1M



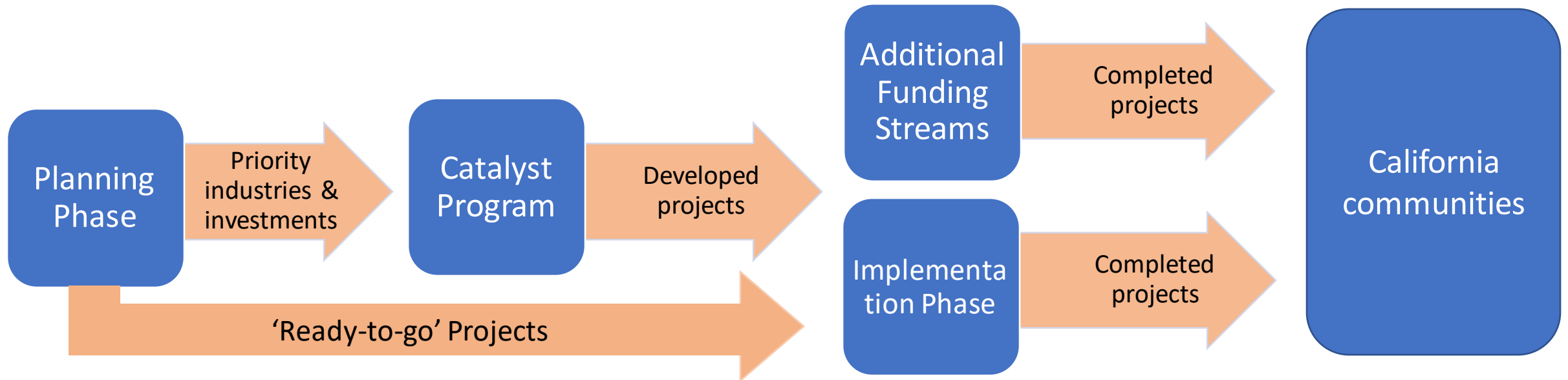
The Catalyst Program will allocate up to \$26.5 million per region to spur transformational investments.

Catalyst Timeline



Catalyst Program applications will open at the end of Phase 1 of the Planning Phase. Funds will be released to regions prior to the end of Phase 2 to avoid gaps in funding. Regions can use this time to set up Catalyst Program activities as the Planning Phase ends.

Catalyst Inputs and Outputs



Outputs from each phase of the process become inputs for the next phase. Priority industries identified in the Planning Phase will become the Industry Collaboratives in the Catalyst Program. Projects developed through the Catalyst Program will be eligible for Implementation Phase funds as well as additional funding streams.





Catalyst Program Framework

Summary

The Community Economic Resilience Fund (CERF) is a catalytic investment for California's 13 economic regions. These investments are building collaboratives that represent entire regional communities and cast a clear vision for the region's future. The economic plans that emerge from CERF will incorporate equity, environmental justice, public health, and put workers and communities at the center of each region's economic future.

To ensure the program effects systemic changes in regional economies, the CERF Interagency Team recommends the development of a Catalyst Program to bridge the gap between planning and implementation. The Catalyst Program would reserve \$26.5 million for each region (totaling \$344.5 million statewide) to invest in pre-development activities, enabling them to develop projects and maximize investment opportunities while reserving Implementation funds for ready-to-go projects.

Rationale

Pre-development funds will expand on the work of the CERF Planning Phase and spur more projects in disinvested communities across the state while giving regions the flexibility to design projects that meet their needs.

Historically, state, federal, private, and philanthropic funds have been targeted for the last mile of a project rather than to the early investments needed to prepare projects. The submissions for the recently released Economic Development Pilot grant program confirmed that communities across California lack the resources to prepare projects to become eligible for future funding opportunities. Disinvested communities have suffered the most from this dynamic, while their better-resourced neighbors have been able to allocate capital to developing projects that are 'ready-to-go', or ready for immediate implementation. The Catalyst Program will fund disinvested communities across California to develop projects that align with the vision of the High Road Transition Collaboratives (HRTC) and position them to access additional federal, state, and private funds.

The Catalyst Program will also help CERF monies reach communities faster and will ensure funds are expended by the 2026 deadline prescribed in legislation. By the end of the Planning Phase, regions will have begun pre-developing projects that align with their Regional Plans. These projects will be more competitive for federal, state, and private funding. Pre-developed projects submitted for CERF Implementation Phase funding will also be quicker to implement, ensuring communities benefit from these investments sooner.



Components

As proposed, the Catalyst Program would fund the following items:

1. Invest no more than \$1.5M per region into the already identified Regional Convenor(s) to operate the established HRTC through at least September 30, 2026. In addition, the Convenor(s) would have the following deliverables:
 - a. Provide support to the HRTC in establishing up to three Industry Collaboratives, specific to the industries identified and prioritized during the planning phase, and ensure coordination between the HRTC and Industry Collaboratives.
 - b. Collaborate with the Governor's Office of Business and Economic Development Community & Place-Based Solutions team and the U.S. Economic Development Administration to develop Economic Development Districts where they do not currently exist.
 - c. Coordinate Implementation Phase applicants on behalf of the HRTC.
 - d. Support the HRTC on the use of the proposed anchor institution funding.
 - e. Support the Industry Collaboratives in identifying projects that will support the proliferation of the prioritized industries and enhance high-quality job creation and label them as "exploratory" (agreed upon ideas that are at the very initial phases) and "last-mile" (agreed upon projects that need the final piece of the puzzle to begin development). After cataloging projects, the Convenor will present the identified projects to the HRTC for final approval.
 - f. Track the projects identified by the Industry Collaboratives and the HRTC including applications and awards for additional funding from other funding sources.
2. Invest no more than \$25M per region into the development and implementation of Industry Collaboratives, designed to promote system change and alignment activities. This includes but is not limited to:
 - a. Establishing up to three Industry Collaboratives, specific to the industries identified and prioritized during the CERF Planning Phase. The Industry Collaboratives will be responsible for the following:
 - i. Designating an Industry Lead who would be responsible for the following activities (no more than \$3M):
 1. Supporting the work of the Industry Collaboratives in partnership with the HRTCs, Convenors, and Fiscal Agents.
 2. Developing an analysis of each of the job types that would be created by the prioritized industries, including a skills map, anticipated wages and benefits and opportunities to maintain these jobs into the future.



3. Working in partnership with the established K-16 Collaboratives, High Road Training Partnerships (H RTP), the Workforce Investment or Development Board(s), Employment Training Panel (ETP), existing apprenticeship programs, and other stakeholders to map existing career pathways, apprenticeships, and training programs in the prioritized industries.
 4. Developing a plan, in partnership with the above-mentioned partners, to access additional resources to fully develop career pathways, apprenticeships and training programs in line with these analyses.
- ii. Engaging with local public agencies, including cities, counties, local authorities, and California Native American tribes, to identify specific parcels that could be developed by, or for, the identified industries and aligning with regional economic or business development strategies (no more than \$1M).
 - iii. Developing a revolving loan fund, in alignment with existing revolving loan funds in the region and with the CA Infrastructure & Economic Development Bank, specific to supporting businesses within the identified industries (no more than \$5M).
 - iv. Invest pre-development dollars into projects labeled as “exploratory” and “last mile” (with the intent of making them “ready-to-go”) that may be eligible for additional funding from local, state, or federal governments, philanthropy, or private investors, or that align and complement state or federally funded projects. These projects must also adhere to federal, program specific Justice40 guidelines and be prioritized in communities identified as disinvested (as defined in the Planning Phase SFP). The funds may also be identified in federal grant applications as matching funds. The Industry Collaboratives must receive final approval from the HRTC before expensing funds (no more than \$15M).
1. Pre-development activities include, but are not limited to:
 - a. Feasibility studies; market analysis; environmental assessments, surveys, and remediation; site acquisition; site and development plans; project designs; permitting; establishing a regional tax increment financing district; drafting and negotiating Community Benefits and



Community Workforce Agreements; financial planning (e.g., preliminary budget and construction financing).

- b. Basic environmental infrastructure pre-development, construction, and development of long-term operations and maintenance plans for infrastructure such as: clean water supply systems; wastewater systems; waste disposal systems; pollution control services.
- c. Support costs for building and sustaining the capacity of project leads and partners, such as: investments in partner and local staff development; funding new and/or critical positions; acquiring or utilizing tools and resources to increase partner capacity for project planning and implementation; organizational capacity activities such as access to financial services or legal review; developing new pilot or demonstration projects and programs; participation and/or partnership with existing workforce programs; providing or securing technical assistance for partners.
- v. Identifying anchor institutions (public or private) that may be at risk of financial insolvency or relocation outside of California, and if closed, would create a negative impact on the community. Upon identification, the Industry Collaboratives should recommend to the HRTC whether funding should be allocated to support the anchor institution. The HRTC would then be responsible for making any final determinations for funding, in consultation with the CERF Interagency leadership Team (no more than \$1M). Funded institutions would develop a plan for transition to a worker-owned co-operative model or a community-managed asset structure. Support must align with policy, market, and demographic trends as well as goals of CERF (equity, sustainability, job quality and access, economic competitiveness, and resilience).

If a HRTC identifies that the region already has undertaken one of the activities identified above, it may include in its application clear proof that the activity has been successfully implemented in the region and that its outcomes align with CERF priorities. The applicant may request to reallocate those funds to the “pre-development” work, labeled above as 2.b. iv.



Eligibility and Timeline

Each region's Fiscal Agent, on behalf of the HRTC, would be eligible to apply for up to \$26.5M in funds from the Catalyst Program. A closed solicitation will open on September 1, 2023, and close on November 30, 2023. Applications will be reviewed and awarded on a rolling basis.

The funds will be made available by May 1, 2024. These funds will be fully expensed by September 30, 2026.

Alignment with CERF Planning and Implementation Phases

The Catalyst Program will expand on the work of the CERF Planning Phase.

- Funds from the Catalyst Program will become available prior to the September 2024 sunset of the Planning Phase dollars. This will ensure no gap in funding for HRTC operations.
- Catalyst Program expenditures must align with the strategies and priorities identified by the HRTC in the Planning Phase. HRTCs will identify Industry Collaboratives based on industries or sectors the HRTC identifies as priority in its Regional Plan.
- These Collaboratives will work within the HRTC's existing governance structure and decision-making process and should include representation from at least the 12 identified stakeholder groups in the Planning Phase SFP. They can be managed by the Convenor(s) or another identified organization(s).

Projects identified as 'last-mile' in the Planning Phase and that become 'ready-to-go' due to Catalyst investments would be eligible for Implementation Phase funding. Projects that emerge from the Planning Phase as 'ready-to-go' without additional Catalyst funding will also be eligible for CERF Implementation Phase funds.

Additional Considerations

- The CERF Interagency Team will amend existing Planning Phase contracts to provide greater clarity to the "Regional Plan: Part 2, Strategic Investments and Projects" requirements listed in the CERF PY 22-24 Planning Phase Solicitation for Proposal (SFP). Amendments would better align Implementation Phase project criteria with the addition of the Catalyst Program, including but not limited to ensuring implementation projects are ready-to-go.



- The Interagency Team will support the HRTCs in applying for funds on ready-to-go projects as well as accessing additional resources and technical assistance to implement the above deliverables.
- The definition of “projects” is aligned with the Economic Development Pilot grant including the following categories: Innovation Ecosystem, Entrepreneurship and Access to Capital, Infrastructure and Community Facility Development, Social Infrastructure.
- The remaining funding within CERF (approximately \$100M) will be made available after July 1, 2024, through a solicitation adapted from the Economic Development Pilot Program.