



## COMMUNITY ECONOMIC RESILIENCE FUND (CERF): PLANNING PHASE PUBLIC COMMENT

### DOCUMENT OVERVIEW AND NEXT STEPS

- This document provides information for public comment on key aspects of the CERF Planning Grant Solicitation. We welcome your questions and input on the elements identified within this document, as well as any other questions that may arise. Given the volume of comments we expect to receive, we will not be able to respond to your specific comments or questions. Although we provide a high-level overview of how both phases of the program connect as context, our objective is to receive feedback to inform the Planning Phase Guidelines. As the program is funded by American Rescue Plan Act (ARPA) funds, we must abide by federal requirements and timelines, and in some instances of program design we have limited flexibility. Nonetheless, we will read and consider all comments submitted.
- While the information presented herein on the Planning Grant Solicitation is a non-exhaustive framework, it provides the following key elements:
  - Program basics (pp. 1-3)
  - Primary roles for planning grants, including application basics (pp. 3-5)
  - Overview of analysis required in planning phase, including criteria for recommended implementation projects (pp. 6-10)
  - Best-case scenario project timelines (pg. 10)
- After releasing this draft for public comment, we will hold a listening-style webinar on January 6, 2022, to learn more about your questions, ideas, and concerns.
- When the Planning Grant Solicitation is released, we will hold a bidder's conference webinar and office hours.

### CERF PROGRAM BASICS

CERF's planning phase will establish regional, inclusive planning tables to develop blueprints and align resources for each region's economic future. These regional tables will result in recommended investments throughout the region that will support economic recovery from COVID-19, bolster equity outcomes, and facilitate the transition to carbon neutrality.

#### *Program Vision*

Deliver a sustainable and equitable recovery from the economic distress of COVID-19 that meets communities and regions where they are by supporting new regional plans and investing in strategies



and projects that help diversify regional economies and develop or expand environmentally sustainable industries that create high-quality, broadly accessible jobs for all Californians.

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### *Program Objectives*

- Support the development of meaningfully inclusive regional planning processes that produce regional roadmaps for economic recovery from COVID-19 that prioritize the creation of accessible, high-quality jobs in sustainable industries.
- Invest in projects proposed by regional planning tables that respond to negative economic impacts of COVID-19 and meet criteria for equity, job quality, and sustainability, among others.
- Align and leverage state investments (e.g., High Road Training Partnerships, community capacity building programs), federal investments (e.g., Infrastructure Investment and Jobs Act), and philanthropic and private-sector investments in regions to maximize COVID-19 recovery efforts.

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### *What Does Success Look Like?*

- **Planning phase.** Inclusive, diverse, transparent, and accountable regional planning that results in a holistic strategy and recommended series of investments to recover from COVID-19, grow sustainable industries, diversify regional economies, and increase access to high quality jobs.
- **Implementation phase.** Projects throughout the region that advance globally competitive and sustainable industries and high-quality jobs with clear employment pathways for underserved and incumbent workers facing industry disruption after COVID-19.

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### *Program Overview*

#### **1. Phase 1—Regional Planning Grants:**

- Create 13 Regional Collaboratives that will receive ~\$5M each.
- Establish new, inclusive regional planning tables starting in spring/summer 2022. Much like a “team of teams,” they will incorporate existing local efforts to address planning on a broader regional scale.
- Develop localized integrated recovery and transition plans that meet regions where they are. Plans will include analysis of industry sectors and labor markets, with actionable research and consultation from expert institutions.
- Embed locally-hired coordinators to facilitate ongoing engagement, partnership, and relationship-building activities with business, labor, community, government, education, economic development, federally and non-federally recognized tribes, and other key stakeholder groups.



- Support participants to increase access and broaden participation in the planning process.
- Provide technical assistance to guide convening, evaluation, research priorities, and other needs during the planning phase.
- Create holistic investment strategies that address disproportionate impacts of COVID-19 by diversifying the economy, and developing or growing sustainable industries that create accessible, well-paying jobs. Strategies should complement, incorporate, or expand on existing plans such as Comprehensive Economic Development Strategies (CEDs), as applicable and relevant.

## 2. Phase 2—Implementation Grants:

- Provide approximately \$500M in rolling, competitive grants from Fall 2022 to June 2024. Includes reserve funding for each region for competitive bidding.
- Fund projects in localities across the regions based on regional plans developed and criteria outlined.
- In cases with prior inclusive planning processes, regions may be eligible to apply for “early implementation” pilot projects. More details forthcoming regarding eligibility and criteria.
- Ensure projects support economic recovery and transition for populations and/or industries disproportionately impacted by COVID-19, while promoting economic diversification, sustainability, and equity. Outcomes will drive the growth of globally competitive, sustainable industries with well-paying, accessible jobs and bolster equity outcomes by race, ethnicity, gender, and geography.

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### PLANNING GRANT: PRIMARY ROLES

The primary roles for this grant are the Convener, Fiscal Agent, Coordinator, and High Road Collaborative. When the Planning Grant Solicitation is released, it will contain a glossary with additional terminology. Applications for planning grants should include both a Fiscal Agent and a Convener role, which hold equal importance and value. A single organization may serve as both Fiscal Agent and Convener in the case it meets all desired qualifications.

**Convener:** The Convener is the lead organization tasked with organizing an inclusive group of regional stakeholders to form the Collaborative, implement the planning grant in its region, and submit the CERF Solicitation for Proposal. The Convener will be accountable for finding a qualified Fiscal Agent if the Convener does not meet the criteria. The Convener will be responsible to both the Fiscal Agent



and to the CERF Inter-Agency Leadership Team. The Convener will be responsible for overseeing contracts on regional labor and cluster market analysis.

**The Convener should also possess all or most of the following characteristics:**

- A proven track record of coordinating across sectors;
- Executive leadership (Board and Executives) that reflects the community being served, including demonstrated track record of governance on equity-based community-development work;
- Strong knowledge of the region and its economic needs, challenges, and opportunities across sectors;
- Ability to lead diverse stakeholders to successful action with proven history of successful organizing in the designated CERF region;
- Proven relationships and credibility with key industry leaders, workforce system stakeholders, and community stakeholders including employers, governmental entities, state or local workforce development boards, educational institutions, labor organizations, worker-serving organizations, community- and faith-based organizations, federally and non-federally recognized tribes, philanthropic organizations, community members, and other regional stakeholders;
- Demonstrated commitment to advance equity outcomes in the region; and
- Familiarity with grantmaking and knowledge of philanthropic ecosystems.

**Fiscal Agent:** The Fiscal Agent will act as the intermediary in the grant management. The fiscal agent is a legal entity representing the High Road Transition Collaborative, hereinafter referred to as the Collaborative. The legal entity has legal authority, history, and capacity to administer federal funds. The fiscal agent will represent the Collaborative and make disbursements on behalf of the state. The Convener can also be the fiscal agent if they meet all qualifications.

**Fiscal Agent Responsibilities**

- Must have SAMS account and have DUNS number
- Comply with Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements ([2 CFR Part 200](#))
- Control of the Fund
- Program Ledgers and Monthly Reporting
- Comply with any additional reporting requirements set forth by the State or U.S. Department of Treasury



- Submit required reporting and expenditure information
- Sub-Contract Administration and Disbursement of Funds
- Audits
- Maintain Public Records
- Ensure funding is obligated by June 30, 2024, and expended by October 31, 2026.
- Other Services

**Coordinator:** Person hired or contracted by the convener to facilitate the High Road Transition Collaborative, i.e., the regional planning table. The Coordinator will have the ability to bring together diverse partners and facilitate dialogue and consensus regarding a regional recovery and transition plan. The Coordinator will be able to track aligned federal and state funding sources, and will work with relevant state initiatives such as [Regional Climate Collaboratives](#) in building inclusive planning tables.

**High Road Transition Collaborative:** Inclusive regional planning groups that consist of balanced and meaningful representation from labor, business, community, government, tribal, economic development, philanthropy, education, workforce, and other partners. Like a “team of teams,” it incorporates existing local planning efforts and organizations from across the region.

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### *Planning Grant Applicant Requirements*

A lead applicant must be an entity in the defined region who is both qualified to serve as a Convenor and Fiscal Agent or able to partner with an effective Fiscal Agent or Convenor if necessary. Successful applicants will enter into a Fiscal Agent Services Agreement with the Employment Development Department for a period of 24-months. Additional funding may be provided to support implementation projects through the fiscal sponsor. In the event such funding becomes available, the length of the project may be extended past 24 months. Administrator fiscal services are not to exceed 10% of the total grant award. The Convenor, as the lead applicant, will complete the proposal in partnership with the Fiscal Agent.

The Fiscal Agent/Convenor will complete and submit a grant proposal that conceptualizes their ability to lead an inclusively designed regional recovery plan, demonstrates the ability to recruit and organize a diverse body of regional stakeholder groups, relays their experience working with different groups, and shows their ability to oversee third-party research. The High Road Collaborative plans will need to be finalized during the first 12 months of the grant term. The Convenor will have regular check ins with the CERF leadership team to ensure progress. All plans shall be made publicly available on the Labor and Workforce Development Agency’s website.



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### *Eligible Applicants for Planning Grants*

Eligible applicants include non-profit organizations, district organizations of an EDA-designated Economic Development District (EDD), institutions of higher education or a consortium of institutions of higher education, and Indian Tribes or a consortium of Indian Tribes. For-profit institutions are not eligible to participate as a convener or fiscal agent, but can be subcontracted with to provide research or other services.

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### PLANNING PHASE: HIGH-LEVEL OVERVIEW OF ANALYSIS REQUIRED

Collaboratives must develop a regional economic recovery and transition plan that addresses essential elements of a high road strategy.

Research conducted during the planning phase must prioritize:

- Recovery from the COVID-19 pandemic
- Equity
- Sustainability
- Job quality
- Economic competitiveness and resilience

Analysis and plans may account for sub-regional and inter-regional dynamics. Required components of analysis include:

- **Regional summary:** A summary background of the economic conditions of the region, highlighting areas with low economic diversification and resiliency, as well as any industrial trends that impact the regional economy. The negative economic impacts caused by COVID in the regions, (e.g., economic harm to workers, households, small businesses, impacted industries, and the public sector; select regions and populations) must be included. Vulnerable populations that face economic barriers and accompanying detail (e.g., Qualified Census Tracts) should be detailed.
- **SWOT analysis:** An in-depth analysis of regional strengths, weaknesses, opportunities, and threats (i.e., SWOT), especially as it relates to economic resilience and growth of sustainable industry clusters.
- **Labor market analysis:** A snapshot of labor dynamics in the region, including an overview of the impacts of COVID-19 on the labor market and projected labor trends in existing key industries.



- **Industry cluster analysis:** A snapshot of current industry trends and projections, as well as an in-depth analysis of potential growth clusters based on the region's comparative advantages, market trends, workforce, infrastructure assets, policy trends, aligned state/federal investments, supply chain, and innovation ecosystem.
- **A holistic economic recovery from COVID-19 and transition strategy** that prioritizes the creation of high-quality jobs and equitable access to them and emphasizes the development of sustainable and resilient industries such as renewable energy, energy efficiency, carbon removal, zero-emission vehicles, advanced manufacturing, agriculture, forestry, and climate restoration and resilience. Plans should include:
  - Information that identifies groups disproportionately impacted by the pandemic.
  - Recommendations for the growth of targeted industries.
    - Industrial cluster development should consider, but is not bound by, existing relevant plans such as Comprehensive Economic Development Strategies (CEDs) (if applicable and appropriate) along with the following elements that work together to support creation of quality jobs:
      - Clear local market signals: *How do proposed industries and affiliated investments align with market trends and local/state/federal policies?*
      - Value chain and infrastructure: *How do investments support the growth and clustering of businesses in the value chain of the proposed industry? What specific infrastructure is required to grow the industry?*
      - Innovation ecosystem: *How do investments connect the private sector to local innovation resources, facilitate movement of new technologies to market, incubate early-stage businesses, etc.?*
      - Workforce development: *How does the industrial strategy plan to match skills to available jobs, address talent and recruitment, and facilitate strategic collaboration among businesses, training and education institutions, labor, etc.?*
  - Recommendations for increasing economic diversification in at-risk locations. Investments should clearly address barriers to attraction and retention of businesses, as well as barriers to access for underserved communities.
  - Recommendations for increasing economic equity should refer to analysis of workforce and demographic trends (e.g., Qualified Census Tracts), and focus on closing gaps, reaching universal levels of service, or disaggregating results by race, ethnicity, etc. Recommendations should create and sustain pathways into quality jobs and family-sustaining careers and improve job quality and wages in sectors that do not offer quality jobs. Analysis and recommendations should highlight how they



propose to serve historically marginalized groups and how those groups would learn about proposed interventions. Recommendations to support workers potentially impacted by at-risk industries should be included. Economic equity means all people regardless of race, gender, or nativity, can contribute to and access the opportunities of a strong, resilient economy.

- An assessment of how regional economic development strategies can align with, support, and be supported by existing state strategies in areas like clean energy, transportation decarbonization, sustainable water management, and natural and working lands.
- **Identification of strategic investments** to enact recovery and transition that meet the following **criteria**, which is currently presented at a high-level:
  1. Demonstrate proposed impacts to communities/industries harmed by COVID-19:
    - a. Proposed investments mitigate economic harm to workers, households, small businesses, impacted industries, and the public sector, i.e., census tract data on region to be served, underserved areas, and COVID-related information.
  2. Demonstrate community support (i.e., inclusivity):
    - a. Proposed projects should demonstrate support from neutral convener/fiscal agent and inclusive planning table.
  3. Promote state climate goals:
    - a. Investment projects lead to the development of low-carbon or regenerative industries, or
    - b. Investments that support economic diversification are designed to minimize GHG emissions and water usage.
  4. Support labor standards and job quality:
    - a. Projects shall include labor standards where applicable such as prevailing wage, project labor agreements, or community workforce agreements.
    - b. Projects shall create high quality jobs, defined as jobs that offer family sustaining wages, benefits, predictable hours, and safe working conditions.
  5. Demonstrate clear role in regional strategy:
    - a. Industrial development should consider existing Comprehensive Economic Development Strategies (CEDs) along with the following elements that work together to support creation of quality jobs:
      - i. Clear local market signals: *How do investments align with market trends and state/federal policies?*
      - ii. Value chain and infrastructure: *How do investments support the growth and clustering of businesses in the value chain? What specific infrastructure is required to grow the industry?*





- iii. Innovation ecosystem: *How do investments connect the private sector to local innovation resources, facilitate movement of new technologies to market, incubate early-stage businesses, etc.?*
  - iv. Workforce development: *How does the industrial strategy plan to match skills to available jobs, talent and recruitment, and strategic collaboration among businesses, training and education institutions, labor, etc.?*
- b. Economic diversification strategies should address specific barriers to attraction and retention of businesses, as well as barriers to access for underserved communities.
6. Complement existing funding:
    - a. If state or federal funding is available elsewhere for a proposed project, (e.g., broadband) applicant will improve equity outcomes, which include but are not limited to job access for those in underserved communities, income inequality, income growth, business ownership, business revenue, job and wage growth, among others.
  7. Achieve timely implementation:
    - a. Funds must be obligated by June 30, 2024, and expended by October 31, 2026.
- Examples of projects include, but are not limited to, the following:
    - Technical assistance, counseling, or other services to assist with small business planning needs.
    - Programs that support economic diversification and the development of sustainable industries.
    - Entrepreneurship and commercialization programs.
    - Programs to connect small-and-minority owned businesses to industrial hubs and research institutions.

#### Use of data:

- Relevant data sources may include the EDD Labor Market Information Division (LMID), Bureau of Labor Statistics (BLS), local surveys, or any other reliable data source such as consultation with industry associations, Local Areas, or mandatory and non-mandatory partners. The data should reflect the applicant's comprehensive understanding of the issues specific to the target population, demonstrate the need for the proposed solutions, justify the region's approach to recovery and transition, and suggest the potential for success. To support the focus on the regionally specific impact of COVID-19, local data sources that illustrate the experience of individuals and specific communities in crisis, such as analyses of local news articles, may be used to support the other data presented in the narrative.




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## BEST-CASE SCENARIO TIMELINES

<b>Month</b>	<b>Program Progress</b>
December 2021	Release of finalized regions
December 2021	Draft guidelines for Planning Grants released for public comment
January 2022	Listening-session webinar for public feedback
February 2022	Planning Grant solicitation released
March 2022	Draft guidelines for implementation grants released
April 2022	Planning Grant finalists selected and grants awarded
August 2022	Implementation grant solicitation released
October 2022	Begin awarding implementation grants
June 2024	Funds must be encumbered
October 2026	Funds must be expended