



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive Office
Department No.: 012
For Agenda Of: September 12, 2023
Placement: Departmental
Estimated Time: 45 Min
Continued Item: N/A
If Yes, date from: No
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Contact Info: Mona Miyasato, County Executive Officer
Nancy Anderson, Chief Assistant County Executive Officer
Brittany Odermann, Deputy County Executive Officer

DocuSigned by:

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SUBJECT: Comprehensive Economic Development Strategic Plan Update

County Counsel Concurrence

As to form: No

Other Concurrence: Select_Other

As to form: N/A

Auditor-Controller Concurrence

As to form: No

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Receive and file presentation and update on the Comprehensive Economic Development Strategic Plan (CEDS);
- b) Provide other direction to staff as necessary; and
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to section 15378(b)(5) of the CEQA Guidelines the actions consist of organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

Summary Text:

The purpose of this item is to provide your Board with an update on the development of the two-county regional Comprehensive Economic Development Strategic Plan (CEDS) which began in 2022 and is scheduled for completion in early 2024. A CEDS is a federally recognized five-year strategy driven plan for regional economic development that unlocks new federal funding sources for the region, making local governments, non-profits, and civic groups throughout the dual counties more competitive for federal Economic Development Administration (EDA) grant funding. This presentation also officially kicks off

the 30-day public comment period ending October 12, 2023, that is required by the EDA for the CEDS document. Staff recommends your Board receive and file this presentation and update on the CEDS and provide any feedback on the plan.

Background:

Since 2020, the County has worked closely with the Regional Economic Action Coalition (REACH) on a variety of economic development related efforts. Over the past three years, the central coast region has made significant strides in regional collaboration on economic development including the development of the REACH 2030 plan, development of a Memorandum of Understanding (MOU) for Vandenberg Air Force Base (now Space Force Base, VSFB), a Vandenberg Master Plan, Waterfront Infrastructure Study, and expansion of the VSFB MOU to include more local jurisdictions.

In September 2021, REACH received \$450,000 in grant funding from the United States Economic Development Administration (EDA) Nuclear Closure Communities program to be matched by local dollars to help mitigate the economic impacts of the Diablo Canyon Power Plant Closure in 2025. Because of the successful partnership with the County, REACH approached the County with the proposal of developing a CEDS, Comprehensive Economic Development Strategy, which the region has never had in the past. The EDA considers a CEDS a key component in establishing and maintaining a robust economic ecosystem, an important vehicle for regional coordination, and is a prerequisite for many types of funding.

Because the \$450,000 EDA grant fund required a local match, San Luis Obispo County contributed \$150,000 toward the project, Bank of America contributed \$150,000, and on [October 19, 2021](#), your Board allocated \$150,000 of American Rescue Plan Act (ARPA) funding toward the development of the plan. The plan was coined the “Resilience Roadmap” and built upon the existing REACH 2030 Plan, which is a 10-year plan to create 15,000 jobs paying annual salaries of at least \$50,000 by 2030.

As the CEDS administrator, REACH coordinated the planning process that launched in March 2022. The timeline for the entire project was 18-months, with a target completion in January 2024. The work was carried out under the leadership of the CEDS Strategy Committee, composed of 30 members from the public, private, and nonprofit sectors throughout the two-county region, and included extensive stakeholder engagement and economic data analysis. The process was facilitated by consultant, TIP Strategies, Inc., using its three-phase planning model - discovery, opportunity, and implementation.

Discussion:

In March 2022, the project launched with *the discovery phase*. This first phase consisted of data collection and analysis and extensive stakeholder outreach to identify the region’s economic development challenges and assets. Over 300 community leaders representing public agencies, private businesses, and nonprofit organizations participated in focus groups, meetings, and interviews to provide feedback and set region-wide economic priorities. Throughout the planning process, four industry groups also convened on a regular basis to provide input on specific needs for the region’s target emerging industries. These targets include aerospace, defense, and precision manufacturing; agriculture and agtech, which is the streamlining of traditional agriculture processes for efficiency; clean tech and renewable energy; and other technological niches such as photonics. These emerging industries were also identified in the REACH 2030 plan.

The second phase of the project, *the opportunity phase*, aligned the CEDS vision statement, and guiding principles (future focused, inclusive and equitable growth, sustainability and resilience, and regional

collaboration), with the economic priorities and opportunities that emerged from the initial data-gathering phase. At the end of this phase, a workshop was held with the CEDS Strategy Committee to solidify plan framework and the three plan goals: **people, innovation, and place**. Strategies and action items were then built out for each goal area. Table 1 shows the plan framework that was developed during this phase.



Table 1. CEDS Framework developed in the Opportunity Phase

The framework of the Plan consists of the vision statement, guiding principles, and goals. The vision statement provides a basis for where the region plans to be within the next five years, and beyond. The guiding principles are designed to help the region move toward this vision by committing the region to embody each of the principles. Lastly, the three goals identified during this phase (people, innovation, place) provide the action plan on how the region can move successfully toward the vision for economic development. Within each goal, new and existing initiatives and action items were identified.

- *Goals*

1) *People*: Within this goal, the Plan includes ways to address the challenge of talent attraction and retention for the workforce, as employers across the region struggle to find talent. The strategies in this section include: developing and expanding upon workforce development pathways in order to ensure clear pathways to good-paying jobs; investing the efforts to prepare the region’s youth for jobs of the future; increasing partner coordination among the private sector, economic development, workforce development and education institutions; focusing on talent attraction and retention; and work with community-based organization and workforce development partners to deliver services to increase the labor force participation rate.

2) *Innovation*: This goal focuses on the importance of creation of new products, services and technologies across all industry sectors in the region in order to increase productivity, efficiency, regulatory compliance, and competitiveness in the market. Within this goal, the strategies include: focus on business retention and expansion efforts and business attraction efforts for leading target industries (aerospace defense, precision manufacturing, agtech, clean tech and renewable energy); development of a regional entrepreneurship ecosystem; and a focus on strengthening the target industries through cross-sector partnerships.

3) *Place*: Lastly, strategies within this goal address challenges related to location, growth constraints, and the challenges associated with the Central Coast's high cost of living. This goal includes: prioritizing sustained development of housing so the talent can remain and grow here; site identification for commercial, residential and industrial development; investment in sustainable infrastructure systems; ensuring high quality of life; and focus on building collaborative partnerships.

The third and final phase of the CEDS process, *implementation*, focused on co-creation of prioritized strategies, consensus building with identified partners, and shared execution of the plan. As part of this phase, the CEDS Strategy Committee looked at the desired outcomes from the CEDS and how best to move the plan forward. During these discussions, three key initiatives listed were identified:

- Build career pathways in the region's innovative industries.
- Develop a regional approach to bolster innovation.
- Establish a housing and infrastructure coalition to increase the number of attainable housing units in the Central Coast.

The Strategy Committee is scheduled to conduct an Implementation Workshop, some time in November, after the public comment period closes. The committee will identify both who will play a role (which organizations), and an implementation plan (phases, leads, supports, timeline) for each key initiative listed above. In addition, as part of the funding REACH received on the EDA grant, they were able to make progress toward, *Developing Career Pathways for Innovative Industries*, by working with the Brookings Institution to gather qualitative and quantitative data that will help guide and shape this initiative moving forward.

During the development of the plan, the strategy committee, REACH, and TIP Strategies, Inc reviewed a variety of local community strategic plans to ensure alignment on goals, strategies, and action items. Alignment with current regional planning efforts was a key consideration during the development of the plan. County staff reviewed and provided comments to REACH for alignment with County plans including the Housing Element Update, the Countywide Broadband Strategic Plan, the Workforce Innovation and Opportunity Act (WIOA) Local Plan from the Workforce Development Board, Santa Barbara County Regional Association of Governments Regional Transportation Plan and Santa Barbara County Climate Action Plan.

Once completed, the CEDS document will guide the region in a high-level strategy driven approach so that organizations can utilize the document to apply for federal economic development funding. EDA funding opportunities in key investment areas and programs include Public Works, Economic Adjustment Assistance, Local Technical Assistance, University Centers, Trade Adjustment Assistance, Indigenous Community Investment, Coal Community Development, Tech Hubs, Recompete Pilot Programs (which provides funds toward economic activity in distressed communities), Disaster Supplemental Assistance and Innovation and Entrepreneurship. REACH will continue to serve as the CEDS administrator and the plan will be implemented by regional, county, and city economic development practitioners, as well as stakeholders implementing workforce and economic development programs and philanthropy.

Public Comment Process

Public comment on the draft plan is required by the EDA and launches on September 12, 2023. Public comment will run for at least 30 days. Comments will be reviewed and incorporated as determined by the Strategy Committee. To provide public comment, members of the public can download the PDF document and provide email comments to cedscomment@reachcentralcoast.org. Members of the public can also request a mail copy and return comments via mail. The public comment period will remain open

for a period of 30-days, ending October 12, 2023, prior to review by the Strategy Committee. County staff plan to distribute the DRAFT CEDS by posting on the County website, publicize through social media channels, and email blasts in order to encourage public comment.

Next Steps

Once the public comment period concludes, the Strategy Committee will review and incorporate comments as appropriate. The plan then goes to the EDA for approval, targeting early 2024 and then come back to your Board as well as the San Luis Obispo County Board of Supervisors for approval in February 2024. Staff will return to your Board in early 2024 to adopt the CEDS upon EDA approval. Once adopted, the plan is reviewed by the strategy committee annually for five-years to ensure it remains up to date with regional efforts and initiatives.

Fiscal and Facilities Impacts:

While there is no fiscal impact associated with this item, funding opportunities available to many organizations in the Santa Barbara area through the completion of the CEDS could be in the millions. The cost to the County for the development of the CEDS was \$150,000 that was funded with federal ARPA dollars.

Attachments:

Attachment A – CEDS DRAFT Plan for Public Comment

Authored by:

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