

**MOTION BY SUPERVISORS HOLLY J. MITCHELL
AND LINDSEY P. HORVATH**

July 25, 2023

**Delivering an Equitable Implementation of the State of California's Community
Economic Resilience Fund Program in Los Angeles County**

In 2021, the Community Economic Resilience Fund (CERF) was created with an appropriation of \$600 million in state of California (State) funding from the American Rescue Plan Act Coronavirus Fiscal Recovery Fund of 2021. CERF was initiated to deploy funds across the State to promote a sustainable and equitable recovery from the economic distress of COVID-19 by supporting new plans and strategies to diversify local economies and develop sustainable industries that create high-quality, broadly accessible jobs for all Californians. In 2022, the adopted budget revised the source of funds to the State General Fund in Senate Bill 115 (2022). The intended result of this legislation was to establish a competitive process that prioritized equity-centered regional plans to lift up and invest in disadvantaged communities. For the last year and a half, driven by community input, the Los Angeles County (County) region has been meeting to develop a plan and strategy to deploy funds to close the wealth gap. In the County, CERF will help local stakeholders to:

- Create high-quality and accessible jobs for all Californians
- Help local communities to transition and thrive in a carbon-neutral economy
- Invest in COVID-19 recovery and build long-term economic resiliency
- Integrate the priorities of local residents in the region's 10-year plan

The program seeks to develop and promote plans and strategies to identify high-

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quality, good-paying jobs in eco-friendly industries to increase the opportunities and quality of life of disadvantaged communities. CERF will also support businesses in the County that invest in their workforces, pay living wages, and engage in environmentally sustainable business practices. The County Department of Economic Opportunity has supported the development of the County High Road Transition Collaborative (HRTC) as a signatory and as one of the chairs of the HRTC Governance Committee.

On June 22, 2023, the State Employment Development Department, in collaboration with the State Labor and Workforce Development Agency, the Governor's Office of Planning and Research, and the Governor's Office of Business and Economic Development (Go-Biz), released a proposed framework for a Catalyst Program as part of CERF. The proposed Catalyst Program would allocate up to \$26.5 million to each of the 13 CERF regions for project pre-development activities. These investments aim to bridge the gap between planning and implementation and will enable regions to develop ready-to-go projects that can compete for funding opportunities from federal, State, and private sources. The State's current proposed Catalyst Program will eliminate the competitive aspect of the CERF implementation grants and remove the prioritization of equity in the competitive process.

This decision to inequitably divide available funds by 13 will relegate each of the 13 regions across the State an equal \$26.5 million in funding. The Los Angeles CERF region, with approximately 9.7 million residents, would only receive \$2.73 per person based on the proposed funding allocation released by Go-Biz and the State Labor and Workforce Development Agency. This allocation system would provide the least amount of funding per capita of any region in the State and will not result in proportional investment to regions based on population density, health, and wealth outcomes. The proposed allocation does not adequately address the pressing needs of disinvested communities in different regions with larger populations that personify the goals and objectives of CERF. It is imperative that the funding distribution proposed by the State considers the scale of challenges faced by our region and ensures that resources are allocated equitably to address these challenges effectively.

In partnership with the over 300 public, private, and non-profit members that make

up the County CERF HRTC, we are urging the Catalyst Program recently released by the CERF Interagency Team to be substantially redeveloped so that funding can be allocated based on a formula that centers equity, including geographic diversity, economic disparities, and community engagement in its methodology.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Director of the Department of Economic Opportunity (DEO), in collaboration with the Chief Executive Office (CEO) to send a letter to the State of California (State) Labor and Workforce Development Agency Secretary, Stewart Knox; State Employment Development Department Director, Nancy Farias; Governor's Office of Planning and Research Director, Samuel Assefa; and the Governor's Office of Business and Economic Development Director, Dee Dee Myers, in support of the Los Angeles County (County) Community Economic Resilience Fund (CERF) High Road Transition Collaborative (HRTC), to advocate for an equitable allocation of the State's \$600 million CERF program, stating the County's concerns related to program administration and support for a fund allocation that prioritizes equity and scalability of regional challenges rather than a "divide by 13" approach.
2. Direct the Director of DEO, in partnership with the County Economic Development Corporation to support and coordinate with the County CERF HRTC to identify key criteria that should be considered in fund allocation to ensure that disparities are addressed, and resources are utilized effectively to promote sustainable and equitable community development, and report back to the Board upon the CERF implementation projects final rule issuance.
3. Direct the Director of DEO to work with the CEO's Legislative Affairs and Intergovernmental Relations Branch and the State Employment Development Department, State Labor and Workforce Development Agency, Governor's Office of Planning and Research, and the Governor's Office of Business and Economic Development to advocate for adequate CERF funding for the County that will provide sufficient resources for the diverse communities of Los Angeles to address

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the goals of CERF, and report back to the Board upon the CERF implementation projects final rule issuance.

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