



COUNTY OF MONTEREY

Countywide Comprehensive Economic Development Strategy (CEDS): 2021-26

On behalf of the County of Monterey and the Cities of Carmel-by-the-Sea, Del Rey Oaks, Greenfield, Gonzales, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad

March 2021 | **DRAFT REPORT v4.3**

Prepared by:



INTRODUCTION

About 434,000 people live in the 4,281 square miles, 12 cities, 17 Census-designated areas, and vast unincorporated areas that constitute Monterey County, according to the most recent Census data, from 2019.¹ Known as the Salad Bowl of the World, the Salinas Valley has an exceptionally productive agricultural sector, contributing more than \$10 billion directly and indirectly each year to the County economy. In addition, the coastline, including Big Sur, California 1, and the 17-Mile Drive on the Monterey Peninsula, has made the County famous for its scenery, drawing visitors from around the world. Monterey County is unique in that it has not gone through the economic reinvention that many other communities have when an economic engine declines. But where there is economic decline there is also the opportunity for growth and renewal.

Monterey County can create opportunities through technology development in the Agriculture Industry — and in an emerging robotics and drone sector — that can yield higher wages and innovation. In addition, the County can continue to showcase its natural beauty to bolster its Tourism sector and create opportunities for eco-tourism. The Hospitality sector can collaborate with the Agriculture and Manufacturing industries to expand value-added processing to wine grape crops to attract and retain visitors. The Education sector can create programs to increase technology, innovation, and opportunities for local residents.

Despite such opportunities, Monterey County faces numerous and significant development and socioeconomic challenges. Agriculture and Tourism, the main economic engines that drive the County, create mostly low-paying and seasonal jobs. A housing imbalance and shortages over the past decade have been primarily attributed to population growth's far outpacing residential construction permits (particularly for low-income housing). The housing issue is compounded by the low average wage in some leading industries relative to the price of housing in the region. In the County, these factors have led to one of the highest rates of housing overcrowding in California, which is highly correlated with low household income, especially in eastern Salinas and the southern part of the County, where most of the agricultural workforce lives.

An imbalance in educational opportunity has led County residents to lag California and U.S. averages severely in educational attainment. Among adults age 25 and older, almost half have attained no more than a high school diploma in Monterey County. Just 30% of the class of 2019 met the University of California or California State University entrance requirements, compared with 44% statewide. Many students come from low-income households or households in poverty; 73% of primary and secondary school students qualified for free and reduced-price meals at school, compared with 52% statewide. As a recent report by *Impact Monterey County* notes, racial inequities only compound these problems.² Pulling children out from poverty, meeting the educational demands of the workplace of today and tomorrow, and helping families cope with crushing health, housing, and social service needs top the list of issues that require vigorous attention.

A continuing limit to growth is the desire to preserve the County's natural landscape, and this dichotomy constrains development. Although the County has a severe housing shortage and

¹ Incorporated cities in Monterey County are Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad. Census-designated areas are Aromas, Boronda, Bradley, Carmel Valley Village, Castroville, Chualar, Del Monte Forest, Elkhorn, Las Lomas, Lockwood, Moss Landing, Pajaro, Pine Canyon, Prunedale, San Ardo, San Lucas, and Spreckels.

² "Together, a Healthy, Safe, Thriving Monterey County: 2020 Report to the Community," Impact Monterey County.

affordability issues, creating housing means the loss of fertile farmland, and development along the coast can be complicated by fresh-water constraints and seawater intrusion. Development projects have rippling effects on the natural landscape that affect tourism, housing, business, sustainability, and the environment. For example, developing a large subdivision outside a city or far from the coast is less expensive than on the peninsula, but these areas tend to have high demands for agriculture and may not house the local workforce. In addition, the County's two major transportation corridors, California 1 and U.S. 101, lie along a north-south axis, and few road alignments allow east-west travel. This not only restricts visitor and resident access to the County's many amenities and services but also presents commuting challenges (for example, for residents who live in the Salinas Valley but work in coastal areas) and limits opportunities for housing development.

Anxiety over Monterey County's economic viability has widened amid the COVID-19 pandemic and proliferation of wildfires, which have not only exacerbated ongoing challenges but also revealed vulnerabilities. In addition to the immediate damage left in their wake, these twin crises complicate the County's economic potential because 1) depressed demand translates to job losses affecting a large portion of the local labor force; 2) the collapse in consumer-driven tax receipts reduces local government's discretionary spending power; and 3) job losses further reduce consumer spending, prompting the cycle to repeat itself in the near to medium term.

Moving to a more resilient and sustainable economy involves planning beyond pandemic-related disruptions while bolstering an infrastructure that can withstand and/or adapt to shocks and stresses. Specifically, the region should leverage its competitive advantages in tandem with policies that develop local clusters, train and retain local workers to service those clusters, and, where appropriate, attract high-skill and high-wage remote workers to the region. Monterey County can leverage its institutional, natural, and organizational assets to address many challenges coming its way.

But a realignment of existing needs with new goals is needed to reinvigorate growth and development in the region. This is not to suggest that vital work is not currently underway, nor does it mean collaboration is nonexistent. Local organizations, such as the Monterey Bay Economic Partnership and United Way Monterey County, continue to lead important initiatives and establish multifaceted coalitions; East Salinas Building Healthy Communities (Alisal) and Governing for Racial Equity help build bonds within and between communities. But Monterey County's networks of resources, organizations, and talent are fragmented and dispersed. Therefore, a strategic framework uniting actors throughout the public, private, and nonprofit sectors around a common and realizable vision is needed. This document reflects the next step in that direction.

The pandemic has caused regional and indeed global disruptions. But it has also enabled regions to redefine themselves and pivot toward sustainable and equitable economic growth. As the region undergoes economic transformation and renewal, an opportunity arises for regional developers to build back better. This can be done by ensuring that new economic growth is followed by sustainable and equitable development in the region.

WHAT IS A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)?

A CEDS is a document developed by jurisdictions in the United States Economic Development Administration (EDA) to apply for vital funding for community economic development initiatives. Monterey County conducted its CEDS process following 13 CFR §303.6. This CEDS was developed with broad-based participation by agricultural workers and vintners, tourism and

hospitality professionals, educators, small-business owners, nonprofit representatives, and community partners. One of the main goals of the document is to determine needs in the regional economy and to take actions to meet them. The CEDS accounts for and, where appropriate, incorporates or leverages other regional planning efforts, including the use of federal funds, private sector resources, and state support that can advance a region's CEDS goals and objectives. The CEDS should be a useful tool for regional economic development decision-making.

The CEDS process analyzes regional conditions, opportunities, and global economic conditions to generate a region-specific, strategy-driven plan for economic prosperity. The CEDS must be updated every five years to stay relevant with changing economic conditions and to qualify for EDA funding under its Public Works and Economic Adjustment Assistance programs. Annual assessments of progress and plans for the coming year also are required. The EDA requires that the following components be incorporated into the document in some form:³

- **Background Summary:** The summary of the region uses current, relevant data to describe local economic conditions.
- **SWOT Analysis:** This analysis of strengths, weaknesses, opportunities, and threats (SWOT) provides insights into a region's capabilities, capacity, and aspirations.
- **Strategic Direction / Action Plan:** The strategic direction and associated action plan outline priorities, objectives, and specific activities to be implemented over a set period.
- **Evaluation Framework:** The evaluation framework gauges progress on the implementation of the overall CEDS.
- **Economic Resilience:** In the context of economic development, resilience means the ability to recover quickly from a shock, withstand the shock, and avoid the shock.

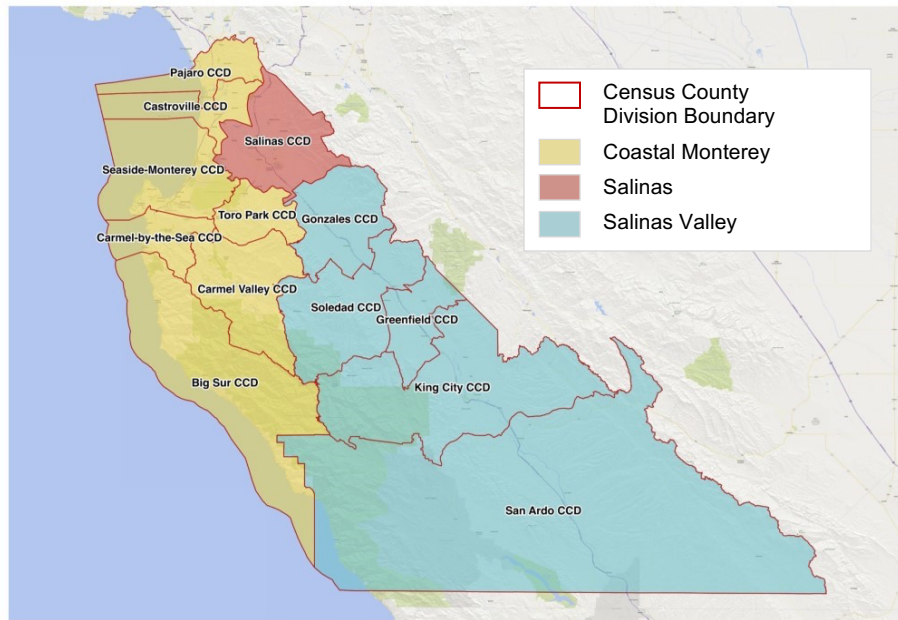
Success of the CEDS hinges on the implementation of specific action recommendations. The planning of the CEDS initiated the building of support among partner agencies and will continue throughout the five-year period. Note that each strategy in the CEDS will not apply to every jurisdiction in Monterey County. But each strategy is crafted to have the most impact on economies and industries that show the greatest economic potential, thereby having positive results for the region as a whole and allowing other businesses to thrive.

This document is the culmination of extensive data collection and targeted community engagement across various sectors and pertains to the all jurisdictions in Monterey County. In addition, this CEDS is pertinent to all jurisdictions because each has a vested interest in the County's improving permitting, planning, communication, and engagement so that businesses have lower barriers to entry. Although the focus of the CEDS is at the County level, some sections look at three subregions – Coastal Monterey, Salinas and Surrounding Environs (Salinas), and Salinas Valley – to better capture the diversity of the County (Figure 1).⁴

³ Definitions are provided by the U.S. Economic Development Agency. For detail, see <https://www.eda.gov/ceds/>

⁴ Although supervisorial districts may be the most intuitive way to divide the County into subregions, the boundaries do not perfectly align with the currently available datasets deployed in this report. The three subregions, defined here by Census County Districts (CCD), overlap the supervisorial districts to a certain extent. The Salinas CCD encompasses District 1 and the immediate vicinities within the other four districts. Coastal Monterey consists mostly of Districts 2, 4, and 5, and Salinas Valley is mostly equivalent to District 3.

Figure I.1: Map of Monterey County Subregions



Source: Beacon Economics

CEDS DEVELOPMENT PROCESS

Planning for the Monterey County CEDS is under the purview of the Board of Supervisors. The board appointed the County's Economic Development Committee, which for purposes of the CEDS is filling the role of the Strategy Committee. The County's Economic Development Department is responsible for conducting the research, staffing the Strategy Committee (CEDS Committee), and the ongoing implementation and reporting on the CEDS. Strategy Committee members represented an array of sectoral interests, such as Education, Agriculture, Ag-Tech, Tourism & Hospitality, Business, Research & Development, Labor, and Government from many professional organizations in the County (Table 1). Each member was therefore able to offer a distinct perspective, even when representing the same industry as another member.

Table I.1a: Comprehensive Economic Development Strategy Committee Members

NAME	INDUSTRY	AFFILIATION
Rosie Armstrong	Higher Education, Ag/Ag-Tech	Director of Workforce Development for Agriculture and Sector Partnerships, Hartnell College
Kristen Arps	Higher Education	Manager of Salinas Valley Adult Education Consortium, Hartnell College
Gill Campbell	Tourism & Hospitality	Director of Business Development, AERO Marketing Group
Katy Castagna	Nonprofit, Housing	President and CEO, United Way Monterey County
Alejandro Chavez	Business	Executive Director, SUBA
Janine Chicourrat	Tourism & Hospitality	General Manager, Portola Hotel
Clint Cowden	Higher Education, Ag/Ag-Tech	Dean of Career Technical Education & Workforce Development, Hartnell College

Kimbley Craig	Business	President & CEO, Monterey County Business Council
Rudy Darken	Research & Development	Attorney, JRG Attorneys
Dennis Donohue	Ag-Tech	Director, Western Growers Center for Innovation & Technology
Paul Farmer	Business	President, Salinas Chamber of Commerce
Norm Groot	Agriculture	Executive Director, Monterey County Farm Bureau
Mary Gunn	Foundation, Finance	Director of Philanthropy, Monterey Peninsula Foundation
Carmen Herrera-Mansir	Business, Entrepreneurship	Executive Director, El Pajaro CDC
Ken Johnson	Research & Development	Senior Scientist, MBARI
Craig Kaufman	Tourism & Hospitality	Executive Director, Salinas Valley Tourism and Visitors Bureau
Jeniffer Kocher	Tourism & Hospitality	Director of Community Relations, Monterey County Convention & Visitors Bureau
Sonja Koehler	Business, Education, Health, Nonprofit	Director, Bright Beginnings Early Childhood Development Initiative
Cesar Lara	Labor	Executive Director, Monterey Bay Central Labor Council
Andrew Lawson	Higher Education, Research & Development	Dean of the College of Science, Cal State Monterey Bay
Joshua Metz	Research & Development	Senior Advisor, Regional Government Services Authority; Co-Founder, Monterey Bay DART
Eduardo Ochoa	Higher Education	President, Cal State Monterey Bay
Carissa Purnell	Education	Director, Alisal Family Resource Centers
Dan Ripke	Higher Education, Entrepreneurship	Director of Economic Development, Funding and Grants Institute for Innovation and Economic Development, Cal State Monterey Bay
Kate Roberts	Nonprofit, Economic Development	President & CEO, Monterey Bay Economic Partnership
Laurence Samuels	Higher Education	Chief of Staff, Cal State Monterey Bay
Kim Stemler	Tourism & Hospitality, Agriculture	Executive Director, Monterey County Vintners Association

Table I.1b: Jurisdictional Representatives

NAME	JURISDICTION
P. Wood	City of Greenfield
Matthew Sundt	City of Gonzales
Steve Adams	King City
Matt Mogensen	City of Marina
Ande Flower	City of Monterey
Anastazia Aziz	City of Pacific Grove
Lisa Brinton	City of Salinas
Andy Myrick	City of Salinas
Oscar Resendiz	City of Salinas
Gloria Stearns	City of Seaside
Brent Slama	City of Soledad

Anastasia Wyatt	Monterey County
Dewayne Woods	Monterey County
Darby Marshall	Monterey County
Lubna Mohammad	Monterey County
Chris Donnelly	Monterey County
Nick Chiulos	Monterey County

Committee meetings began in late June 2020 and continued through mid-January 2021 (Table 2). Full committee meetings were held roughly every other week. Smaller group meetings were held to discuss specialized topics, and individual meetings at the beginning of the committee process gathered introductory information and initial opinions from each member. At each meeting, members offered perspectives and opinions on the current and future state of the CEDS document. This included oral and written input ranging from general feedback and direction to line-item edits on document drafts. All interviews, focus groups, and meetings were held virtually because of COVID-19 public health mandates. Guided by initial findings, consultations gathered input on regional assets, and local assets with a regional impact, to help identify factors to further the region's economic position.

In August and September, the National Development Council conducted interviews on topics such as workforce development, AgTech, education, housing, transportation, and climate resiliency. In September and October, a SWOT analysis survey was sent to key stakeholders in the private, public, and nonprofit sectors to identify key strengths, weaknesses, opportunities, and threats to Monterey County. Based on the preliminary results from the interviews and the SWOT surveys, CEDS Committee members organized three facilitated discussions in November: (1) Equity and Health Care & Social Services, (2) Workforce Development and Education, and (3) Housing, Infrastructure, and Environment. Participants included representatives of:

- Chambers of commerce
- Economic Development Organizations (EDOs)
- Community action groups
- County, state, and federal government
- Entrepreneurs and entrepreneurial programs
- Health care organizations
- Higher education
- K-12 and early education
- Nonprofit agencies
- Small-business development centers
- Leaders of various business communities

Finally, the CEDS Committee sent out surveys on business, education, R&D, and tourism and hospitality. Respondents included business owners, educators and administrators, students and parents of school-aged children, directors of research institutions, and representatives of the Tourism & Hospitality Industry. Because of the high percentage of Hispanics in the county, the business and education surveys were also provided in Spanish.

Table I.2: Schedule of Committee Activities

ACTIVITY	DATE
Full Committee Meeting	6/29/20 7/27/20

	8/10/20
	9/9/20
	9/23/20
	10/14/20
	10/28/20
	10/29/20
	10/30/20
	12/16/20
	12/30/20
	1/6/21
	1/14/21
	2/17/21
Smaller Group Meeting – Specialized Topic Discussions	Week of 8/31/20
	Week of 9/14/20
	11/4/20
Individual Meeting – Intake Interviews	Week of 7/13/20
	Week of 7/20/20
	Week of 7/27/20
	Week of 8/3/20
	Week of 8/10/20

Public Comment Draft

STRUCTURE OF THE MONTEREY COUNTY CEDS

This document guides Monterey County's public agencies and departments, local jurisdictions, businesses, nonprofit organizations, and communities in understanding the economic landscape (in the context of historical trends, competitive advantages, chronic challenges, and most recently the impact of COVID-19) to inform future growth and development. The following areas are addressed across seven chapters:

- Part 1: Demographics
- Part 2: Summary of Economic Conditions
- Part 3: Cluster Analysis
- Part 4: Key Planning Considerations
- Part 5: Current Economic Development Initiatives
- Part 6: Assessment
- Part 7: Strategic Framework & Action Plan

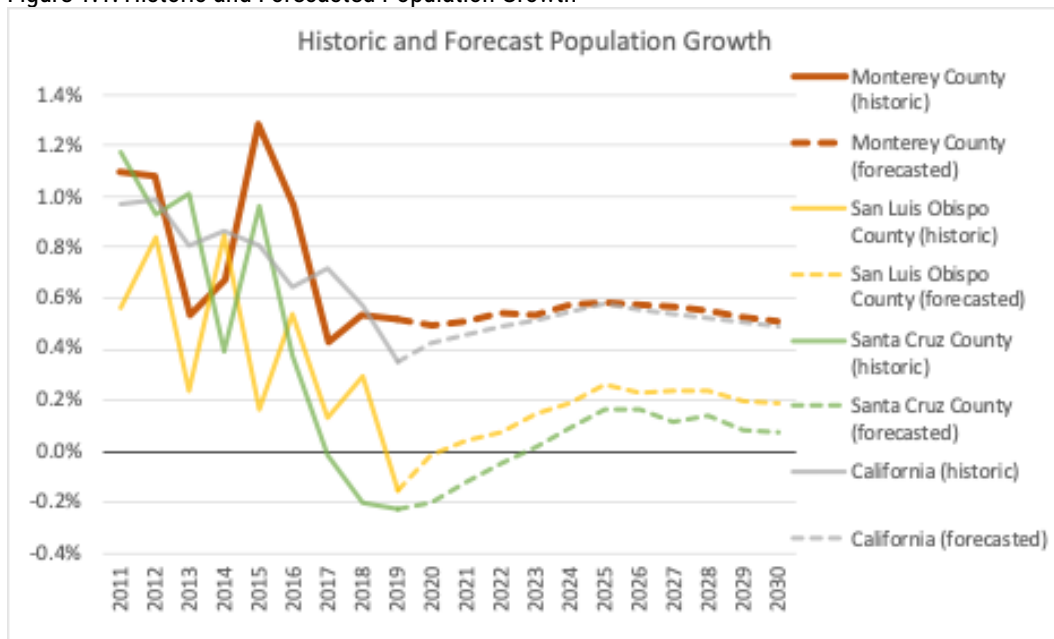
Given the state of transition in the County's economic development infrastructure, the focus is to highlight issues in a holistic way and provide broad strategic direction rather than be targeted and prescriptive. Details and dates will continue to evolve in pace with the establishment of a more robust County economic development infrastructure.

Public Comment Draft

PART 1: DEMOGRAPHICS

Monterey County's population reflects a breadth of social, economic, and ethnic diversity. It continues to grow, increasing from about 416,000 residents in 2010 to 444,250 in 2018, though at a slower rate than in previous years (Figure 1.1).⁵ Its growth has outpaced San Luis Obispo and Santa Cruz counties'. In the next decade, population growth is forecast to be 0.5% per year, in line with state projections.⁶ This aggregate trend masks a flurry of migration (Table 1.1); domestic net inflows of residents (about 22,300) are just barely higher than domestic outflows (about 19,400). Former Monterey County residents moved to counties with less expensive housing, and new residents moved from more expensive counties (Figure 1.2).

Figure 1.1: Historic and Forecasted Population Growth



Source: California Department of Finance

Table 1.1: Migration Patterns, 2014-18

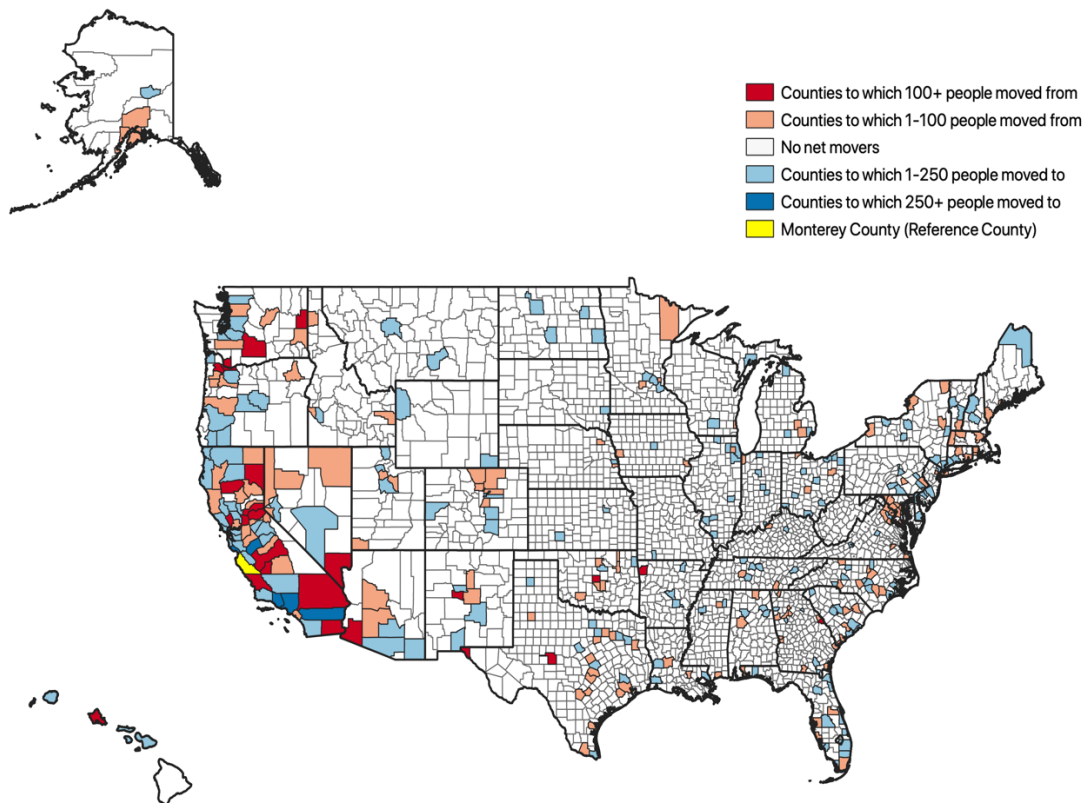
Population (Living in Monterey >1 Year):	427,668
Movers from a different state:	8,303
Movers to a different state:	9,673
Movers from a different county in California:	13,972
Movers to a different county in California:	12,425
Movers from abroad:	3,729

Source: American Community Survey 5-Year Estimates

⁵ Certain data points, such as population, vary slightly even for the same year depending on data sources and what kind of data are being used (for example, 1-Year Estimates versus 5-Year Estimates from the U.S. Census American Community Survey). Even though numeric figures may appear with precision in tables, they will be described in the text in more general terms to account for this variability.

⁶ These projections are based on data collected before the COVID-19 outbreak and increased frequency of wildfires in 2020. It is expected that net inflows decrease in the short to medium term.

Figure 1.2: Monterey County Migration Inflows (Blue) and Outflows (Red), 2014-18



ft

Source: American Community Survey 5-Year Estimates

AGE, GENDER, AND RACE/ETHNICITY

Monterey County has a young population, with a median age of 34.1, compared with the State of California, and it's significantly younger than neighboring counties (Table 1.2). Although the County's population did age at a faster rate than those in San Luis Obispo and Santa Cruz counties from 2010 to 2018, the age distribution varies significantly across subregions. The median age in coastal areas such as Carmel-by-the-Sea, Carmel Valley, and Toro Park is at least 50, for example, but in some communities in the Salinas Valley it's under 30.

The largest population of people 65 and over is in Coastal Monterey (which includes Carmel-by-the-Sea, Monterey, and Carmel Valley) at 18%, followed by Salinas (which includes Toro Park) at 16%. The Salinas Valley has the smallest share of residents aged 65 and over at 9%. Overall, seniors in this age group are expected to account for most of the County's population growth from 2020 to 2030, and the share of residents under 18 is expected to decline over the next 10 years (Figure 1.4). The ratio of men to women is fairly even — roughly 228,250 and 220,500 respectively — and this ratio is expected to continue.

The County's roughly 269,000 Hispanic and/or Latino residents make up the overwhelming majority (59.9%) of the population. Collectively, residents identifying as Hispanic and/or Latino increased 1.5% from 2010 to 2020, but this will slow slightly (to 1.0%) through the end of this decade. Conversely, the non-Hispanic White population, which is the second largest share of residents at 129,000 and comprises 28.8% of the overall population, is expected to continue the 0.6% contraction it did from 2010 to 2020 over the next 10 years. The non-Hispanic Asian-American population is projected to grow at the fastest rate (1.1%), and the non-Hispanic Black population will remain at current levels; numbering around 12,500 and 10,000 people respectively, each group constitutes less than 3% of Monterey County's population.

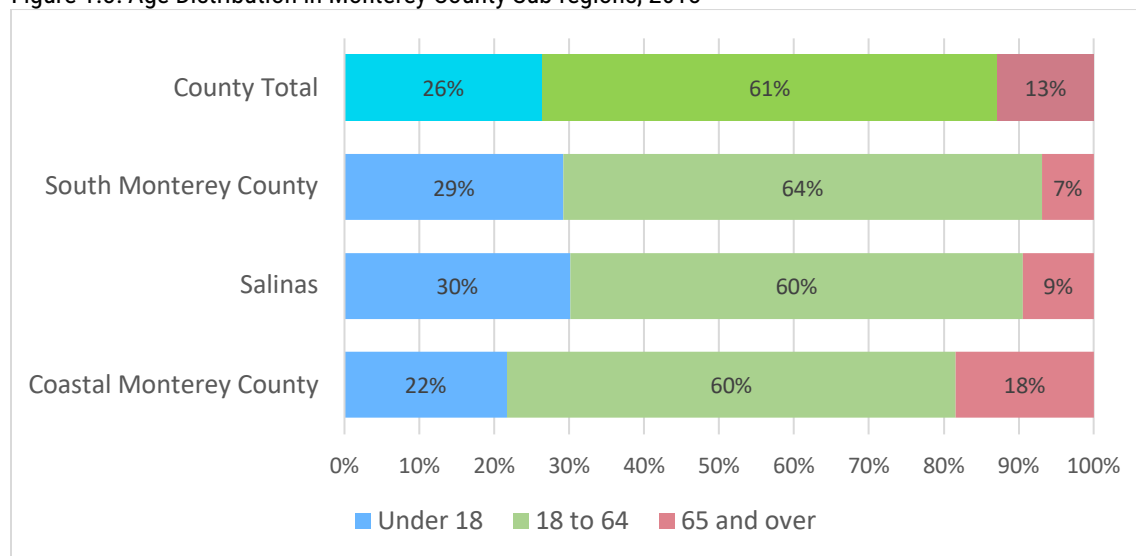
Table 1.2: Median Age in Central Coast Counties and California, 2010-18

	2018	2010	% Change
Monterey County	34.1	32.8	4.0%
San Luis Obispo County	39.1	39.0	0.3%
Santa Cruz County	37.4	36.6	2.2%
California	36.3	34.9	4.0%

Source: American Community Survey 5-Year Estimates

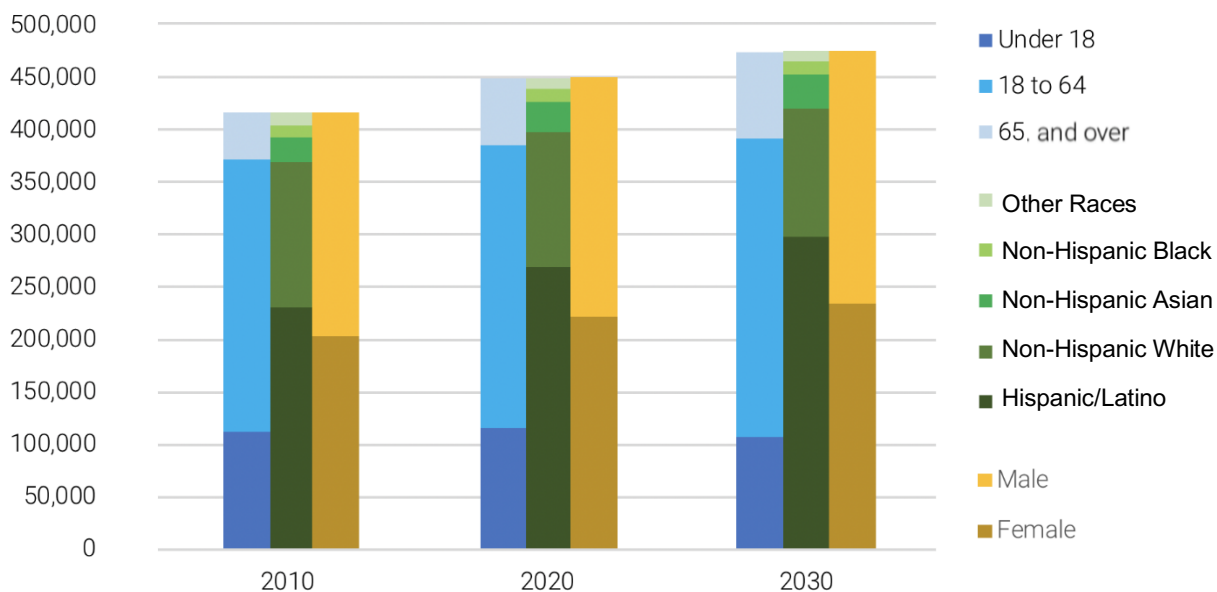
Public Comment Draft

Figure 1.3: Age Distribution in Monterey County Sub-regions, 2018



Source: American Community Survey 5-Year Estimates

Figure 1.4: Age, Race, and Gender in Monterey County



Source: California Department of Finance

EDUCATIONAL ATTAINMENT

As a whole, Monterey County residents are less educated than those in neighboring counties and in California as a whole. This is partly due to a lack of educational opportunity and access for some residents. Only a quarter of the County's population age 25 and older has a bachelor's degree or above, compared with 35% statewide, 37% in San Luis Obispo County, and over 40% in Santa Cruz County (Table 1.3). This has implications for how well the County's workforce can support the growth of emerging sectors, how attractive the County is for firms in need of specialized labor, and the lifetime earnings of the workers themselves. For each level of education, wages increased by a greater amount year to year (Figure 1.5). Average annual wages of workers with advanced degrees rose nearly \$20,000 from 2014 to 2019 (\$65,515 in 2014 to \$85,392 in 2019), while wages for workers with a bachelor's degree increased roughly \$8,750 (from \$51,072 to \$59,846). Those without a high school diploma got a \$5,150 bump in wages but still earned only \$24,061 by 2019.

This 27.9% share of the population without a high school diploma far exceeds the levels in neighboring counties and is nearly 75% greater than that of California overall, which translates to a potential Monterey County labor force in which 48.3% of working-age adults have not pursued formal education beyond the 12th grade. On average, Monterey County's K-12 students underperform on both English Language Arts and Mathematics assessments compared with students statewide. Nevertheless, gradual improvement has occurred in recent years. For English Language Arts, 40% of the students either met or exceeded the standard in 2018, up from 32% in 2014 (Figure 1.6). For Mathematics, 28% met or exceeded the standards in 2018, up from 20% in 2014.

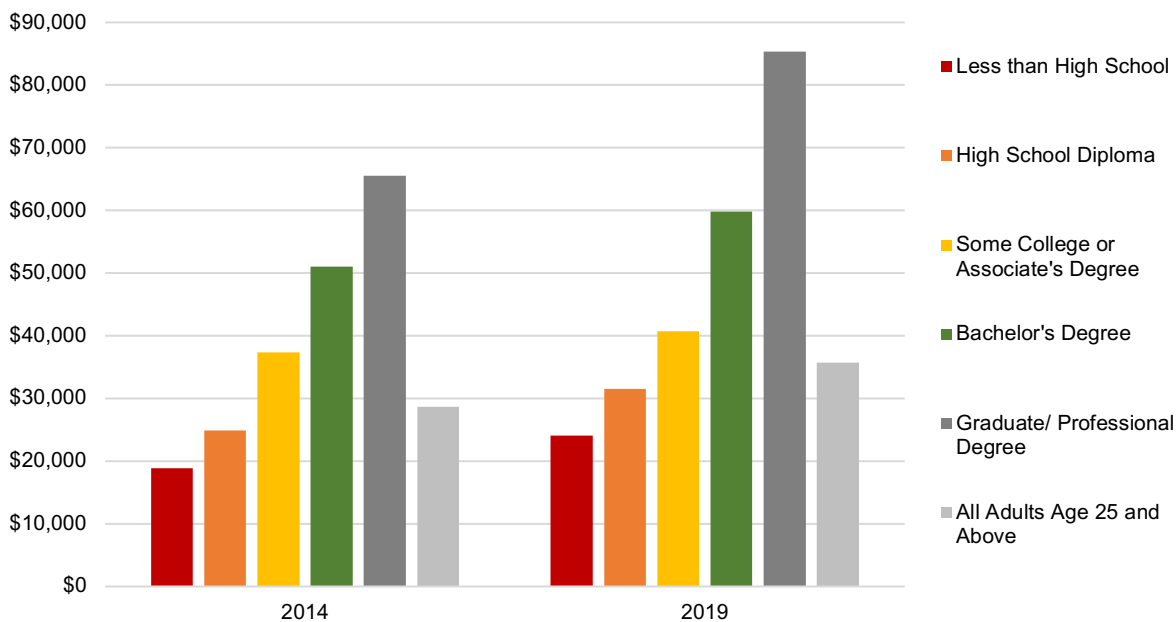
That said, educational attainment varies greatly in the County (Figure 1.7), with 13.9% of residents earning a bachelor's degree or higher in urban Salinas, compared with 39.1% in Monterey's coastal communities and only 8.0% in the more agrarian Salinas Valley (where 70.1% of the population has at most a high school diploma). This variation is also reflected by college-readiness metrics, in which students in the northern parts of the County outperform those in the south. Two-thirds of 12th-graders in Carmel Unified, for instance, met the minimum UC/CSU entrance requirements, well above the 44.3% of 12th-graders statewide (Figure 1.8). Students in Gonzalez and King City performed under the County average (30.5%) at roughly 29% each, though these rates dwarfed those in schools administered by the Monterey County Office of Education (1.3%) and the Monterey Peninsula Unified School District (0.4%).

Table 1.3: Educational Attainment of Population 25 and Older in Monterey County, 2019

	Monterey County	San Luis Obispo County	Santa Cruz County	State of California
Less than High School	27.9%	9.2%	12.5%	16.0%
High School Diploma	20.5%	19.4%	15.4%	20.6%
Some College or Associate Degree	25.9%	34.1%	28.2%	28.5%
Bachelor's Degree	15.0%	22.8%	25.3%	21.9%
Graduate/Professional Degree	10.7%	14.4%	18.5%	13.1%

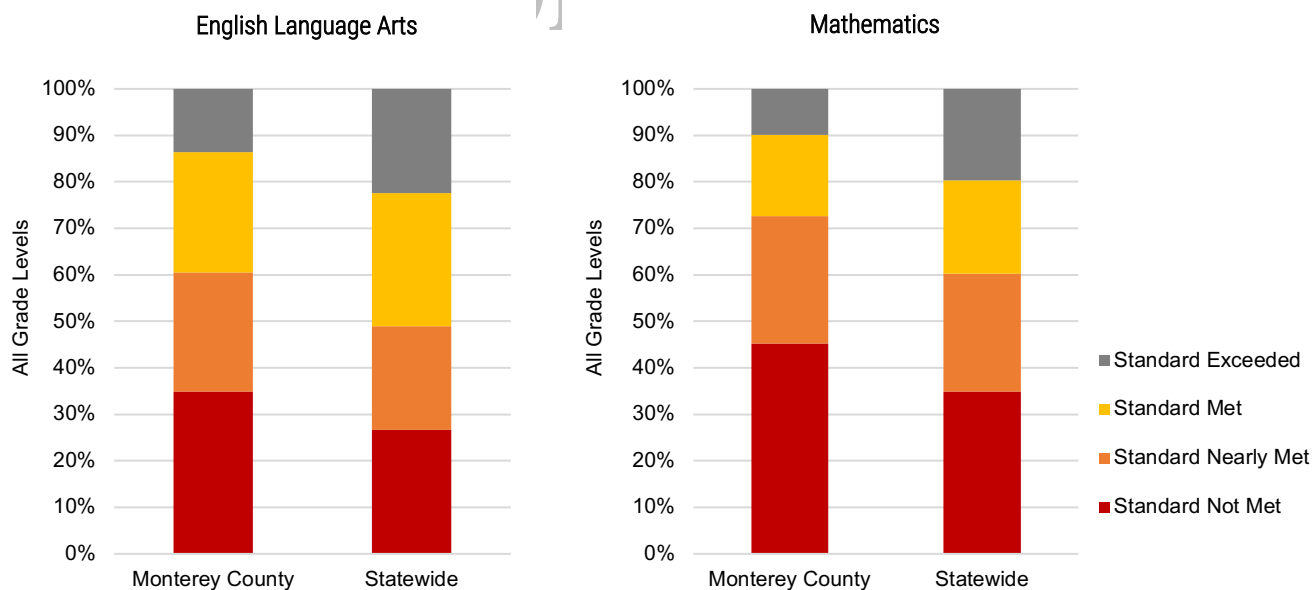
Source: American Community Survey 1-Year Estimates

Figure 1.5: Median Earnings by Educational Attainment for Population 25 and Older in Monterey County, 2019



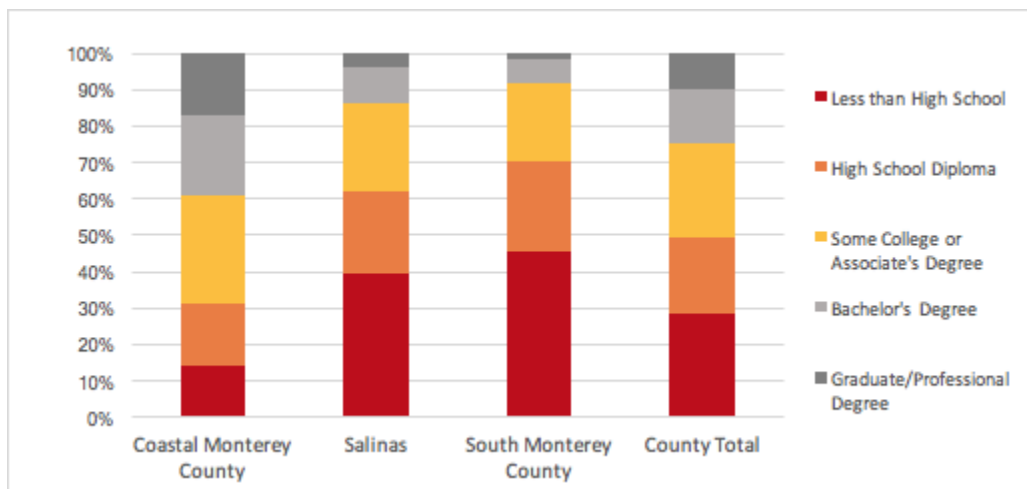
Source: American Community Survey 1-Year Estimates

Figure 1.6: California Assessment of Student Performance and Progress Results, Monterey County, 2018



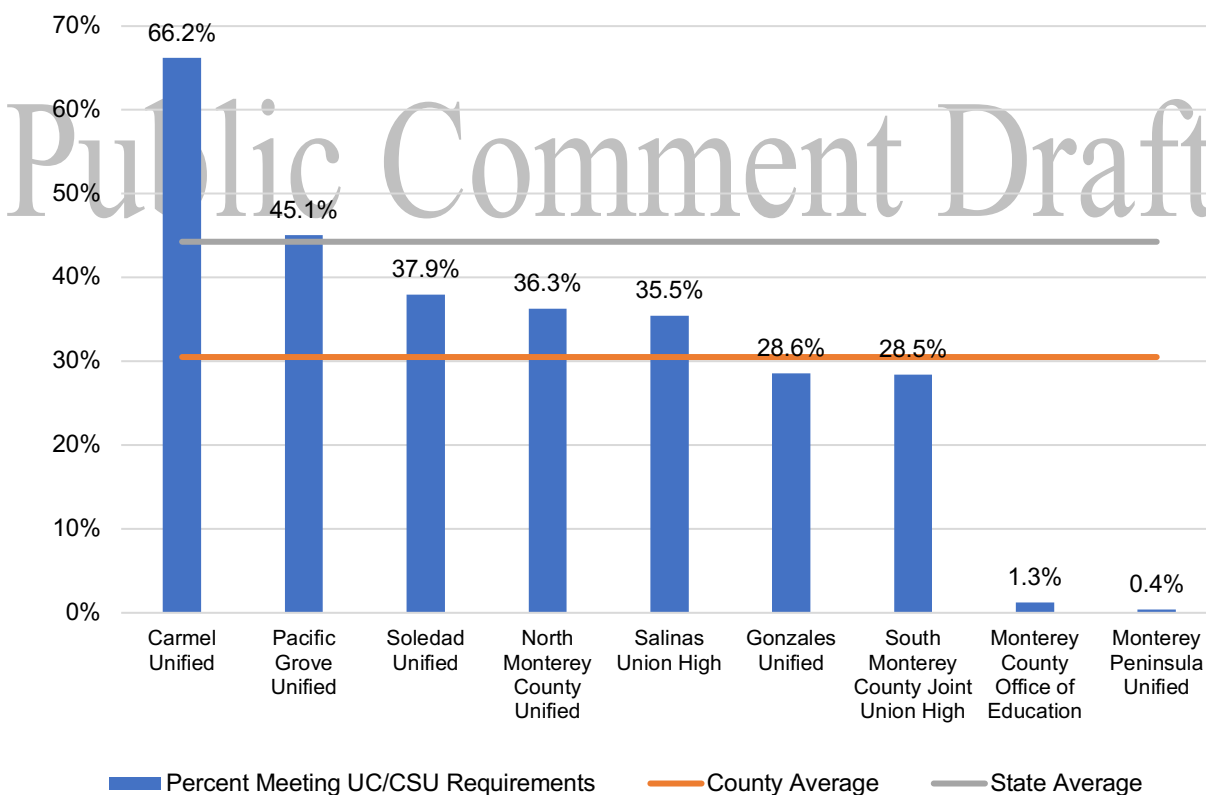
Source: Monterey County Office of Education

Figure 1.7: Educational Attainment of Population 25 and Older in Monterey County Subregions, 2018



Source: American Community Survey 5-Year Estimates

Figure 1.8: Percentage of 12th-Graders Meeting UC/CSU Requirements, 2018-19 School Year

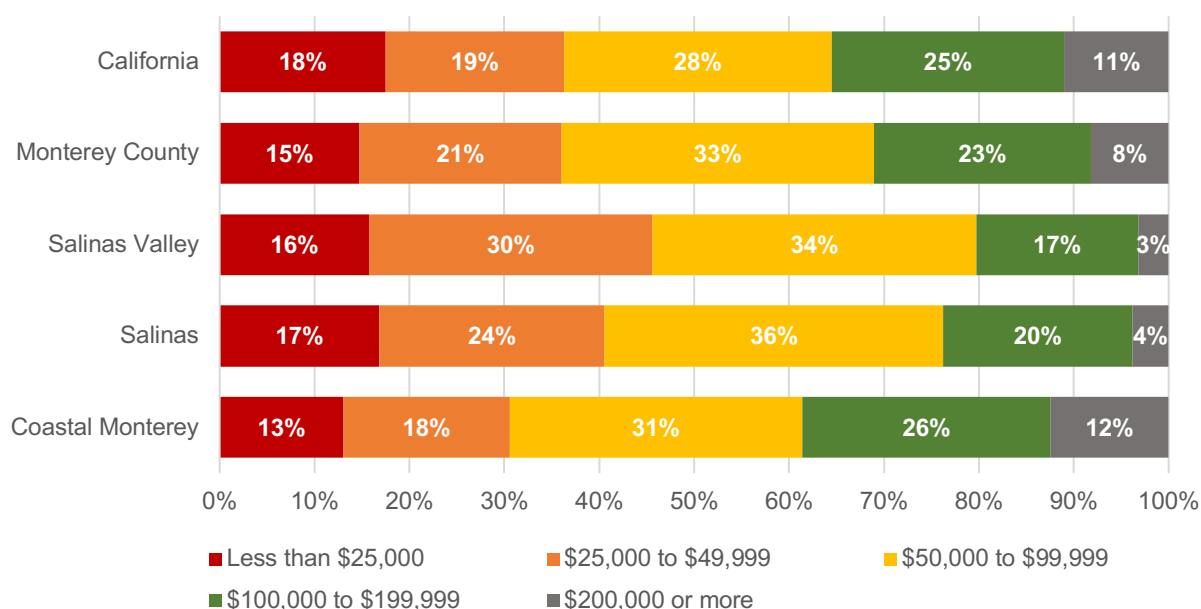


Source: California Department of Education

Compared with California, Monterey County has a smaller share of households with annual incomes over \$100,000 (36% and 31%, respectively) but a relatively equal share of households (37% and 36%) earning less than \$50,000 per year (Figure 1.9). Households in Coastal Monterey tend to be wealthier (with 38% of households reporting annual incomes above \$100,000), Salinas Valley is worse off (41% of households earn less than \$50,000 per year), and Salinas residents are in between, with the largest share of middle-income households: 36% make between \$50,000 and \$100,000 on an annual basis. Even within these regions, there can be large disparities (Figure 1.10). In the region defined as Salinas, household incomes in Toro Park on average are more than twice those in the City of Salinas. Similarly, residents in Carmel Valley (where the median annual household income is \$100,064) and Carmel-by-the-Sea (\$96,004) earn far more than residents of Big Sur (\$56,042), whose household incomes are more in line with those in Salinas Valley.

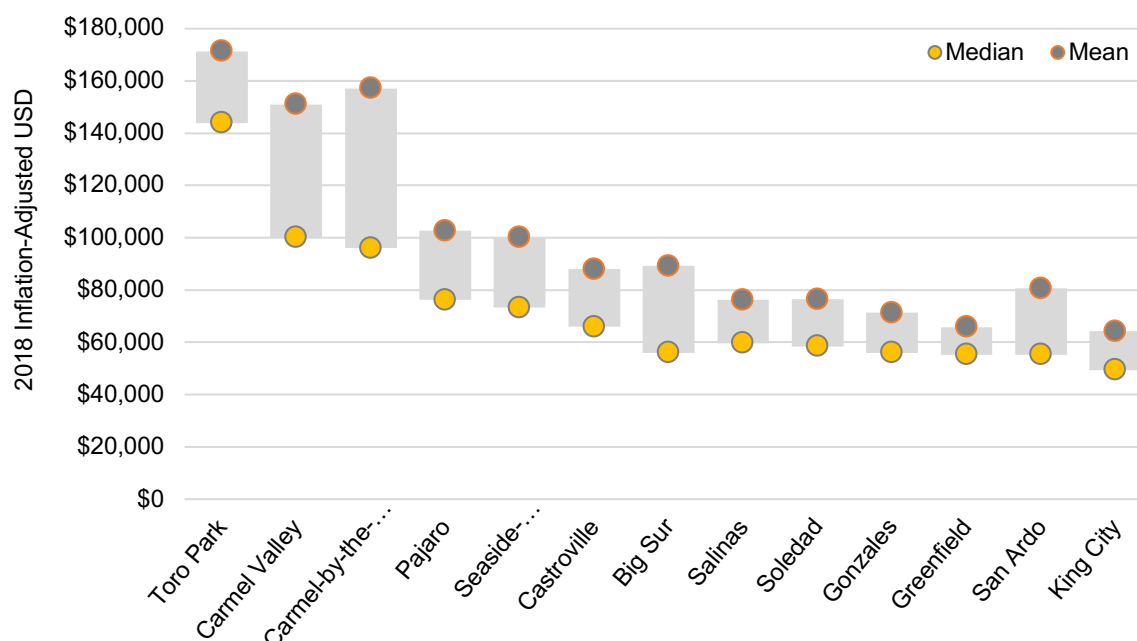
The County's poverty rates, the percentage of households of four people or more earning less than \$25,500 a year, have fallen from a peak in 2012 at 18.4% to 13.4% in 2018. Although the trend is moving in the right direction, poverty is more prevalent in the County than it is in California (where the poverty rate was 12.8%) and nationwide (10.5%). The effects of widespread poverty are most visible in the County's schools. The number of enrolled students eligible for free or reduced-price lunches increased from just over 49,000 in 2010 to more than 56,000 in 2019 (Figure 1.11). In other words, a record high of 72.5% of the County's K-12 students need some form of assistance to ensure at least one meal a day, and this share is likely to only increase during the protracted recovery from the pandemic. This is a far higher percentage than in California overall, where 51.9% of enrolled students were eligible for the benefits in 2019.

Figure 1.9: Household Income by Income Bracket, Monterey County and California, 2018



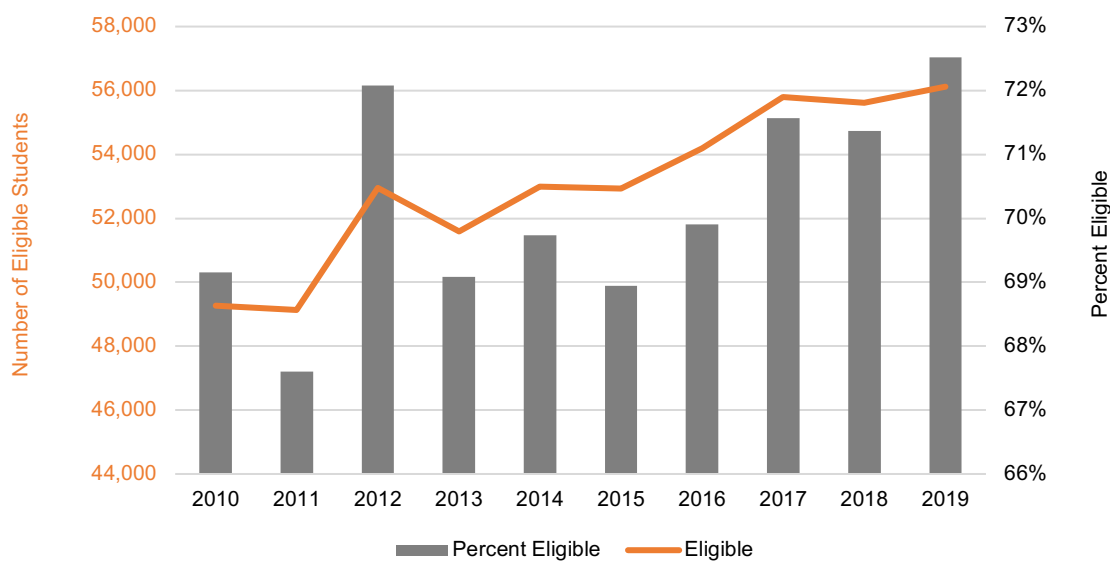
Source: American Community Survey 5-Year Estimates

Figure 1.10: Median and Mean Household Income by Census County Subdivisions, 2018⁷



Source: American Community Survey 5-Year Estimates

Figure 1.11: Percent of Enrolled Students Eligible for Free or Reduced-Price Meals



Source: Monterey County Office of Education

⁷ Census county divisions are the statistical entities established cooperatively by the Census Bureau and officials of state and local governments in the 21 states where MCDs either do not exist or are unsatisfactory for the collection, presentation, and analysis of census statistics. They are designed to represent community areas focused on trading centers or, in some instances, major land use areas. They have visible, permanent, and easily described boundaries. For more information, see the U.S. Census Bureau's documentation at <https://www2.census.gov/geo/pdfs/reference/GARM/Ch8GARM.pdf>

PART 2: SUMMARY OF ECONOMIC CONDITIONS

These industry and occupational analyses use data preceding the COVID-19 outbreak to identify Monterey County's trends and growth sectors. Doing so enables an understanding of the region's baseline economic landscape and provides a benchmark for recovery. Of course, the effects of the pandemic have been severely felt across all sectors, and it is difficult at this stage to project how and when each sector will return to pre-pandemic trajectories. The final section of this chapter addresses these effects and provides some early indications of how various industries are recovering.

INDUSTRY ANALYSIS

Although the private sector accounts for the vast majority of jobs in the County (69.0%) — based mostly in Salinas and the Salinas Valley — the public sector employs 15.0% of the overall workforce (Table 2.1). Government workers numbered from 31,500 to 34,000 as of the first quarter of 2020 and made up the largest share of nonfarm employment (Table 2.2).⁸ The sector includes the normal share of local government and educational services but is particularly large because of the outsized presence of national security and other Federal workers based in Monterey Bay.⁹ Indeed, the Department of Defense accounts for over 15,000 jobs with \$1.4 billion in annual local payroll and has an estimated \$2 billion in total economic impact in the County.¹⁰ In addition to employing military personnel, many of the department's 12 installations offer civilian career paths and are partially staffed by contractors (Table 2.3).

⁸ A range of estimated public sector jobs is provided here because of data being drawn from two sources in this analysis. Different methodologies and survey techniques account for some discrepancies. For instance, Table 7 includes "Educational Services" as a component of the public sector, and "Public Administration" accounts for only 12,816 jobs compared with the 33,902 figure in Table 8. It is assumed in this latter case that workers in public schools self-identify as part of the "Public Administration" sector rather than in "Educational Services." Despite these accounting differences, the total number of public sector workers probably is in this range.

⁹ Although such a large share of Monterey's workforce is dedicated to public administration, this sector is not addressed in much more detail as a growth engine in this report; rather, it serves as a support function, albeit a critical one, for revenue-generating industries.

¹⁰ Data are from the Monterey Bay Defense Alliance website, which can be accessed at <https://montereybaydefensealliance.org/frequent-questions/>

Table 2.1: Employment by Public, Private, and Nonprofit Sectors in Monterey County, 2018

	Coastal Monterey	Salinas and Environs	Salinas Valley	Monterey County
Private for-Profit	60.1%	75.3%	78.8%	69.0%
Private Nonprofit	6.7%	4.4%	2.3%	5.1%
Government	17.3%	12.8%	14.1%	15.0%
Self-Employed	15.8%	7.4%	4.8%	10.8%
Incorporated	4.4%	1.7%	0.3%	2.7%
Not Incorporated	11.4%	5.7%	4.5%	8.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: American Community Survey 5-Year Estimates

Table 2.2: Public Sector Employment in Monterey County, 2005-20

	2020 (Q1)	5-Year Change	15-Year Change
Public Administration	12,816	10%	17%
Justice, Public Order, and Safety Activities	4,659	6%	9%
National Security and International Affairs	3,594	4%	24%
Executive, Legislative, and Other General Government	3,142	12%	11%
Support			
Administration of Environmental Quality Programs	650	239%	200%
Administration of Human Resource Programs	372	-9%	-7%
Administration of Economic Programs	265	5%	-8%
Administration of Housing Programs, Urban Planning, and Community Development	134	19%	N/A
Educational Services	13,159	16%	24%
Health Care and Social Assistance	3,657	19%	15%
Other Sectors	1,963	9%	13%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Table 2.3: Department of Defense Employment in Monterey County, by Installation

INSTALLATION	WORKFORCE
Camp Roberts	623 civilians, contractors, military personnel, and students
Defense Language Institute Foreign Language Center	8,500 students, staff, military personnel, and contractors
Department of Defense Manpower Data Center	750 civilians and contractors
Fleet Numerical Meteorology & Oceanography Center	157 civilians, contractors, and military personnel
Naval Postgraduate School	3,001 civilians, academics, and contractors
Naval Research Laboratory Marine Meteorology Division	145 civilians, contractors, and scientists
Naval Support Activity Monterey	257 civilians, contractors, and military personnel
Defense Personnel Security Research Center	41 government workers and contractors
U.S. Army Garrison Presidio of Monterey	763 civilians, contractors, and military personnel
U.S. Army Garrison Fort Hunter Liggett	1,173 uniformed personnel, civilians, and contractors
U.S. Coast Guard Station Monterey	40 military personnel
514 th Signal Company	155 military personnel and civilians
TOTAL EMPLOYMENT	15,569

Source: Team Monterey

Beyond the public sector, three industries dominate employment: Agriculture (with roughly 56,000 workers), Accommodation & Food Services (24,100), and Health Care & Social Assistance (18,300). All three industries had high job growth over the past 10 years, with Agriculture and Accommodation & Food Services increasing around 34% and Health Care & Social Assistance not far behind at 28% (Table 2.4).

Construction, Transportation, and Arts & Entertainment had faster rates of job growth from 2010 to 2020, but they each account for small shares of overall employment and had less of an impact on the region's economic growth than the three largest sectors (Figure 2.1). The rise in Professional Services in the past decade (from over 11,000 workers in 2010 to nearly 15,000 in early 2020) is a welcome sign. Unlike industries that are highly susceptible to economic shocks and natural disasters, the Professional Services sector is inherently adaptable and reliable as an economic driver.

Employment in the Information sector plummeted 42.1% amid consolidation and contraction of the media environment (Figure 2.2). Manufacturing employment remained relatively steady, thanks to the County's strong wine production capacity, when it continues to fall precipitously elsewhere in the country. Finally, there has been little movement in Public Administration or Financial Services employment since 2010.

The County's 3,000 registered nonprofit organizations, concentrated along the coast and to a lesser degree in Salinas, employ 5.1% of its workforce and fall within several sectors. Although a small share of all establishments, nonprofits play a key role in driving the County's economy and providing essential services. The vast majority of the Arts & Entertainment sector, for example, is foundations, art institutes, and performing arts organizations that rely on external support and volunteer staffing. The Health Care & Social Assistance sector depends on organizations including the Community Human Services, YWCA, YMCA, Sun Street Centers, United Way

Monterey, and community health centers supported by institutions like the Salinas Valley Memorial Hospital Foundation and Montage Health Foundation.

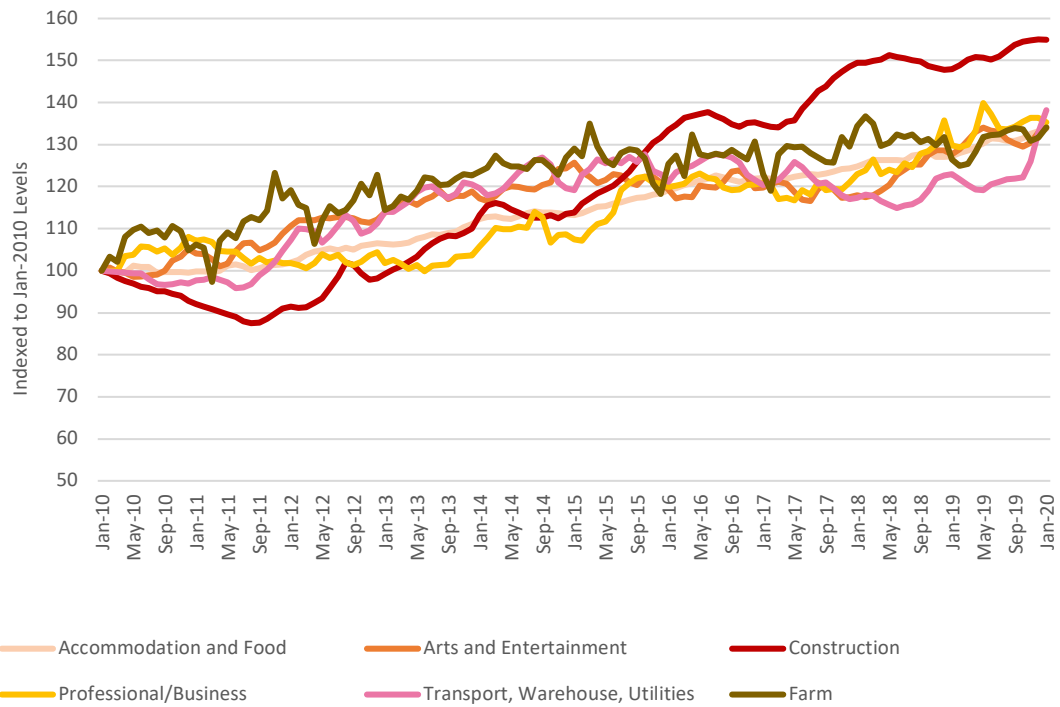
Cross-sector collaboratives such as the Blue Zones (a health promotion initiative supported by SVMH, Montage, and Taylor Farms) and Bright Futures (a cradle-to-career education initiative out of Cal State Monterey Bay) focus action on common public benefit agendas. The nonprofit infrastructure is supported by the Center for Nonprofit Excellence (hosted by the Community Foundation for Monterey County). The industry association is the Nonprofit Alliance for Monterey County. In addition to the typical fundraising events and activities, County nonprofit organizations receive funding from world-class events such as the Concours d'Elegance, Big Sur Marathon, and the AT&T ProAm. Historically, such events generate millions in revenue for the local nonprofits.

Table 2.4: Pre-COVID Employment by Industry in Monterey County, 2010-20

	2020 (Q1)	2010 (Average)	Percent Change
Farm	56,035	41,737	34.3%
Nonfarm	146,798	123,803	18.6%
Public Administration	33,902	32,457	4.5%
Accommodation & Food Services	24,103	17,922	34.5%
Health Care & Social Assistance	18,288	14,292	28.0%
Retail Trade	16,787	14,854	13.0%
Professional/Business	14,971	11,065	35.3%
Construction	6,635	4,332	53.2%
Wholesale Trade	6,051	4,968	21.8%
Transportation, Warehousing, & Utilities	4,865	3,385	43.7%
Manufacturing	5,061	5,316	-4.8%
Educational Services	2,426	2,091	16.0%
Other Services, Except Public Administration	5,089	4,672	8.9%
Financial Activities	4,474	4,415	1.3%
Arts, Entertainment, & Recreation	2,851	2,116	34.7%
Information	994	1,718	-42.1%
Mining, Quarrying, Oil and Gas Extraction	301	200	50.5%
Total All Industries	202,833	165,540	22.5%

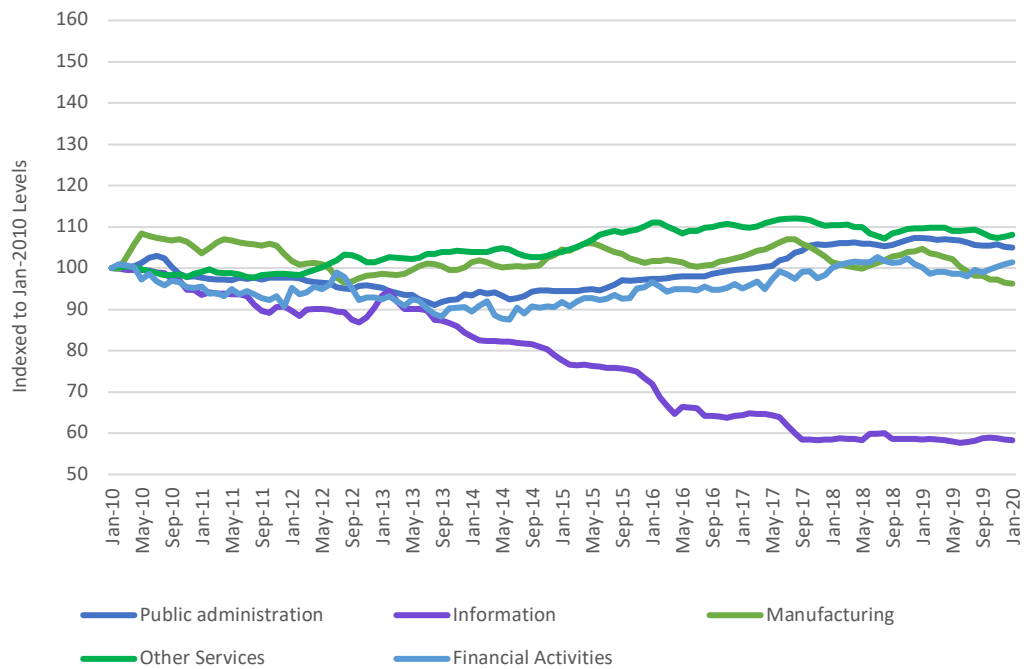
Source: California EDD

Figure 2.1: Fastest-Growing Industries in Monterey County, 2010-20



Source: California EDD

Figure 2.2: Slowest-Growing and Declining Industries in Monterey County, 2010-20



Source: California EDD

In Monterey County, 90% of the 14,421 total businesses employ fewer than 20 people (Figure 2.3). Over half of these firms are in only four sectors: Retail (which has 15.0% of all establishments), Professional Services (13.8%), Health Care & Social Services (13.1%), and Financial Services (9.8%). The largest employers in the County are mainly in Public Administration (with 26 establishments employing 100 or more people), Accommodation & Food Services (21), Educational Services (11), and Health Care & Social Services (11). In the Agriculture sector, 87% of all establishments employ fewer than 19 people, and only 13% of the industry is composed of establishments with more than 20 employees.

Figure 2.3: Number of Establishments by Industry and Size, Monterey County (September 2020)



Source: California EDD

The average (mean) annual wage in Monterey County was \$50,676 as of the first quarter of 2020, up 3.5% from the first quarter of 2019 and up 17.6% from five years ago (Table 2.5), though it is 31% below the statewide average of \$73,182 (Table 2.6). Wages in Santa Cruz and San Luis Obispo counties are in line with Monterey County's but have grown faster (26.7% and 20.9% respectively) over the past five years. Although Public Administration workers, with an annual average wage of \$76,150, fare better the average worker in California, the County's two largest private industry sectors — Agriculture (with an average annual wage of \$39,906) and Accommodation & Food Services (\$29,378) — pay far less than the statewide average and are among the lowest in the County. In contrast, the rapidly growing Professional Services Industry has one of the highest wages in the County at \$83,991.

Table 2.5: Average (Mean) Wage by Industry in Monterey County, 2010-20

	2020 (Q1)	2010 (Q1)	10-Year Change	Percent Growth
Utilities	\$126,785	\$90,001	\$36,784	40.9%
Mining	\$122,135	\$92,144	\$29,991	32.5%
Finance and Insurance	\$97,845	\$74,602	\$23,243	31.2%
Professional, Scientific, Technical	\$83,991	\$67,834	\$16,157	23.8%
Information	\$78,236	\$77,737	\$499	0.6%
Public Administration	\$76,150	\$64,726	\$11,425	17.7%
Wholesale Trade	\$75,477	\$64,493	\$10,984	17.0%
Health Care and Social Assistance	\$75,215	\$59,687	\$15,528	26.0%
Educational Services	\$62,655	\$55,571	\$7,084	12.7%
Transportation and Warehousing	\$61,204	\$48,619	\$12,586	25.9%
Construction	\$58,191	\$44,824	\$13,367	29.8%
Manufacturing	\$55,252	\$41,999	\$13,252	31.6%
Real Estate	\$50,493	\$33,989	\$16,504	48.6%
Other Services	\$50,285	\$31,728	\$18,557	58.5%
Administrative Support	\$47,426	\$24,625	\$22,801	92.6%
Agriculture, Forestry, Fishing, Hunting	\$39,906	\$24,832	\$15,074	60.7%
Arts and Entertainment	\$36,527	\$32,251	\$4,275	13.3%
Retail Trade	\$32,594	\$25,206	\$7,388	29.3%
Accommodation and Food Services	\$29,378	\$21,443	\$7,936	37.0%
Average for All Industries	\$50,676	\$39,896	\$10,780	27.0%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Table 2.6: Average (Mean) Annual Wages in Monterey County, Neighboring Counties, and California, 2015-19

	Q1-2020 (Q1)	2019 (Q1)	1-Year Change	2015 (Q1)	5-Year Change
Monterey	\$50,676	\$48,981	3.5%	\$43,109	17.6%
San Luis Obispo	\$50,461	\$50,582	-0.2%	\$41,754	20.9%
Santa Cruz	\$56,650	\$52,567	7.8%	\$44,700	26.7%
California	\$73,182	\$70,312	4.1%	\$60,974	20.0%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Like most demographic and economic indicators in Monterey County, industry composition and growth rates vary in the three subregions (Table 2.7). In Salinas, the biggest industrial share is in Agriculture, Health Care, and Retail, which collectively make up 45% of the subregional economy. In the Coastal subregion, which is more tourist-oriented, the biggest industrial share is in Leisure & Hospitality, Health Care, and Retail, which make up 45% of the subregional economy. In Salinas Valley, Agriculture dominates, with a 39% employment share. Agriculture, Health Care, and Retail make up 53%. Over eight years, employment grew 11% in Salinas Valley, 6% in Salinas, and 2% in Coastal Monterey. The fastest-growing industries in all subregions are Agriculture and Accommodation & Food Services.

- The fastest-growing industries in Salinas are Agriculture, which added 4,520 workers over eight years; Accommodation & Food Services, which added 1,118, and Transportation & Warehousing, with 904. Over the period, Retail fell by 1,520 workers, Finance & Insurance shed 805, and Public Administration lost 421. In 2018, employment in Construction and Manufacturing declined as jobs in Accommodation & Food Services and Educational Services increased. Agriculture's employment share increased 6%.
- The fastest-growing industries in Salinas Valley are Agriculture, which added 2,020 workers over eight years, Accommodation & Food Services, which added 943, and Retail Trade, which added 461. Over the period, Transportation & Warehousing lost 646 workers, Wholesale Trade lost 427, and Health Care lost 362. In 2018, the employment share for Health Care and Public Administration declined, and the employment share for Retail Trade and Accommodation & Food Services increased. The share of Agricultural employment increased 4%.
- The fastest-growing industries in Coastal Monterey are Agriculture, which added 1,422 workers over eight years, Accommodation & Food Services, which added 1,427, and Health Care, with 1,298. Over the period, Retail Trade declined by 1,162 workers, Finance & Insurance lost 852, and Information lost 645. In 2018, the top five sectors are the same as in 2010. However, the share of workers employed in Retail Trade declined 2% and Accommodation & Food Service and Health Care & Social Assistance both increased 1%. Although Agriculture has a smaller employment share than in Salinas and Salinas Valley, it grew 42%, compared with 23% in Salinas Valley and 35% in Salinas.

Table 2.7: Employment by Industry in Monterey County Subregions, 2010-18

	Salinas	Percent Change	Coastal Monterey	Percent Change	Salinas Valley	Percent Change
Agriculture, Forestry, Fishing and Hunting	17,291	35%	4,837	42%	10,941	23%
Mining, Quarrying, and Oil and Gas Extraction	78	152%	72	-50%	38	-46%
Utilities	534	2%	429	-24%	263	0%
Construction	4,667	0%	5,295	-1%	1,181	11%
Manufacturing	4,222	-7%	3,448	-2%	1,945	2%
Wholesale Trade	2,439	-8%	1,948	2%	671	-39%
Retail Trade	6,865	-18%	8,371	-12%	2,173	27%
Transportation and Warehousing	2,822	47%	1,991	2%	397	-62%
Information	769	-16%	1,286	-33%	355	11%
Finance and Insurance	1,209	-40%	1,914	-31%	263	-18%
Real Estate and Rental and Leasing	665	-36%	2,178	-1%	322	30%
Professional and Technical Services	1,843	-6%	6,052	2%	563	67%
Management of Companies and Enterprises	30	-25%	37	-35%	0	0%
Administrative and Waste Services	3,378	10%	3,893	-2%	1,058	64%
Educational Services	4,930	16%	9,449	2%	1,904	8%
Health Care and Social Assistance	8,585	10%	10,084	15%	1,683	-18%
Arts, Entertainment, and Recreation	1,022	-9%	3,344	4%	288	-3%
Accommodation and Food Services	5,320	27%	10,100	16%	1,860	103%
Other Services, Except Public Administration	3,348	-6%	4,131	1%	635	-22%
Public Administration	3,242	-11%	4,673	9%	1,694	-10%
Total Nonfarm	55,968	-1.81%	78,695	0.02%	17,293	2.47%
Total Farm	17,291	35.39%	4,837	42.47%	10,941	22.64%
Overall	73,259	6%	83,532	2%	25,503	11%

Source: American Community Survey 5-Year Estimates

OCCUPATIONAL ANALYSIS

The occupational composition in Monterey County is varied (Table 2.8), though unsurprisingly, Farming, Fishing, and Forestry had the most workers (44,540) in the first quarter of 2020. The 13.5% growth rate among these occupations since 2015 was eclipsed only by Educational Instruction and Library occupations (which grew 19.7% to nearly 11,700 workers) and Construction and Extraction occupations (increasing 21.7% to 5,300 workers). The top five occupational groups at the beginning of 2020 were Office and Administrative Support occupations (19,000 jobs); Food Preparation and Serving Related occupations (18,513); Transportation and Material Moving occupations (15,381); and Sales and Related occupations (15,314). By and large, higher-wage occupations such as Management are concentrated along the coast, and lower-wage jobs are found in Salinas and the Salinas Valley (Table 2.9).

Before the pandemic, Farming, Fishing, and Forestry occupations and Food Preparation & Serving Related occupations were expected to continue growing at a high rate for three years, but demand for Educational Instruction & Library occupations was forecast to wane significantly (and is likely to fall at far greater rate under economic conditions prevailing at the beginning of 2021). Although Health Care occupations, which collectively accounted for nearly 16,000 jobs from January to March 2020, will probably rebound, higher-paying Healthcare Practitioners and Technical occupations, which pay the most in the County (Figure 2.4), will be outnumbered by much lower-paying Healthcare Support occupations nearly 3 to 1 by 2023.

Indeed, Monterey County has an abundance of low-wage occupations. Office and Administrative Support's median wage of \$41,000 is higher than the County median of \$37,000, but most occupations pay less than the median. This is largely because the County's largest industries (Agriculture and Accommodation & Food) do not employ many full-timers who work year-round. For instance, 60% of workers with Farming, Fishing, and Forestry occupations have only seasonal and/or part-time employment.

Table 2.8: Change in Employment by Occupation in Monterey County, 2015-20

	2015 (Average)	2020 (Q1)	5-Year Change	5-Year Growth
Farming, Fishing, and Forestry	39,238	44,540	5,302	13.5%
Office and Administrative Support	18,439	19,000	561	3.0%
Food Preparation and Serving Related	16,473	18,513	2,040	12.4%
Sales and Related	14,989	15,314	325	2.2%
Transportation and Material Moving	14,254	15,381	1,127	7.9%
Management	13,139	14,221	1,082	8.2%
Educational Instruction and Library	9,758	11,685	1,927	19.7%
Healthcare Practitioners and Technical	7,259	8,083	824	11.4%
Building and Grounds Cleaning and Maintenance	7,003	7,843	840	12.0%
Business and Financial Operations	6,966	7,862	896	12.9%
Healthcare Support	6,691	7,872	1,181	17.7%
Production	5,980	6,315	335	5.6%
Construction and Extraction	5,307	6,457	1,150	21.7%
Installation, Maintenance, and Repair	5,248	5,737	489	9.3%
Protective Service	4,148	4,548	400	9.6%
Personal Care and Service	4,068	4,521	453	11.1%
Community and Social Service	2,839	3,183	344	12.1%
Computer and Mathematical Occupations	2,544	2,751	207	8.1%
Arts, Design, Entertainment, Sports, and Media	2,517	2,536	19	0.8%
Architecture and Engineering	1,657	1,781	124	7.5%
Life, Physical, and Social Science	1,538	1,593	55	3.6%
Legal	1,079	1,185	106	9.8%
All	191,107	210,907	19,800	10.4%

Source: Jobs EQ

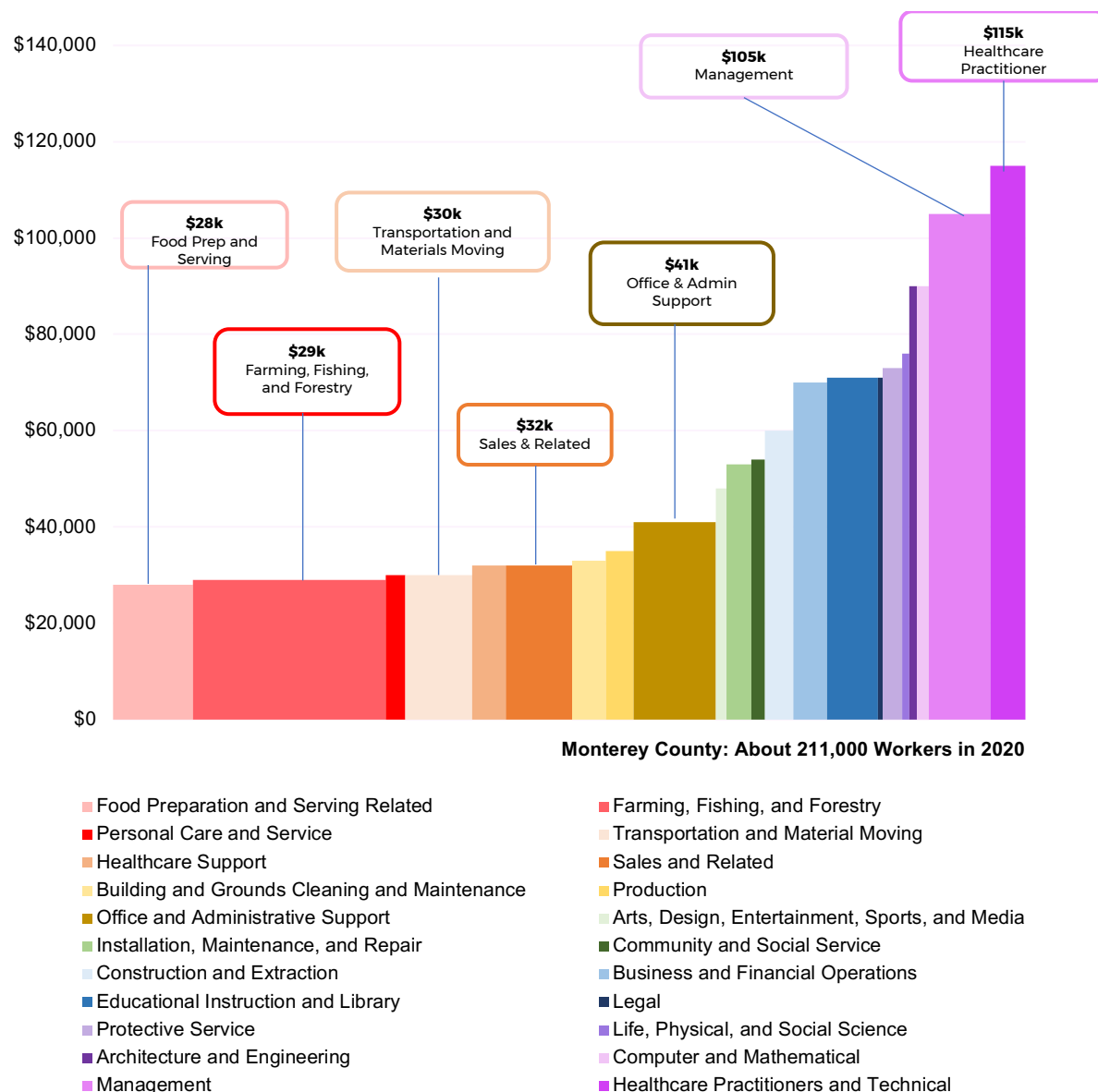
Table 2.9: Most Common Occupations for Full-Time Year-Round Civilian Workforce (Age 16 and Over), 2018

Coastal Monterey	Salinas	Salinas Valley	Monterey County
Management (14%)	Transportation and Material Moving (11.5%)	Farming, Fishing, and Forestry (22.9%)	Farming, Fishing, and Forestry (21.1%)
Office and Administrative Support (9.6%)	Office and Administrative Support (11%)	Transportation and Material Moving (12.2%)	Office and Administrative Support (9%)
Sales and Related (9.1%)	Sales and Related (9.5%)	Office and Administrative Support (9.3%)	Food Preparation and Serving Related (8.8%)
Educational Instruction and Library (7.6%)	Farming, Fishing, and Forestry (9.2%)	Management (8.4%)	Transportation and Material Moving (7.3%)
Food Preparation and Serving Related (6.4%)	Management (8.2%)	Sales and Related (7%)	Sales and Related (7.3%)

Source: American Community Survey 5-Year Estimates

Public Comment Draft

Figure 2.4: Monterey County Workforce Employment and Median Wage by Occupational Group



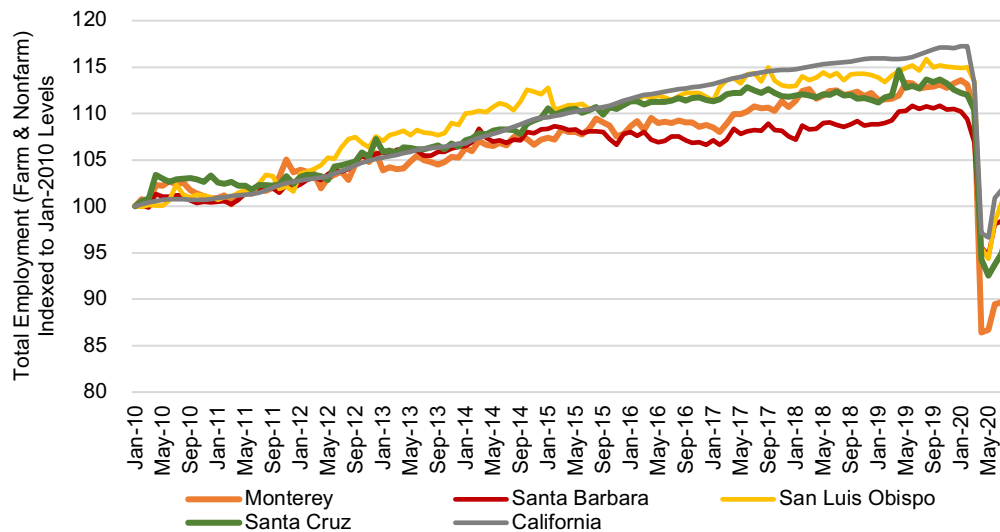
Source: Jobs EQ

OVERVIEW OF COVID-19 IMPACT

With the COVID-19 outbreak at the one-year mark, the nation is coming to grips with the economic damage. Output dropped at an annualized rate of 31.4% in the second quarter of 2020, the sharpest decline ever recorded. Before the pandemic, Monterey County's employment had been growing steadily at a rate similar to neighboring counties', if not at quite the statewide pace (Figure 2.5). The impact of COVID-19 hit Monterey County considerably harder than other Central Coast counties: Employment fell nearly 40% as the Tourism, Hospitality, and Agricultural sectors contracted, and recovery has also been slower. The

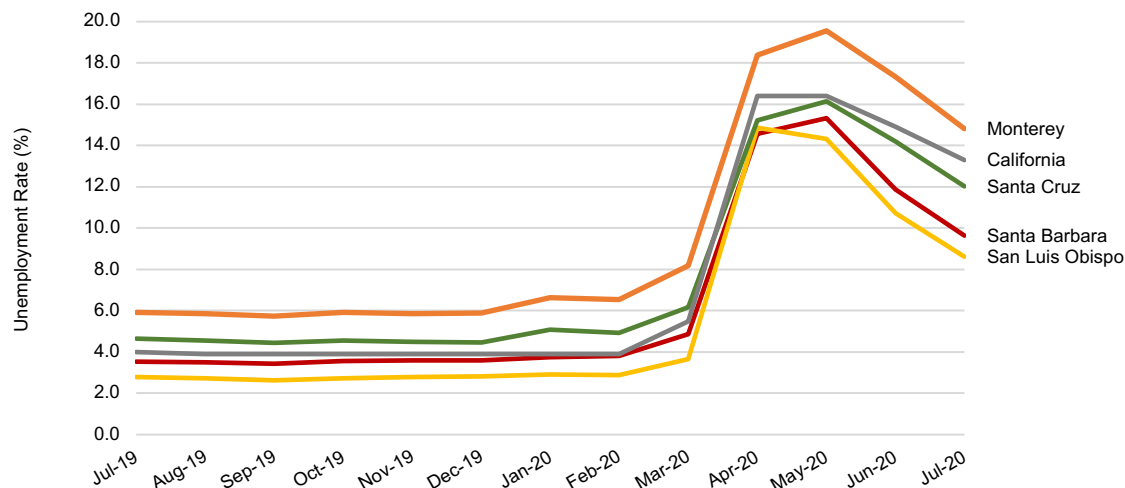
unemployment rate was 14.8% in July 2020 in Monterey County (Figure 2.6), above the statewide unemployment rate (13.3%) and significantly higher than in other Central Coast counties (though even before the pandemic, Monterey County's unemployment rate had been consistently higher than in neighboring counties).

Figure 2.5: Employment Growth in Central Coast Counties, 2010-20



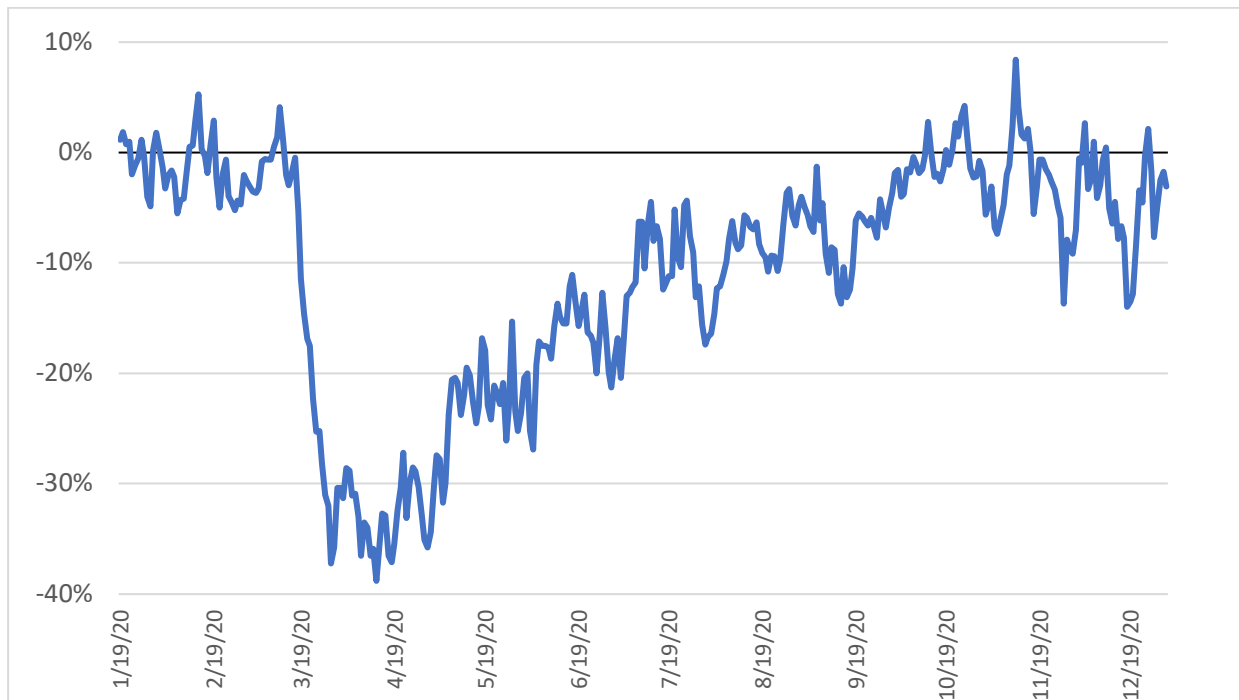
Source: California EDD

Figure 2.6: Unemployment in Central Coast Counties, 2019-20



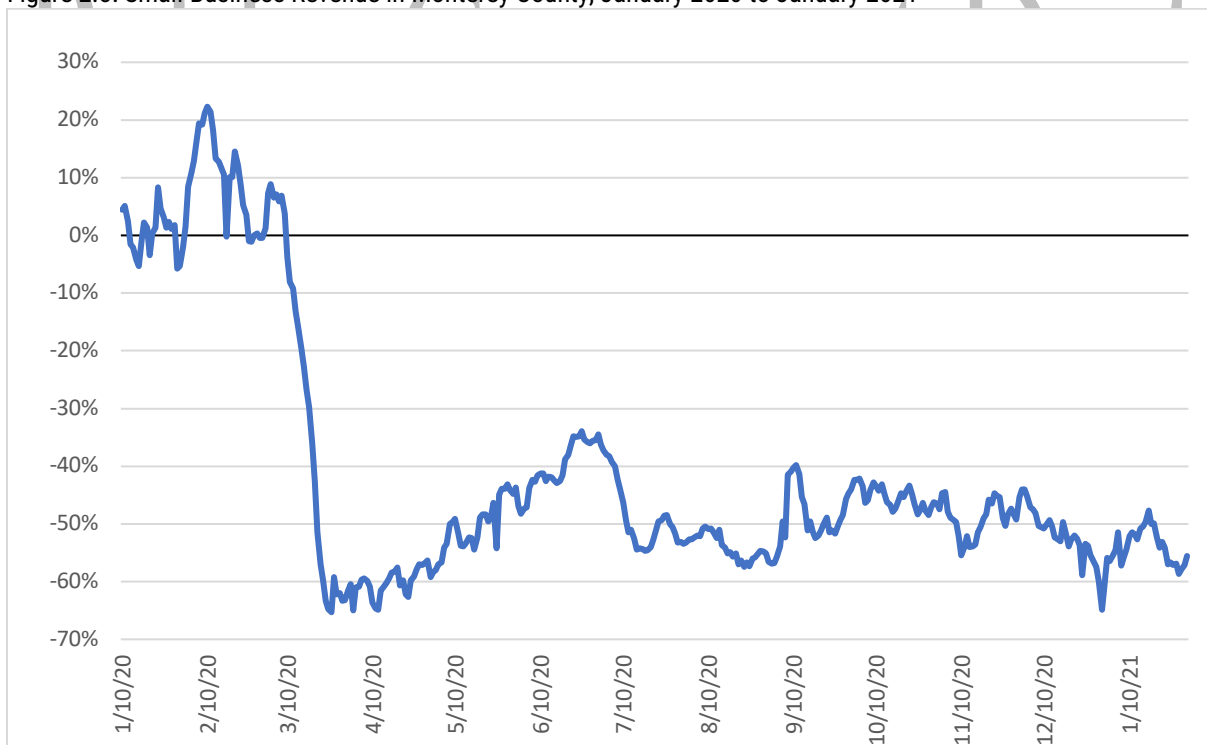
Source: California EDD

Figure 2.7: Monterey County Consumer Spending, January to December 2020



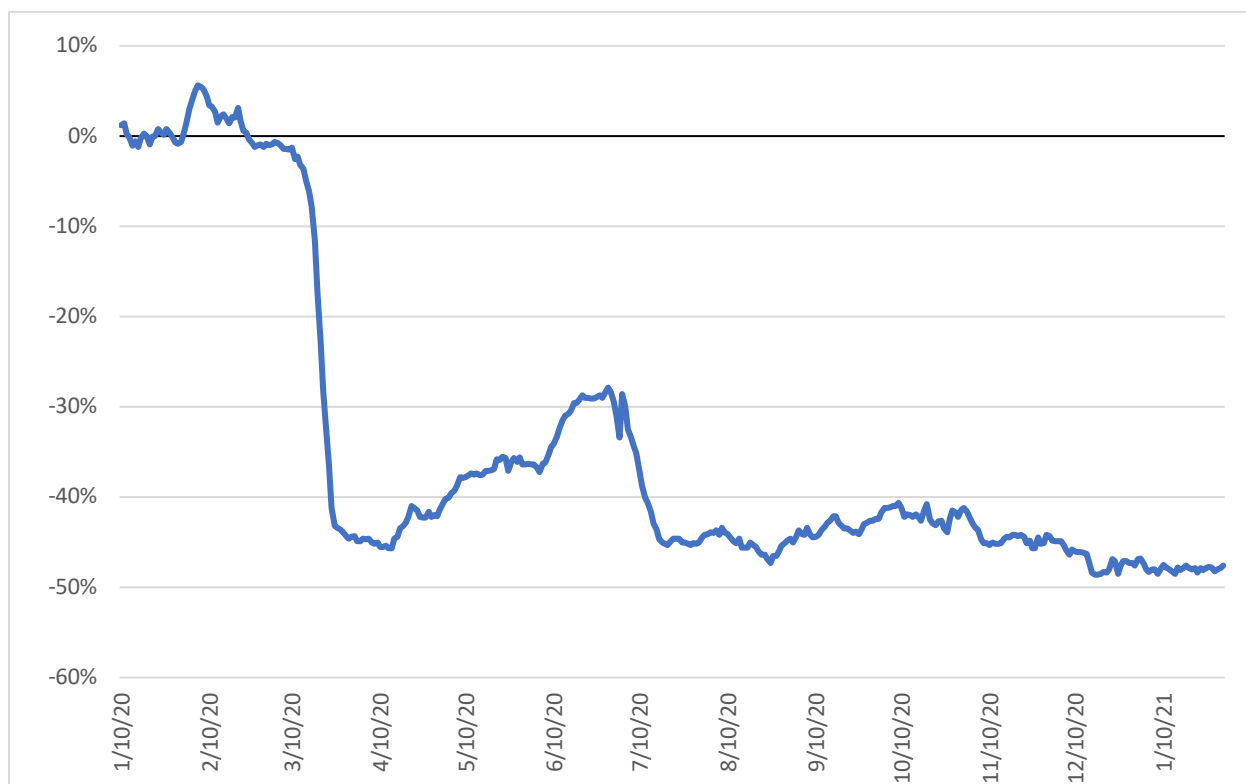
Source: The Economic Tracker, Opportunity Insights (<https://tracktherecovery.org>)

Figure 2.8: Small-Business Revenue in Monterey County, January 2020 to January 2021



Source: The Economic Tracker, Opportunity Insights (<https://tracktherecovery.org>)

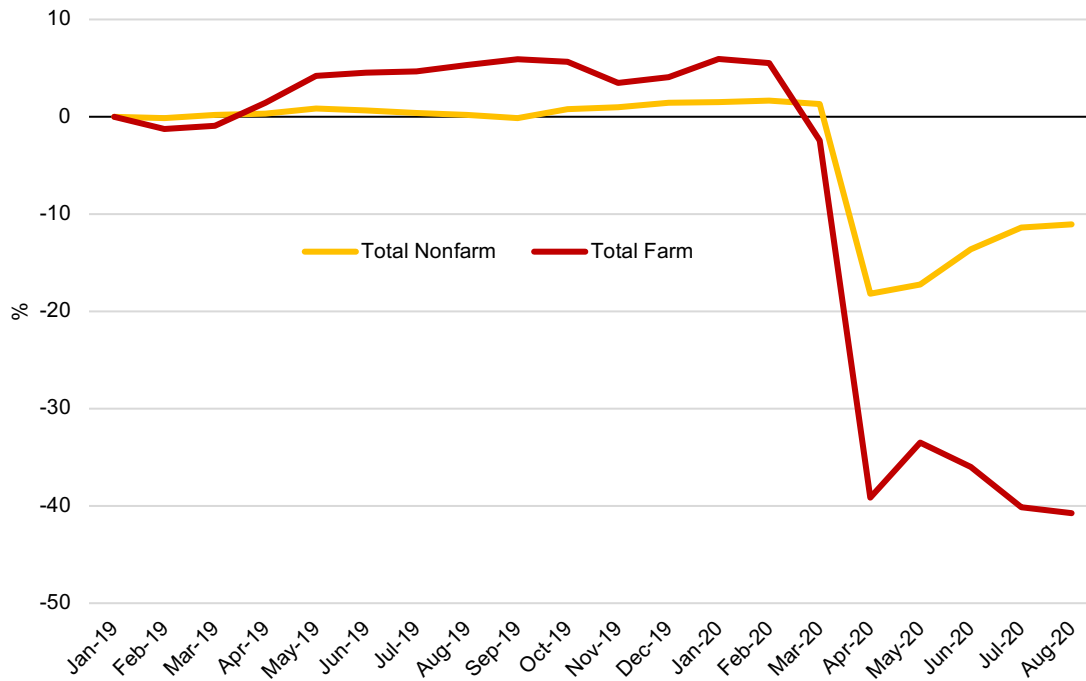
Figure 2.9: Small Businesses in Monterey County, January 2020 to January 2021



Source: The Economic Tracker, Opportunity Insights (<https://tracktherecovery.org>)

In Monterey County, like the rest of the nation, the costs of the economic shutdown were not evenly distributed; indeed, firms and workers in nonessential industries dependent on face-to-face interaction were affected more than those deemed essential, many of which could work remotely. Farm employment, which until the pandemic was growing faster than non-farm employment, nosedived from 5.5% growth in February to a contraction of nearly 45% (Figure 2.10). The Arts & Entertainment and Accommodation & Food Services sectors bore the brunt of the recession, with employment in April 2020 having plummeted 39.4% and 43.6%, respectively, from just a year earlier. Other Services (which include gyms, barber shops, and nail salons) cut their ranks 28.3% over the same period (Table 2.10a). In comparison, Arts & Entertainment employment expanded 11.7% from April 2018 to April 2019 (Table 2.10b); Accommodation & Food grew 1.6% over the period. In other sectors, such as Financial Activities, telecommuting mitigated the effects of the lockdown and allowed firms to continue to conduct business for the duration of the recovery.

Figure 2.10: Employment in Monterey County, January 2019 to August 2020



Source: California EDD

Table 2.10a: Year-Over-Year Employment Change (2019 vs. 2020) by Industry in Monterey County

Industry	February	March	April	May	June	July	August
Farm	6.8%	-1.5%	-40.0%	-36.2%	-38.8%	-42.8%	-43.7%
Nonfarm	1.8%	1.1%	-18.5%	-17.9%	-14.2%	-11.8%	-11.2%
Arts & Entertainment	10.6%	-0.6%	-39.4%	-44.3%	-30.6%	-19.6%	-31.4%
Accommodation & Food	4.2%	1.7%	-43.6%	-45.9%	-28.9%	-28.0%	-26.9%
Other Services	-2.9%	-4.5%	-29.1%	-28.3%	-23.0%	-22.5%	-23.0%
Professional/Business	7.5%	7.8%	-14.0%	-19.6%	-20.9%	-16.9%	-17.0%
Manufacturing	-6.5%	-4.4%	-16.6%	-15.4%	-12.8%	-10.9%	-11.2%
Wholesale Trade	2.4%	1.0%	-15.7%	-14.6%	-14.5%	-13.1%	-11.1%
Transport, Warehouse, Util.	14.6%	12.1%	-2.8%	-5.8%	-13.7%	-12.5%	-10.6%
Information	-1.1%	-0.7%	-10.3%	-9.4%	-9.6%	-9.0%	-9.9%
Retail Trade	-0.2%	0.1%	-18.3%	-18.0%	-12.8%	-6.7%	-9.0%
Financial Activities	1.7%	1.6%	-4.7%	-1.5%	-2.0%	0.4%	-4.3%
Health Care	0.8%	-0.5%	-11.1%	-7.4%	-4.3%	-3.3%	-3.8%
Government	-2.3%	-2.1%	-6.2%	-8.7%	-9.4%	-7.2%	-3.1%
Construction	5.7%	5.9%	-32.4%	0.7%	-2.9%	-0.8%	-3.0%
Natural Resource/Mining	-1.2%	-0.6%	-0.2%	1.7%	0.9%	0.6%	-1.0%
Educational Services	13.5%	17.6%	-20.8%	-12.0%	0.1%	-3.1%	-0.7%

Source: California EDD

Table 2.10b: Year-Over-Year Employment Change (2018 vs. 2019) by Industry in Monterey County

	February	March	April	May	June	July	August
--	----------	-------	-------	-----	------	------	--------

Farm	-8.6%	-6.9%	-0.9%	1.3%	-0.1%	-0.1%	0.9%
Nonfarm	1.4%	1.3%	1.9%	2.4%	2.1%	1.8%	1.8%
Arts & Entertainment	9.1%	12.7%	11.7%	10.8%	10.6%	2.8%	7.7%
Accommodation & Food	1.6%	1.7%	1.6%	2.7%	4.0%	4.5%	3.4%
Other Services	-2.1%	0.0%	-0.2%	-0.6%	-2.6%	4.6%	1.7%
Professional/Business	4.5%	2.9%	8.6%	12.9%	11.4%	6.4%	6.8%
Manufacturing	4.0%	0.2%	4.2%	3.5%	-0.2%	-4.0%	-1.7%
Wholesale Trade	-0.2%	-0.2%	-3.4%	-3.8%	-1.8%	0.1%	-1.6%
Transport, Warehouse, Util.	5.3%	2.6%	0.0%	5.3%	5.1%	4.6%	4.6%
Information	-0.1%	0.0%	0.0%	-0.5%	-0.4%	-10.4%	0.3%
Retail Trade	-0.7%	0.0%	-0.1%	-0.6%	-1.3%	-0.1%	-0.3%
Financial Activities	-2.3%	-2.1%	-2.2%	-2.7%	-2.8%	-4.4%	-2.2%
Health Care	2.2%	2.2%	2.3%	1.2%	0.7%	1.6%	1.1%
Government	0.9%	0.5%	0.8%	1.4%	0.7%	0.7%	1.0%
Construction	-1.5%	1.6%	-0.1%	-0.6%	-0.4%	0.1%	1.7%
Natural Resource/Mining	49.8%	50.5%	50.8%	51.3%	52.9%	1.1%	-1.9%
Educational Services	0.8%	0.3%	9.6%	3.6%	9.4%	9.8%	5.4%

Source: California EDD

Workers with contact-facing occupations, which mostly cannot be done remotely and are low-paid, have not been as fortunate. Compared with other counties in California, Monterey County has a high proportion of jobs in which remote working is not possible. Agriculture, Hospitality, and Tourism, all of which are contact-facing and relatively low-paid, are the most common occupations in the County.

Two major issues complicate estimating COVID-19's impact on employment by occupation. First, employment data (such as the Quarterly Census of Employment and Wages) are reported as payroll employment by industry classification (NAICS). To capture COVID-19's effect on job losses from an occupational perspective, the analysis in this section relies on previous and current research by the Bureau of Labor Statistics. Second, data available are mostly pre-COVID. Therefore, it is important to understand which occupations are more amenable to telework.

For example, it was widely thought that teaching mostly had to be done on-site. But many schools have adapted and transitioned to remote teaching using Zoom, Google Classroom, and similar software programs. The efficacy and long-term implications of remote work in certain industries (for example, K-12 education) remain to be seen. Using data from the American Time Use Survey (ATUS) and the National Longitudinal Survey of Youth 1979 (NLSY79),¹¹ along with employment data by occupation for Monterey County, Table 2.11 provides telework statistics by occupation, giving insights into the number of jobs by occupation that can shift to remote work in Monterey County.

Table 2.11: Telework Feasibility by Occupation, Monterey County, 2020

Occupation	ATUS			NLSY79		
	Ability to Telework	Employment (Q1-2020)	Number of jobs that can be remotod	Ability to Telework	Employment (Q1-2020)	Number of jobs that can be remotod

¹¹ Dey, M., Frazis, H., Loewenstein, M.A., and Sun, H. (June 2020). Ability to work from home: evidence from two surveys and implications for the labor market in the COVID-19 pandemic. Monthly Labor Review. Bureau of Labor Statistics. Accessed Dec. 12, 2020, from <https://www.bls.gov/opub/mlr/2020/article/ability-to-work-from-home.htm>

Management, Business, and Financial	86.6%	14,221	12,315	86.5%	14,221	12,301
Professional and Related	64.4%	40,659	26,184	64.3%	40,659	26,144
Service	7.9%	43,297	3,420	13.4%	43,297	5,802
Sales and Related	31.9%	15,314	4,885	30.1%	15,314	4,610
Office and Administrative Support	59.2%	19,000	11,248	61.5%	19,000	11,685
Farming, Fishing, and Forestry	0%	44,540	0	0%	44,540	0
Construction and Extraction	0%	6,457	0	0%	6,457	0
Installation, Maintenance, and Repair	1.0%	5,737	57	3.9%	5,737	224
Production	0.4%	6,315	25	3.9%	6,315	246
Transportation and Material Moving	0.3%	15,381	46	1.3%	15,381	200
Monterey County Total	27.6	210,921	58,180	29.0	210,921	61,212

Sources: Dey, Frazis, Loewenstein, and Sun (2020); JobsEQ; calculations by Beacon Economics

By both ATUS and NLSY79 measures, fewer than 30% of the jobs in Monterey County can be performed remotely, which is significantly lower than the 43.6%-to-44.8% range that Dey, Frazis, Loewenstein, and Sun (2020) calculated for nationwide occupations. Workers with less education tend to be in jobs in which working at home is not feasible, and these are mostly workers who are younger than 25, not married, or Hispanic — which is the dominant demographic in Monterey County. Table 2.12 lists the 20 most common occupations (3-digit SOCs) by degree of remote work compatibility. These occupations cover almost 70% of jobs in Monterey County as of the first quarter of 2020.

Table 2.12: 20 Most Common Occupations by Degree of Remote Work Compatibility

REMOTE JOBS (9.1%)	PARTIAL-REMOTE JOBS (24.7%)	NON-REMOTE JOBS (66.2%)
Business operations specialists	Other management occupations	Agricultural workers
Information and record clerks	Home health and personal care aides, nursing assistants, orderlies, and psychiatric workers	Retail sales workers
Financial clerks	Preschool, elementary, middle, secondary, and special education teachers	Food and beverage servers
	Healthcare diagnosing or treating practitioners	Material moving workers
	Other office and administrative support workers	Building cleaning and pest control workers
	Secretaries and administrative assistants	Construction trades workers
	Counselors, social workers, and other community and social service specialists	Motor vehicle operators
		Cooks and food preparation workers
		Other installation, maintenance, and repair workers
		Other food preparation and serving-related workers

Source: Bureau of Labor Statistics; JobsEQ; Calculations by Beacon Economics

Of the 147,300 workers in these 20 occupations, two-thirds are in occupations that cannot be performed remotely, and fewer than 10% can work from home. Knowing which occupations can be performed from home is valuable for understanding the future of labor supply in the post-COVID economy. The pandemic has exposed deep-rooted labor market fragilities and structural inequalities, with low-paid workers, young people, women, ethnic minorities, the self-employed, and informal and fixed-term workers hit hardest. To build workforce resiliency and to assist workers who have been negatively affected by COVID-19, policy coherence, particularly among economic, employment, and social areas, is urgently needed.

The extent and length of the recovery will vary among sectors as they adapt their business infrastructure to a new and constantly evolving operating environment. With the exception of the Arts & Entertainment sector, most consumer-facing industries — even Accommodation & Food Services, Other Services, and Retail Trade — have had some form of recovery as businesses have adapted to the pandemic economy. The public sector has not fared as well. Employment cuts in Government are occurring at a faster rate each month as lower sales, business, and transient occupancy taxes constrain budgets. Workers in Educational Services are also

experiencing lagged declines with school closures resulting in layoffs and furloughs of those in nonacademic activities (e.g., cafeteria workers and custodians). Identifying industries with a high concentration of high-risk workers, occupations with a high degree of contact on the job, and the inability to telecommute will be important in determining which sectors of the economy are still exposed to outsized risk and deserve special attention in development strategies.

Public Comment Draft

PART 3: CLUSTER ANALYSIS

Industry clusters — an agglomeration of interconnected firms and related entities in a specific geography that specializes in the production of similar goods and services — play a crucial role in a region's growth. Decades of research show strong positive correlations between clusters and levels of patenting, start-ups and entrepreneurial activity, wages, and gross domestic product per capita due to knowledge sharing, cooperative problem solving, and innovation born of collaboration. For decades, local governments have sought to become the next Silicon Valley or Hollywood through policies aimed to reverse-engineer what are thought to be the components of those ecosystems. This might include incentivizing firms to locate in a given place, preparing the local labor force for a particular sector, and supporting local research and development — all of which are thought to stimulate entrepreneurship and firm formation.

There is no one-size-fits-all policy approach, because success is contingent on both regional resources and long-term economic development goals. For the most part, the major U.S. clusters did not emerge through the efforts of local governments. Rather than trying to re-create a cluster found in another region, cluster policies can be much more successful when they encourage emerging sectors and support established local industries. The key to cluster growth and development is linking companies, government agencies, nonprofits, academic institutions, startups, and funding bodies that operate within the cluster and the regional economy. This section profiles Monterey County's three major clusters (Agriculture, Tourism & Hospitality, and Health Care) and activity in the emerging advanced technology space to provide a deeper understanding of each cluster's characteristics and challenges.¹²

Public Comment Draft

AGRICULTURE

Agriculture has always been a significant driver of the Monterey County economy. Since the early 1880s, the region has been an agricultural hub, trading products both regionally and globally. A temperate climate, land abundance, fertile soil, a revolving workforce from waves of immigration, and land grants conducive to agriculture all contributed to the region's becoming a global agricultural hub.¹³ Despite labor shortages over the past 15 years, the agricultural labor force in the County has steadily increased (Figure 3.1).

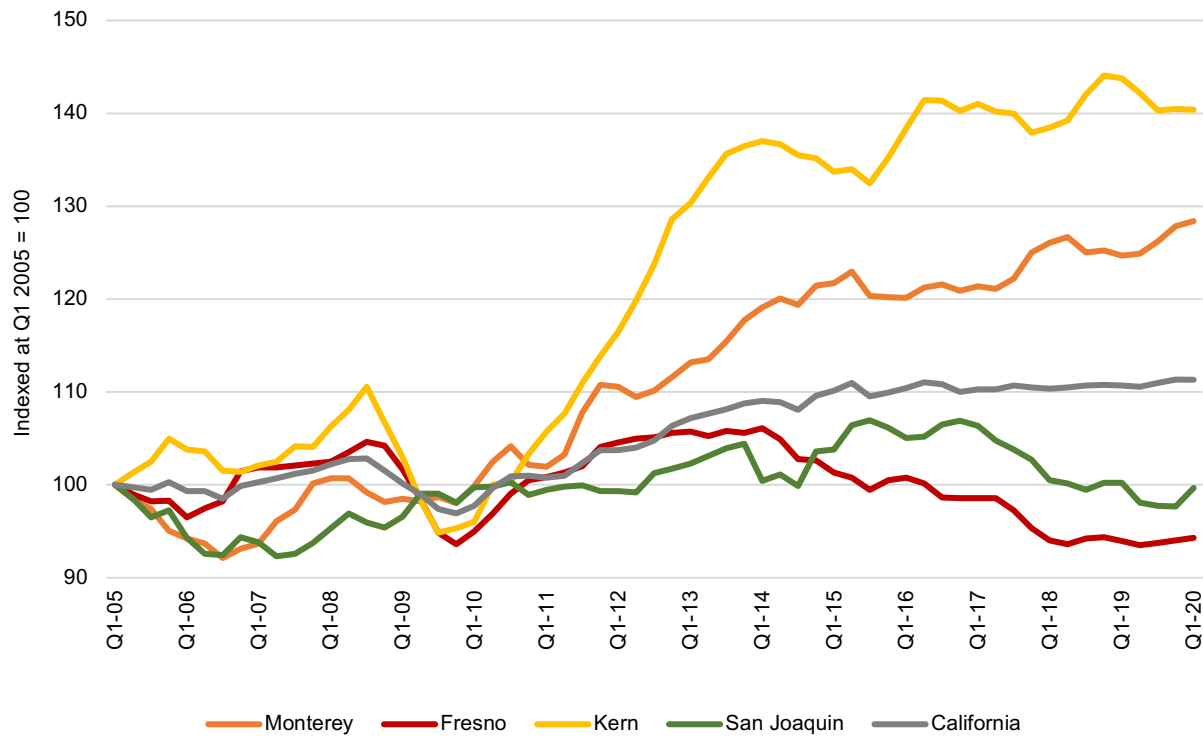
The industry also has facilitated growth and innovation. Average wages have steadily increased faster than the state average over the past decade. During the same period, productivity also increased. The industry has continued to change with demand factors as evidenced by local advancements in farm technology, innovation, and marketing. Continued collaboration with established and emerging sectors in the region can help develop and grow the industry. Collaborations with advanced technology sectors can facilitate long-term industry resilience. The development and growth of robotics and drones that can be applied to agriculture bodes well for local innovation potential as these sectors develop. Avenues to collaborate with other

¹² As noted earlier, and as is true for most rural jurisdictions, the public sector employs a large number of local government workers and constitutes one of the largest industries in the County. The Public Administration Industry also includes an outsized share of Federal workers, which further increases the ranks of the government workforce. Yet the public sector is not included as a cluster here insofar as its primary purpose is to govern and support economic development as opposed to being a tradeable growth sector itself.

¹³ Past Consultants LLC. (2010, September). Historic Context Statement for Agricultural Resources in the North County Planning Area, Monterey County. Accessed in November 2020 from <https://www.co.monterey.ca.us/home/showdocument?id=37947>

sectors (tourism and value-added manufacturing) can also help expand the regional agriculture industry.

Figure 3.1: Growth of Counties' Agriculture Labor Force, 2005-20



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

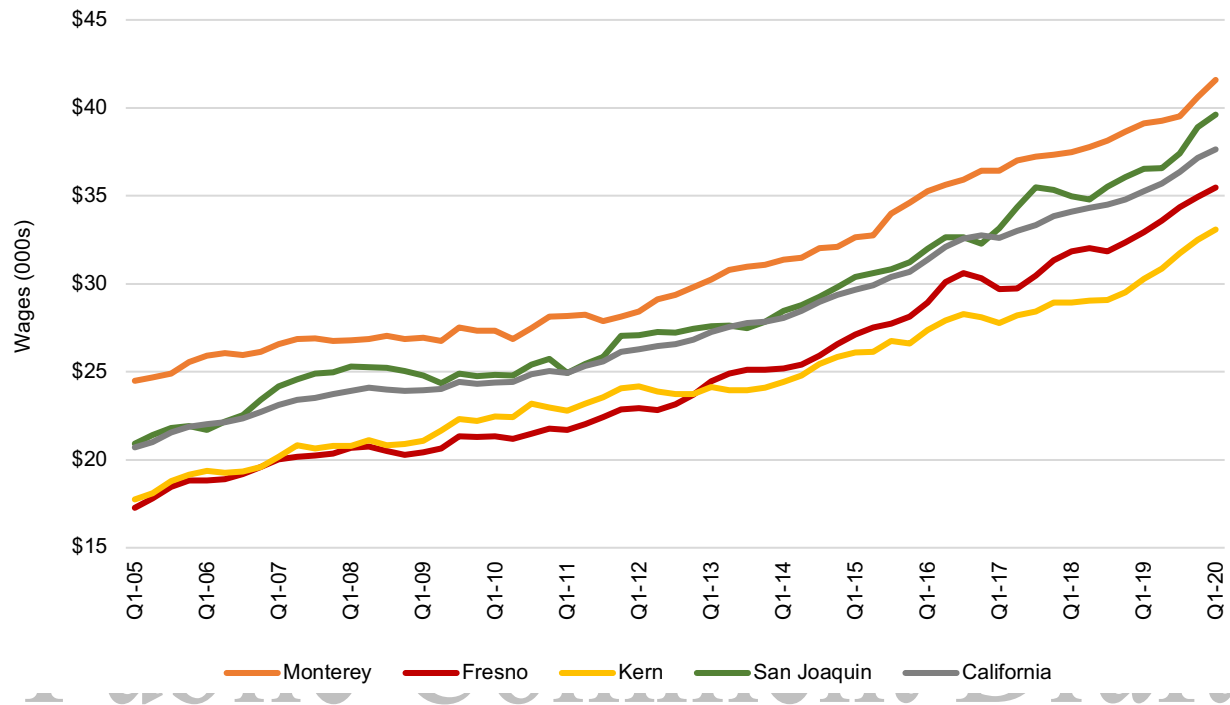
Averages wages in the Agriculture sector have increased more in Monterey County (\$41,590) than the state average (\$37,642). But agriculture wages are still below the average wage (all sectors) for the state (\$50,676). Unlike in other industries, farm gate prices have decreased and at the same time farmers' costs have increased. The increased costs and lack of control over the final costs of goods mean that prices are largely dictated by the buyers. This has implications for labor shortages due to business costs increasing at the same time that farm gate¹⁴ value is declining.

From 2005 to 2020, the average wage in the Agricultural sector grew at varying levels contingent on the industry subsector (Figure Table 3.1). Average wages grew at greater rates in vegetable and melon farming (35%) and support activities for crop production (31%). Conversely, subsectors such as fruit and tree nut farming (12%) and greenhouse and nursery production (16%) had roughly half the wage growth of other sectors. Finally, wages in livestock farming, which accounts for roughly 0.3% of the Agriculture sector in the County, fell 3%. Note that not all average wage data are adequately captured by the subsector average wage data. For instance, a wage gap exists between farmworkers hired directly and those working for farm

¹⁴ Farm gate is the price of goods determined by the farm, without the added retailer markup.

labor contractors (FLCs). A 2017 report found that FLC farmworkers in California earned roughly 10% less than those hired directly.¹⁵

Figure 3.2: Annual Average Wage of Agriculture Workers, 2005-20



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Table 3.1: Average Wage in Agricultural Subsectors in Monterey County, 2015-20

	2015 Average Wage	2020 Average Wage	5-year Change
Vegetable crops	\$39,713	\$53,603	35%
Fruit and nut crops	\$26,629	\$29,907	12%
Greenhouse and nursery crops	\$34,194	\$39,573	16%
Livestock farming	\$42,986	\$41,504	-3%
Support activities for crop production	\$32,166	\$42,044	31%
Average for agriculture sector	\$32,652	\$41,590	27%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

¹⁵ Martin, P. and Costa, D. (2017, March 21). Farmworker wages in California: Large gap between full-time equivalent and actual earnings. Accessed in November 2020 from <https://www.epi.org/blog/farmworker-wages-in-california-large-gap-between-full-time-equivalent-and-actual-earnings/>

The Agriculture Industry has changed significantly over time because of technological advancement and changes in demand factors for agricultural products. In the late 19th century to early 20th century, the industry transitioned from extensive to intensive agriculture. Intensive farming requires greater human capital and technological processes than extensive farming, which requires few inputs and conversely produces fewer outputs. Some of the region's most important crops (berries, apples, lettuce, etc.) came from the transition from extensive to intensive production.¹⁶ The local industry has been receptive to demand changes and technological advancements in horticulture, pesticides, packing, and commerce. Packing innovation occurred in the late 1880s when apple packers in Watsonville began to market, label, and grade their apple products. In 1989, Fresh Express became the first company to pack and sell bagged lettuce. Innovation over the past two decades in water irrigation has allowed farmers to increase crop production 45% while decreasing irrigation water usage 17%.¹⁷

Productivity has also increased over the past decade; farm acreage has declined 3.8% while gross production value (GPV) has increased 9%. Over the past 10 years, livestock and poultry GPV has risen 173%, field crops 64%, and vegetable crops 17%. Decreases have occurred in seed crops and apiary (-61%), nursery crops (-51%), and fruit and nut crops (-1.4%).

Table 3.2: Monterey County Farm Gross Production Value, 2009-19

	2009 (in Billions)	2009 Share	2019 (in Billions)	2019 Share	2009-19 Change	Change in Acreage
Vegetable Crops	\$2,632	65.2%	\$3,099	70.3%	17.8%	-13.1
Fruit and Nut Crops	\$1,043	25.8%	\$1,028	23.3%	-1.4%	2.8
Nursery Crops	\$295	7.3%	\$144	3.3%	-51.1%	-70.1
Livestock and Poultry	\$40	1%	\$111	2.5%	173.9%	N/A
Field Crops	\$15	0.4%	\$25	0.6%	64%	-0.9
Seed Crops and Apiary	\$9	0.2%	\$4	0.1%	-61%	-78.6
Total	\$4,034	-	\$4,410	-	9	-3.8

Source: Monterey County Crop Report

Today the County is often referred to as the Salad Bowl of the World because of its 150-plus crops. The Agricultural sector has contributed \$11.7 billion to the regional economy, \$7.4 billion in direct economic output, and \$4.3 billion in labor income. The industry has created 57,503 jobs (with an additional 6,417 created indirectly by multiplier effects).¹⁸ Over the past 15 years the industry has had significant employment growth in fruit and nut farming, cattle ranching and

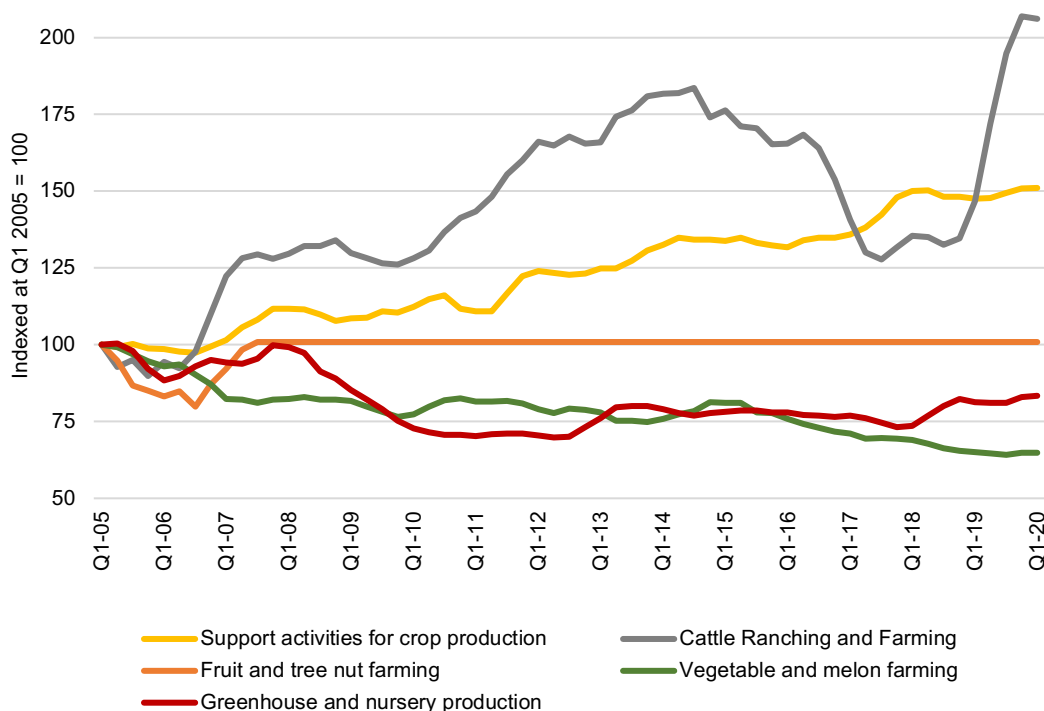
¹⁶ Past Consultants LLC. (2010, September). Historic Context Statement for Agricultural Resources in the North County Planning Area, Monterey County. Accessed in November 2020 from <https://www.co.monterey.ca.us/home/showdocument?id=37947>

¹⁷ Farm Bureau Monterey. Facts, Figures & FAQs. Accessed in November 2020 from <http://montereycfb.com/index.php?page=facts-figures-faqs>

¹⁸ Monterey County Agricultural Commissioner's Office (2020, June). Economic Contributions of Monterey County Agriculture. Crop Report Plus Series. Accessed in November 2020 from <https://www.co.monterey.ca.us/Home/ShowDocument?id=95118>

farming, and fruit and tree nut farming. In the same period the region has had slight declines in vegetable and melon farming, and greenhouse and nursery production.¹⁹

Figure 3.3: Employment in Monterey County Agriculture Subsectors, 2005-20



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

aft

CHALLENGES

The Agriculture Industry experienced a shock from March to May when COVID-19 countermeasures closed school cafeterias and restaurants. Commercial activity began to ramp up following the economy's bottoming in April (but may decline yet again amid shutdown orders issued in December 2020), and more people eating at home helped ease some of the pandemic-related losses. The industry has also been impacted by the California wildfires, especially in the grape, strawberry, and wine markets. Even before COVID-19, industry consolidations and vertical integration of companies were beginning to affect a local industry already facing numerous challenges.²⁰

Labor Shortages

Both skilled and technical/vocational labor are lacking in the County's Agriculture sector. Labor shortages have persisted over the past seven years; 69% of farmers looking for seasonal

¹⁹ MacDonald, J.A., Hoppe, R.A., and Newton, D. (2018, March). Three Decades of Consolidation in U.S. Agriculture. Accessed in November 2020 from <https://www.ers.usda.gov/webdocs/publications/88057/eib-189.pdf>

²⁰ Ibid.

employees were frustrated.²¹ Some farmers have turned to mechanization when possible, but that can offset only a small part of the labor shortage, given that not all functions of the industry can be mechanized for two primary reasons. First, many small farms in the County have difficulty employing sometimes costly technology. Second, yields for fresh market crops are not as high with mechanized harvesting; the hand-eye coordination of the labor force provides the best yield for these types of crops.

The labor shortages have also hindered access to the skills needed for the industry to sustain itself and grow. The Agriculture Industry is intertwined with many other sectors of the economy, so a diverse workforce across several occupational fields is needed. The stakeholder meetings revealed that local farmers had trouble accessing certain skills. Skills in fields such as regulatory compliance were less available than crop planning, human resources, administration and other technological-related roles. Given the evolving nature of regulatory compliance, it is important that the industry has access to regulatory specialists and support organizations. Labor shortages have resulted in fields abandoned amid a lack of harvest crews, fewer acres of produce, and crops left unharvested.²² Currently, the labor shortages are primarily due to immigration issues, an aging workforce, and housing shortage and affordability.

Table 3.3: Occupational and Skill needs for Monterey County's Agriculture Industry

- | | | | |
|-----------------------------|-------------------------------------|----------------------------------|-----------------------------|
| • Hydrogeologist | • Insurance Broker | • Certified Crop Advisor | • Pest Control Advisor |
| • Report Analyst | • Food Safety Technician | • Sales Personnel | • Regulatory Specialist |
| • Production Manager | • Water/Labor Lawyers | • Field Data Manager | • Public Policy Analyst |
| • Data Analyst | • Agricultural Laborer | • Ranch Manager | • Sustainability Specialist |
| • Human Resources Personnel | • Digital Communications Specialist | • Affordable Care Act Specialist | • Bio-Terrorism Specialist |

Source: County of Monterey ²³

Immigration

Because of the shortage of workers, demand in the H-2A temporary agricultural labor program has increased. The program has greatly expanded in California, increasing from 3,000 temporary workers in 2012 to 23,321 in 2019. But a survey by the California Farm Bureau Federation found that only 6% of surveyed farmers had used the H-2A immigration program in the previous five years.²⁴ Although a lot of farmers have experience with the system, the prevailing belief was that it was not practical for small growers and that it was too cumbersome.

²¹ Farm Bureau Monterey. Labor: Farm Labor Survey Reveals Continued Shortages. Accessed in November 2020 from <http://montereycfb.com/index.php?page=labor>

²² Ibid.

²³ County of Monterey. Education: Bridging the Skills Gap. Accessed in November 2020. <https://www.co.monterey.ca.us/home/showpublisheddocument?id=12463>

²⁴ California Farm Bureau Federation (2019). Still Searching for Solutions: Adapting to Farm Worker Scarcity Survey 2019 California Farm Bureau Federation and UC Davis. Accessed in November 2020 from <http://www.cfbf.com/wp-content/uploads/2019/06/LaborScarcity.pdf>

The current system is time-consuming and costly, and some cases get approved long after the harvest is over. Although farm labor scarcity is a national issue, it is exacerbated in regions that have hand-serviced crops. A 2016 study found that 49% of U.S. farmworkers lacked appropriate work authorization.²⁵ Additionally, the H-2A program requires that employees are housed and fed. This can be expensive and difficult for small farms that may not be able to meet the requirements.

It is easier to house H-2A program workers in cities because of the additional rules imposed by the state on unincorporated county land. Additional permitting from the state is required to house H-2A workers in unincorporated areas, but those are not required in a city; therefore, cities are finding their housing further impacted by the H-2A program. Single-family homes, hotels, and apartment buildings are being used. This exacerbates the overcrowded housing and housing shortage in Salinas and the Salinas Valley.

Aging Workforce

The Monterey County workforce, particularly in agriculture, is aging. Over the past 10 years, farmers have had difficulty attracting young people, who are increasingly unwilling to work in agriculture. This is due to the low wages, lack of affordable housing, and the physically intensive nature of the work. In recent years, agricultural work has been performed mostly by immigrants. Children of these immigrants have no desire to follow in their footsteps and do back-breaking farm labor. From 2012 to 2019, the share of agricultural workers 40 and older rose 8.6 percentage points, from 35.3% to 43.9%. The share of agricultural workers decreased in all age groups except for age 50 and above (8.8%). During the period, the share of workers 40 and older in all other occupational groups increased just 3.5%. This indicates the workforce is aging significantly faster in agriculture than other occupations.

Table 3.4: Age Distribution of Farming, Fishing, and Forestry Workers in Monterey County, 2012-19

	2012	2019
Under age 30	35.4%	28.3%
Age 30 to 39	29.3%	27.7%
Age 40 to 49	21.4%	21.2%
Age 50 and above	13.9%	22.7%

Source: American Community Survey Public Use Microdata Samples

Housing Shortage and Affordability

Although the average agriculture wage is higher in Monterey County than in Kern, Fresno, and San Joaquin counties, the cost of living is also significantly higher in Monterey County. Years of stagnation in housing construction and anti-housing development sentiments have contributed to the shortages. Infrastructure is also a need; housing needs to be near roads,

²⁵ Hernandez, T. and Gabbard, S. (2018, January). Findings from the National Agricultural Workers Survey (NAWS) 2015-2016: A Demographic and Employment Profile of United States Farmworkers. JBS International, Inc. Research Report No. 13. Accessed in November 2020 from https://www.dol.gov/sites/dolgov/files/ETA/naws/pdfs/NAWS_Research_Report_13.pdf

sewers, transit lines and other amenities that would make housing feasible to produce. The population has continued to increase in overall numbers, as well as in seasonal H-2A workers, and this has led to housing overcrowding. Many developments, most prominently the Wine Corridor Project, failed to progress after the Agricultural Winery Corridor Plan was published in 2006.²⁶ As a result, Monterey County lacks sufficient housing.

The 2018 Farmworker Housing Study and Action Plan for the Salinas Valley and Pajaro Valley found that about 33,000 new housing units were needed just to alleviate existing overcrowding of individuals and households employed in agriculture.²⁷

Regulatory Environment

Regulatory pressures have been a concern for the Agriculture Industry in the County. In California over the past 15 years, 10 main regulatory changes have been made in food safety, air quality, water quality, labor health and safety, and labor wages. The regulatory environment of Monterey County changed significantly following the 2006 E. Coli outbreak in Salinas Valley. A 2018 study (Hamilton et al, 2018) of regulatory compliance costs found that reported regulatory costs amounted to \$977.30 per acre (8.9% of total production cost). The study found that lettuce growers' production costs increased 24% from 2006 to 2017, during the same time regulatory compliance increased 795%. Regulatory costs far exceed production cost increases, which is concerning to the industry.²⁸ To comply with regulations farmers must consult experts to ensure compliance, which is costly. Regulations also prevent expansion of production to meet some of these rising costs, in part because the difficulty of obtaining a replacement well permit in seawater-intruded zones in otherwise arable lands.

Water Availability

Pressing issues in the Agriculture Industry include a declining water supply, deterioration in water quality, and inadequate distribution (particularly in the Salinas Valley). The County maintains a water supply system independent of the state and/or Federal projects implemented elsewhere in the Central Valley, which has been bolstered in recent years by two reservoirs in the southern part of the County, the Salinas River Water Project, and the Castroville Seawater Intrusion Project (CSIP), which delivers reclaimed water to 12,000 acres in the coastal (Blanco) area.

The 2011-17 California drought highlighted the need for water conservation and prompted the establishment of the Sustainable Groundwater Management Act to ensure water conservation efforts are met. Although farmers have been able to increase crop production while decreasing water use (through technology advancements and irrigation efficiency processes), shortages still limit the types of crops that can be cultivated and can discourage housing construction in areas

²⁶ Note that the County explicitly stated in the Agricultural Winery Corridor Plan that "Should the 2006 General Plan Update not move forward due to litigation, complications arising from the Community General Plan Ballot Initiative, or other unforeseen circumstances, the *Agricultural Winery Corridor Plan* would be severed from the update process and be processed separately." The *Agricultural Winery Corridor Plan* can be retrieved from <https://www.co.monterey.ca.us/Home/ShowDocument?id=45254>

²⁷ Wadsworth, G., Villarejo, D., Mines, R., Cummins-Carlisle, I., Wiener, R., and Samson, E. (2018, June). Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley. California Institute for Rural Studies.

²⁸ Hamilton, L. and McCullough, M. (2018, Dec. 15). A Decade of Change: A Case Study of Regulatory Compliance Costs in the Produce Industry. Cal Poly San Luis Obispo. Accessed in November 2020 from https://www.wga.com/sites/default/files/Hamilton_McCullough.pdf

that lack water distribution systems. Water shortages are exacerbated by encroaching invasive vegetation in the Salinas River that is estimated to absorb nearly 40,000 acre-feet of water each year. Finally, agricultural activities lead to an increase of nitrates in groundwater, making it unsafe for human consumption in some rural communities. This impacts the ability to add housing where it is needed, because connection to potable water is one of the biggest challenges in housing development.²⁹

Impact of Diseases and Pests

Several new diseases and pests have been detected in crop fields in the Salinas Valley in the past two years. During the fall 2020 season, rapid expansion of these diseases and pests caused thousands of acres of leafy greens to be abandoned and considered complete losses. Currently, no crop protection tools or practices are available to growers to control or eliminate these exotic diseases and pests.

Monterey County has a history of exotic diseases and pests introduced into the environment, and these new occurrences emphasize the continued vulnerability of local farms to pressures that are beyond known control efforts. With California's restrictive regulatory process regarding agricultural chemicals, it is often years before solutions can be put into practice. Research is needed to find on-farm practices that can provide control until elimination can be fully achieved; state and regional budgetary considerations make those research funds increasingly scarce.

This vulnerability of local crops to these diseases and pests will impact the types of crops produced if no effective solutions can be found. Growers remain vigilant against introducing diseases and pests but are helpless to control them once detected; the economic impacts cannot be estimated but could be substantial.

Costs of Doing Business

These increases in the costs of doing business are especially pronounced for small farms and family businesses. Labor shortages have led farmers to increase wages. The costs of growing crops have also increased, which has put pressure on farmers who have little influence over the final costs of goods. For example, food prices increased 5.6% from last year because of COVID-19. But in the same period, farm gate prices declined by 4.8%. Although consumers have been willing to spend more on food, farmers are getting paid less. The increasing cost of labor and operations is hurting farmers with already thin profit margins.

Lack of Shared Vision

Regional collaborative plans and initiatives have sought to renew a shared vision that fizzled out after initial planning stages. In 2010, the Monterey County General Plan aimed to bridge the local Agriculture and Tourism industry via the formation of the Monterey Winery Corridor in Salinas Valley. The initial vision for the wine corridor was to create a small infrastructure around

²⁹ Rubin, S. (2013, June 13). Lawmakers scramble to make drinking water a right; meanwhile, contamination in Monterey County is getting worse. Monterey County Weekly. Accessed in January 2021 from https://www.montereycountyweekly.com/archives/2013/0613/lawmakers-scramble-to-make-drinking-water-a-right-while-contamination-in-monterey-county-is-getting-worse/article_67a4dcfc-d3b2-11e2-873e-001a4bcf6878.html

wine production, which included lodging and restaurants.^{30 31} The plan was put on hold for several years as the County entered litigation with the Open Monterey Project and Land Watch, which called for amendments to the initial plan.³² Because of a lack of shared vision, the original concept³³ for the corridor was never realized. The initial concept has changed significantly from what was outlined in the general plan, although some work has been done in terms of marketing and signage for the corridor.

TOURISM & HOSPITALITY

The Tourism & Hospitality sectors are another economic pillar of Monterey County. If agriculture is the engine of the Salinas Valley, tourism and hospitality drive the economy in the Monterey Bay area. The first significant tourist destination, opened in 1880, was the Del Monte Hotel and Pebble Beach Reserve. This resort began two trends in tourism that continue to guide much of the Hospitality sector in Monterey County today. First, in 1887 the Del Monte Hotel opened the Del Monte Golf Course, the oldest continuously operating golf course west of the Mississippi River. Second, the Del Monte Hotel began facilitating eco-tourism by establishing the Pebble Beach Reserve and the 17-Mile Drive.

In addition to natural wonders, Monterey County is home to a variety of destinations and events that draw people for repeated visits. Destinations include WeatherTech Raceway Laguna Seca (which hosts the Tudor United Sports car Championship series and the Rolex Monterey Motor Sports Reunion), the Monterey Bay Aquarium, and events such as the Monterey Jazz Festival and the Sea Otter Classic Premier Cycling Festival.

Tourism & Hospitality's labor force had been growing steadily from the end of the Great Recession until COVID-19 upended the industries. But over the past 15 years, the labor force increased at a slower pace in Monterey County than in other Central Coast counties and California.

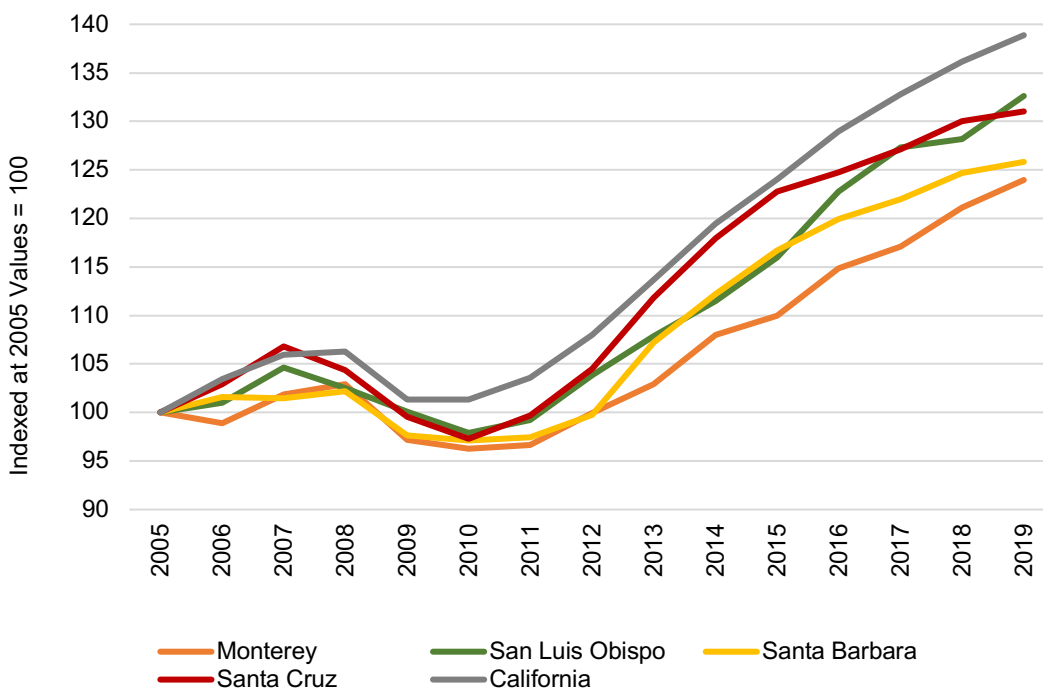
Figure 3.4: Growth of Tourism & Hospitality Cluster Labor Force, 2005-20

³⁰ The vision included creating support activities around the industry in the City Industrial parks.

³¹ More information on the Monterey Winery Corridor can be viewed at <https://uploads.knightlab.com/storymapjs/d75af1bd4119b381f715334a2d2917a8/monterey-county-winery-corridor/index.html>

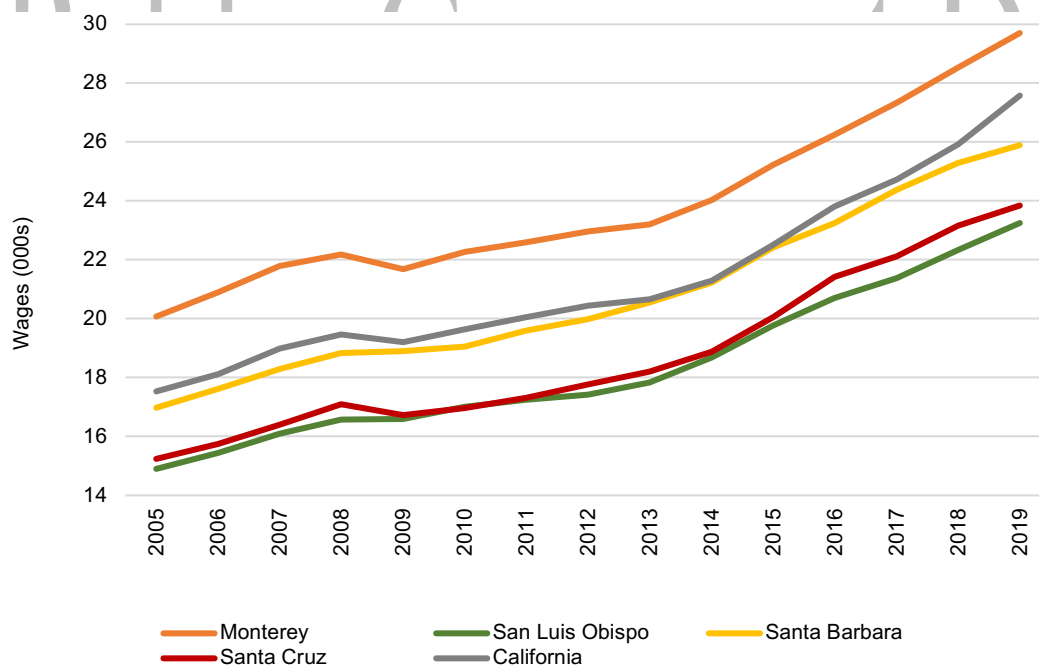
³² Rubin, S. (2015, Jan. 13). After four years of litigation, county nears settlement on general plan lawsuit with watchdog groups. Monterey County Weekly. Accessed in November 2020 from https://www.montereycountyweekly.com/blogs/news_blog/after-four-years-of-litigation-county-nears-settlement-on-general/article_235a3c62-9b9e-11e4-8ec6-bf7258633c19.html

³³ Initial concept as outlined in the general plan had plans for lodgings and restaurants.



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Figure 3.5: Average Annual Wage for Monterey County Tourism & Hospitality Cluster, 2005-19



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Average wages in Tourism & Hospitality had also been increasing steadily since the end of the Great Recession,³⁴ reaching \$29,700 in 2019, the highest ever, and higher than in other Central Coast counties and California. Nevertheless, compared to other industries, the average wage in Tourism & Hospitality is very low across regions.

Table 3.5: Tourism & Hospitality Subsector Establishment Growth in Monterey County, 2010-20

	2010 (Q1)	2020 (Q1)	10-Year Change
Restaurants and other eating places	634	783	23.5%
Traveler accommodation	191	210	9.9%
Travel arrangement and reservation services	26	23	-11.5%
Special food services	23	43	87.0%
Drinking places (alcoholic beverages)	23	23	-
Total tourism & hospitality	897	1082	20.6%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Over the past 15 years, establishments in Special Food Services have increased (includes food service contractors, caterers, and mobile food services). Meanwhile, Restaurants and Other Eating Places and Travel Accommodation have grown only modestly. Drinking Places (Alcoholic Beverages), and Travel Arrangement and Reservation Services declined gradually over the period.

Table 3.6: Average Annual Wages in Tourism & Hospitality Subsectors, 2015-20

	2015 (Q1) Average Annual Wage	2020 (Q1) Average Annual Wage	5-Year Change
Travel arrangement and reservation services	\$30,198	\$33,231	10%
Traveler accommodation	\$32,115	\$40,346	26%
Special food services	\$22,475	\$25,397	13%
Drinking places (alcoholic beverages)	\$13,776	\$15,885	15%
Restaurants and other eating places	\$18,919	\$23,127	22%
Total tourism & hospitality	\$23,512	\$29,234	24%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics ³⁵

Wage growth occurred in all Tourism & Hospitality subsectors but has been uneven. Travel Accommodation, including hotels, casino hotels, bed & breakfast inns, and other traveler accommodation), which is also the highest-paying subsector, had the highest average wage

³⁴ In this context, “wages” do not include additional income that may be earned on the job in the form of tips. Therefore, actual average annual wages in the Tourism & Hospitality sector may in fact be 50% to 100% of what is captured by the Bureau of Labor Statistics.

³⁵ Under most state laws or regulations, wages include bonuses, stock options, severance pay, the cash value of meals and lodging, tips, and other gratuities.

growth of the past five years (26%). But average wages grew only 10% for workers in Travel Arrangement and Reservation, which is a declining industry subsector by employment. Average wages in Tourism & Hospitality are low, and income (from wages and self-employment) at various strata are also low. Compared with workers not in the industries, Tourism & Hospitality workers made around 70% as much at the 25th and 50th percentile and only 62% at the 75th percentile. Most workers in Tourism & Hospitality reported working year-round in 2019 (87%). But these industries are cyclical in nature, with the busy season from spring to fall and peaking from July to September. As a result, only half of these workers (51%) reported working at least 40 hours per week, compared with 79% of workers not in Tourism & Hospitality. As mentioned previously, a high percentage of jobs in Tourism & Hospitality are part time. The lack of full-time jobs in Tourism & Hospitality is correlated with the low wages across the industries.

COVID-19'S IMPACT ON TOURISM & HOSPITALITY

Unfortunately, the COVID-19 pandemic has proved that Tourism & Hospitality is extremely prone to external shocks. Before COVID-19 paused business across much of California, Hospitality was a \$3.24 billion industry in Monterey County. Tourism typically supports over 27,000 jobs countywide.³⁶

Lodging Occupancy and Revenue

When California announced the statewide shutdown in March 2020, it ensnared the lodging industry. The shutdown hit hardest in April and May, and although the situation appeared to have stabilized and improved slightly in subsequent months,³⁷ the surge in coronavirus cases (and subsequent lockdowns across the state) toward the end of the year only compounded earlier losses.

Table 3.7: Lodging Rates and Occupancy, 2019-20 (January to October)

	AVERAGE DAILY RATE			OCCUPANCY RATE			REVENUE PER AVAILABLE ROOM		
	2019	2020	Change	2019	2020	Change	2019	2020	Change
Monterey County	\$234.90	\$179.80	-23.5%	74.6%	49.1%	-34.2%	\$175.3	\$88.30	-49.6%
Central Coast	\$192.60	\$165.40	-14.1%	72.9%	50.8%	-30.3%	\$140.5	\$84.10	-40.1%
California	\$173.70	\$134.20	-22.7%	76.5%	50.6%	-33.9%	\$132.9	\$67.90	-48.9%
United States	\$132.10	\$105.30	-20.3%	67.7%	45.2%	-33.2%	\$89.4	\$47.60	-46.8%

Source: VisitCalifornia

The pandemic has battered the lodging industry especially in Monterey County. Compared with the same period in 2019, occupancy rates are down 34.2%, more than the Central Coast region and nationwide. Only the large metro areas (San Francisco Bay Area, Los Angeles Metro Area, and San Diego County) and Napa Valley had larger drops in occupancy rates than Monterey

³⁶ Gerrese, J. (2020, July 31) Monterey County Hospitality Association, Between the sheets: Monterey hotel tax hike would hurt local industry. Monterey Herald. Accessed Dec. 10, 2020, from <https://www.montereyherald.com/2020/07/31/monterey-county-hospitality-association-between-the-sheets-monterey-hotel-tax-hike-would-hurt-local-industry/>

³⁷ Source: Monterey County Convention & Visitors Bureau

County. Revenue per available room fell almost by half in Monterey County, far more than in the Central Coast region (-40.1%).

COVID-19's Impact on Occupancy and Industry Employment Summary

- Average revenue per available room is almost half its 2019 total.
- From Memorial Day to Labor Day, the County lost an estimated 399,000 room nights and \$159 million in room night revenue compared with the same period in 2019.
- The losses from Memorial Day to Labor Day represent 36% of 2019 room night demand, 59% of 2019 room night revenue, and 22% of total 2019 room revenue.
- The 22% loss of total room revenue, relative to 2019, represented an estimated loss of \$713 million in total visitor spending from 2020's summer season, based on an estimated visitor spending of \$3.2 billion in 2019's summer. The loss in visitor spending for calendar year 2020 was about \$1.8 billion.
- With the stay-at-home orders issued in early December 2020,³⁸ the industry sustained significant declines in lodging demand, revenue, and visitor spending.
- The Bureau of Labor Statistics' estimates for Leisure & Hospitality in Monterey County illustrate that the COVID-19 effect ranges from 20-50% of the jobs impacted or lost during the crisis contingent on the level of lockdown at the time.³⁹ The anticipated job loss on the Peninsula due to the latest shutdown is expected to approach or dip below May figures, when nearly 50% of Hospitality employees were out of work before the COVID-19 pandemic.

LONG-TERM VIABILITY

Labor Shortage

Before the pandemic, the seasonal nature of these industries stressed small-business owners who were increasingly unable to secure an adequate workforce on a seasonal basis to satisfy the growing demands of tourists. Traditionally, the Tourism & Hospitality workforce has had a large percentage of young people looking for supplemental income. In Monterey County, 28% of the workers in Tourism & Hospitality are 22 and younger, versus just 7% in other industries. Many of these young people are no longer interested in the low-skill positions that are the backbone of cafes, ice cream shops, hotels, and recreational businesses. The labor shortage is further exacerbated by vacation destinations that are unable to provide adequate housing for a seasonal workforce on a budget. The combination of low to moderate wages and the high cost of housing in coastal or other destination locations makes it nearly impossible for seasonal businesses to attract workers without housing them, adding significant expense.

³⁸ Office of Gov. Gavin Newsom (2020, Dec. 3). California Health Officials Announce a Regional Stay at Home Order Triggered by ICU Capacity [Press Release]. Accessed Dec. 11, 2020, from <https://www.gov.ca.gov/2020/12/03/california-health-officials-announce-a-regional-stay-at-home-order-triggered-by-icu-capacity/>

³⁹ Bureau of Labor Statistics. Economy at a Glance: Salinas, CA. Retrieved from https://www.bls.gov/eag/eag.ca_salinas_msa.htm

Business Survivability Amid COVID-19

It is clear that the situation of Tourism & Hospitality is dire in Monterey County. Of the business owners surveyed during the outreach effort, 81% of Tourism & Hospitality owners said they had applied for Federal, state, or local stimulus funding or loans, compared with 68% of all respondents. Furthermore, 69% of Tourism & Hospitality business owners said they were dependent on the stimulus funds to sustain operations, far higher than the 39% reported among all respondents. Overall, 79% and 21% of the business owners in Tourism & Hospitality reported having suffered a high to moderate COVID-19 impact respectively, compared with 53% and 30% of all respondents.

Apart from expanding their online presence (placing take-out orders online for restaurants), shifting to remote work is not an option for most of these business owners. Establishments in the Arts & Entertainment sector, which overwhelmingly comprises nonprofit organizations, fared the worst, and closures have had cascading effects on the Accommodation & Food sector. Business revenue derived from online sales is not sufficient to make up for pandemic-related losses. So far, restaurants have been hit especially hard because they have thin profit margins and so rely on sales volume. Many restaurant workers have been permanently laid off, and many restaurants will remain closed. And although wineries and tasting rooms are surviving for now, these businesses still rely on cash flow and can operate under current conditions only for so long. Hotel and accommodation businesses are doing a bit better because most can scale back their operations to the minimum and still provide some services such as emergency accommodations (whereas restaurants cannot).

Resilience

The COVID-19 pandemic and natural disasters such as wildfires have exposed many vulnerabilities in Tourism & Hospitality. Monterey County's tourism and hospitality community have quickly adapted protocols and policies for the safety of their guests, employees, and community, and have partnered with local government agencies to support those affected by wildfires.

Certain behaviors such as littering, water overconsumption, and air pollution during the busy seasons can lead to the loss of the natural wildlife, flora, landscapes, and seas that make Monterey County such an attractive place to visit. The County has recognized the need to shift toward sustainable tourism instead of the traditional sense of tourism. A group of Big Sur residents created the Big Sur Pledge,⁴⁰ modeled after Hawaii's Pono Pledge,⁴¹ which reminds people to respect the environment. In addition, the Monterey County Convention and Visitors Bureau has a Sustainable Moments campaign, offering tips for responsible travel that are tailored to each community. Finally, local educators are working to shape a more sustainable Tourism sector. The hospitality management program at Cal State Monterey Bay recently added a Bachelor of Science degree in Sustainable Hospitality Management, with specializations in Sustainable Ecotourism Management and Sustainable Hotel, Resort, and Event Management.⁴²

⁴⁰ More information: <https://www.cabigsur.org/big-sur-pledge/>

⁴¹ More information: <https://www.ponopledge.com/>

⁴² More information: <https://csumb.edu/business/bs-sustainable-hospitality-management>

The pandemic and wildfire crises have shown the Tourism & Hospitality community the importance of providing aid and relief to those in need. Before, hoteliers had a “heads and beds” mentality, which led to tension as hoteliers promoted tourism while wildfires were burning. During the 2020 River, Carmel, and Dolan wildfires, hotel and lodging employees, neighbors and community members evacuated their homes. More than 70 Monterey Peninsula hotels offered deeply discount accommodations to evacuees and first responders. Additionally, many hotels lifted pet restrictions to accommodate residents and their furry companions. Collectively, during the week of Aug. 17, hotels offered more than \$1.1 million in discounts compared with the previous week. Two of Monterey County’s largest entities, WeatherTech Raceway Laguna Seca and Monterey Conference Center, served as evacuation centers. The raceway provided free campsites and RV spaces for evacuees.

2020 was a challenging year for California, which faced both a pandemic and some of its worst-ever wildfires. Many restaurants and businesses were able to offset some losses by offering outdoor service during the shelter-in-place orders. But wildfires threaten the ability to transition to outdoor service.

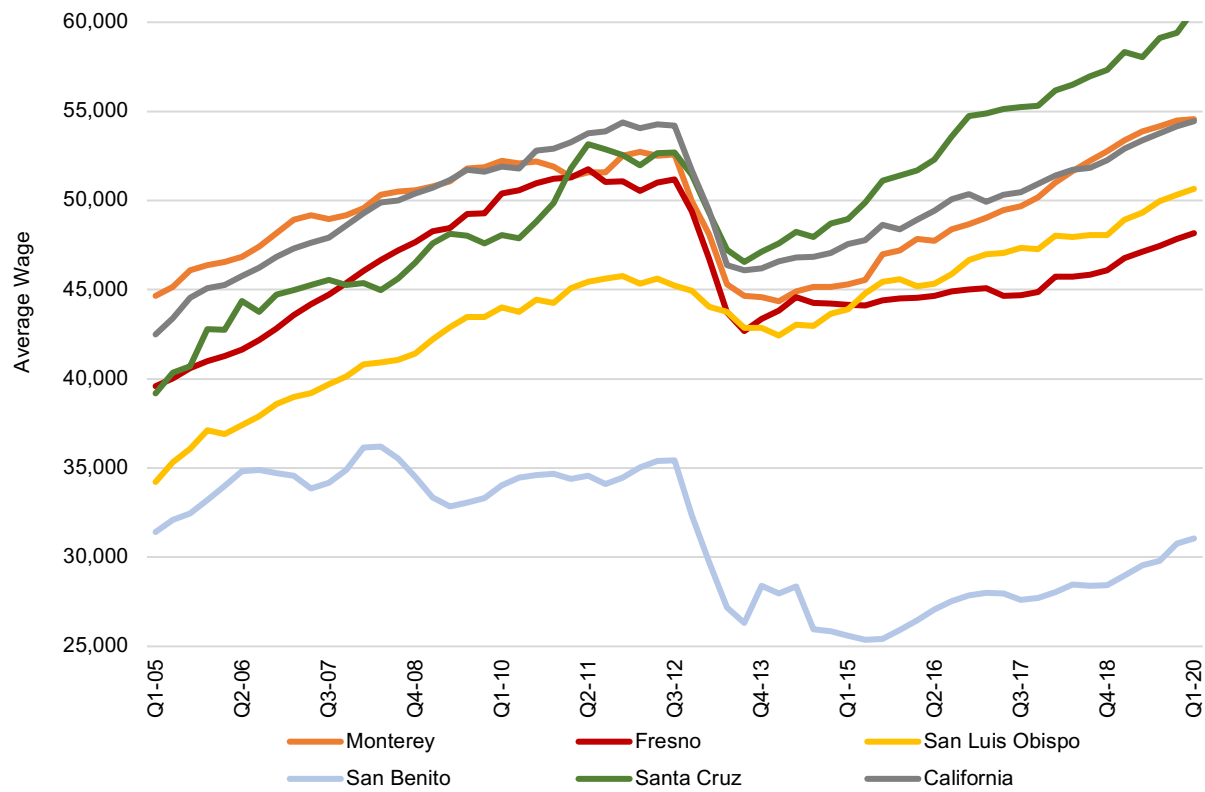
The Hospitality Industry is expected to eventually return to pre-pandemic levels. However, a return to pre-pandemic levels will be difficult to sustain if social distancing and shelter-in-place orders remain. Prolonged lower levels of tourism and hospitality activities would lead to significant shortfalls in general funds receipts, which support emergency personnel, libraries, infrastructure improvement, and other services. In Monterey County, general funds receipts in unincorporated areas and the City of Monterey come primarily from transient occupancy taxes. This means that if these ongoing issues, including those exacerbated by the pandemic and natural crises, remain unresolved, everyone will feel the effects of the demise of the Tourism and Hospitality industries.

Public Comment Draft

HEALTH CARE AND SOCIAL SERVICES

The Health & Social Services sector has grown significantly over the past decade and now makes up roughly 9% of Monterey County’s industry composition. Employment in the sector began to increase significantly in 2013. As of the first quarter of 2020, Health & Social Service workers in Monterey County had higher average wages (\$54,565) than those in San Benito (\$31,060), Fresno (\$48,181), and San Luis Obispo (\$50,658) counties and the state (\$54,450), but lower than in Santa Cruz County (\$60,712). Wages have been steadily increasing for Health Care workers over the past decade after falling in the fourth quarter of 2012. The decline in that period correlates to the substantial increase in the labor force. The growth of the labor force is being facilitated by significant employment increases in social services.

Figure 3.6: Average Annual Wage for Health Care & Social Services Sector, 2005-20



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

The industry's subsector composition changed significantly from 2015 to 2020. The fundamental shift in the Health & Social Services industry composition is due to the considerable growth of social services. Subsectors such as community and emergency relief services, care and assisted-living facilities for the elderly, child daycare services, and mental health and substance abuse facilities have expanded significantly. Conversely, offices of physicians, medical and diagnostic laboratories, skilled nursing care facilities, and vocational rehabilitation services have sustained job losses. The growth of the social services subsector has implications for future wage growth because that subsector has lower average wages than those related to direct health care, research and testing. In the first quarter of 2020, the average wage in the office of physicians' subsector was \$116,395; in the individual and family services subsector the average wage was \$17,619.

Table 3.8: Health & Social Services Subsector Employment, Monterey County, 2015-20

	2020 (Q1)	2015 (Q1)	Percent Change
Offices of Physicians	2,353	2,355	-0.1
Offices of Dentists	1,323	1,258	5.1
Other Health Practitioners	723	621	16.4
Outpatient Care Centers	912	763	19.6

Home Health Care Services	728	853	-14.6
Other Ambulatory Services	253	223	13.2
Medical and Diagnostic Labs	35	38	-7.4
Skilled Nursing Facilities	918	1,022	-10.2
Mental Health and Substance Abuse Facilities	504	420	20
Care and Assisted Living Facilities for the Elderly	1,173	905	29.7
Individual and Family Services	5,433	4,359	24.7
Community and Emergency Relief Services	199	124	60.9
Vocational Rehabilitation Services	321	330	-2.8
Child Day Care Services	501	388	29

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

Table 3.9: Average Annual Wages in Health & Social Services Subsectors, Monterey County, 2015-20

	2020 (Q1)	2015 (Q1)	Percent Change
Offices of Physicians	\$116,395	\$87,647	33%
Outpatient Care Centers	\$66,792	\$57,176	17%
Other Ambulatory Health Care Services	\$62,275	\$51,379	21%
Home Health Care Services	\$55,525	\$40,512	37%
Offices of Dentists	\$53,218	\$49,247	8%
Medical and Diagnostic Laboratories	\$51,572	\$49,643	4%
Offices of Other Health Practitioners	\$50,562	\$39,652	28%
Skilled Nursing Facilities	\$46,072	\$37,321	23%
Mental Health and Substance Abuse Facilities	\$43,938	\$31,388	40%
Community and Emergency Relief Services	\$37,883	\$30,905	23%
Retirement Communities and Assisted Living Facilities	\$34,804	\$26,472	31%
Child Day Care Services	\$31,860	\$25,328	26%
Vocational Rehabilitation Services	\$31,363	\$23,957	31%
Individual and Family Services	\$17,619	\$13,141	34%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

HEALTH CARE PRIORITIES

Of the region's four County hospitals, two are in Salinas (Natividad Medical Center & Salinas Valley Memorial Healthcare System), one in King City (George L. Mee Memorial), and one in Monterey (Community Hospital of the Monterey Peninsula). The region has many nonprofits, social services organizations, and public bodies that offer various health and related services. Entities such as the County of Monterey Health Department Clinic Services, Salinas Valley Memorial Hospital Foundation, and Montage Health Foundation provide and help expand health care access and related services.

Local government agencies and city councils have also focused on health equity, increased access to care, and health care quality improvement. In the stakeholder focus groups, residents discussed health care priorities for the region. Among the primary concerns were access to care, addiction and homelessness, diabetes, and mental health. These concerns echo the findings of the 2019 Community Health Needs Assessment Report, which listed mental health, access to healthcare services, diabetes, heart disease and stroke, and substance abuse as the top concerns.⁴³

Access to Care

A primary concern for Monterey County residents is health care access: affordable care and services, insurance coverage, time waiting to see a doctor, language barriers, cultural sensitivity, and service access for those living in rural areas.

The assessment report noted that a lack of providers and specialists is a top concern for residents. Residents noted that finding a physician and getting appointments were barriers. In the office of physician's subsector, employment has decreased 0.4% from the first quarter of last year. Compared with 15 years ago, office of physician employment has fallen 4.3%. During that period, the population of Monterey County has increased 12%.

Access to care is compounded for those living in rural areas without internet access. Telehealth can be a lifeline for those in rural regions. But those most in need of telehealth live in areas with reduced broadband capacity or access to transit.

Linguistically isolated populations encounter further barriers to health care access.⁴⁴ Advocates say health services should be culturally responsive and navigable for those who speak English as a second language and for residents of varying cultural backgrounds. Monterey County Superior Court listed Spanish, Triqui, Mixteco, Zapoteco, Tagalog, and Vietnamese as the most requested languages for interpretation.⁴⁵

A final concern was healthcare access for the undocumented population. Roughly 62% of undocumented immigrants in Monterey County are uninsured, compared with 16% of U.S.-born residents, a USC Dornsife report estimated. Only 24% of the undocumented population have

⁴³ PRC Inc. (2019). 2019 Community Health Needs Assessment Report: CHOMP Service Area, Monterey Peninsula, Monterey County, California. Accessed in November 2020 from <https://www.chomp.org/app/files/public/9658/2019-PRC-CHNA-Report.pdf>

⁴⁴ Currently 14.6% of the County's population aged 5 and over live in an environment where no one over the age of 14 is proficient in English: 2019 Community Health Needs Assessment Report

⁴⁵ More information can be retrieved from Monterey County's website on Language Access Services at <https://www.monterey.courts.ca.gov/language-access-services>

coverage through their employer, compared with 63% of U.S.-born residents. The lack of healthcare access has implications for undocumented residents who work in the region's essential sector of Agriculture (45% of undocumented residents surveyed work in that sector).⁴⁶ The COVID-19 pandemic has exacerbated the challenge of access to healthcare, particularly for vulnerable populations.

Public Health

Other public health concerns include addiction, diabetes, mental health, and homelessness. Among the growing Health subsectors in the region is mental health and substance abuse facilities, where jobs have increased 165% over the past 15 years. The growth of social service-related health subsectors reflects the increase in demand for homeless, mental health, and addiction-related services.

From 2014 to 2017, the County had significant declines in opioid overdose deaths. In 2017 Monterey County ranked 51st out of 53 in opioid deaths per capita.⁴⁷ But opioid deaths increased again in 2019 as overdoses and deaths tripled from 2018 levels.⁴⁸ The increased popularity of fentanyl has contributed to the marked increase in opioid-related deaths in Monterey County, and the trend continued in 2020, with the Community Hospital of the Monterey Peninsula noting an increase in overdoses in the first quarter of 2020 from the previous quarter.⁴⁹ Reports of higher opiate use have come from Marina (21%), Seaside (17%), and Carmel/Big Sur (16%). Monterey (10.5%) and Pacific Grove/Pebble Beach (12.2%) had lower rates.⁵⁰ COVID-19 has complicated the crisis. A lead physician in Monterey County's Prescribe Safe Initiative noted that recent patients who overdosed cited losing their jobs and homes as primary reasons for taking drugs.⁵¹ Economic hardships caused by COVID-19 have exacerbated the opioid crisis, something that has received less attention amid the global pandemic.

Homelessness and mental health issues are other key concerns. Significant proportions of the homeless population also report mental and physical health issues. These issues are exacerbated in rural regions of the County because no homeless people are sheltered outside of the four northern cities (Monterey, Salinas, Marina, and Seaside). It is important to expand access and services to homeless people living in rural regions.

A final primary health concern for Monterey residents is diabetes. Diabetes-related deaths in Monterey County are currently lower than both the state and national average, but the County's Hispanic population is twice as likely to die from diabetes-related illnesses than non-Hispanic

⁴⁶ Marcelli, E.A. and Pastor, M. Unauthorized and Uninsured: East Salinas and Monterey County. San Diego State University and USC. Accessed in November 2020 from https://dornsife.usc.edu/assets/sites/731/docs/Web_08_East_Salinas_Monterey_Cnty_Final.pdf

⁴⁷ Community Hospital of the Monterey Peninsula. Prescribe Safe Monterey County Fact Sheet. Accessed in November 2020 from <https://www.montagehealth.org/app/files/public/8404/Prescribe-Safe-Facts-Sheet.pdf>

⁴⁸ Community Hospital of the Monterey Peninsula (2019, Oct. 24). Dramatic Increase in Opioid Overdose Cases and Deaths in Monterey County. Accessed in November 2020 from <https://www.chomp.org/news/2019-news/dramatic-increase-in-opioid-overdose-cases-deaths/#.X9FTey2z1hE>

⁴⁹ Loxton, M. (2020, June 28). An Epidemic During a Pandemic: The Coronavirus Is Affecting the Monterey Peninsula's Opioid Crisis. 90.3 KAZU. Accessed in November 2020 from <https://www.kazu.org/post/epidemic-during-pandemic-coronavirus-affecting-monterey-penisula-s-opioid-crisis#stream/0>

⁵⁰ PRC Inc. (2019). 2019 Community Health Needs Assessment Report: CHOMP Service Area, Monterey Peninsula, Monterey County, California. Accessed in November 2020 from <https://www.chomp.org/app/files/public/9658/2019-PRC-CHNA-Report.pdf>

⁵¹ Loxton, M. (2020, June 28). An Epidemic During a Pandemic: The Coronavirus Is Affecting the Monterey Peninsula's Opioid Crisis. 90.3 KAZU. Accessed in November 2020 from <https://www.kazu.org/post/epidemic-during-pandemic-coronavirus-affecting-monterey-penisula-s-opioid-crisis#stream/0>

Whites. The 2019 Community Health Needs Assessment Report found that the prevalence of diabetes was higher in Marina as well as in the 40+ population, in low-income communities, among Hispanic communities, and in “other” (non-Hispanic) populations. Surveyed residents noted a lack of awareness and education around nutrition and lifestyle choices, and concern over the lack of early diagnosis and the employment of early intervention and prevention.⁵²

EMERGING AND ADVANCED TECHNOLOGIES

A potential growth-driving cluster in the region is emerging and advanced technologies. Drones and robotic technologies are rapidly growing industries with application potential in agriculture, defense, environmental science and management, and advanced air mobility. Combined with rapidly scaling artificial intelligence and cybersecurity capabilities, these technologies are poised for significant growth. The Monterey Bay region has over 14 institutions of higher education and research, along with numerous Federal resource management and military-related institutions, that fund R&D and could become major customers.

The region has a significant number of public firms working in cybersecurity and has other innovation hubs such as the Western Growers Center for Innovation & Technology and those in the Salinas AgTech clusters. Several institutions focus on marine biology and oceanography. Of note is the rapid growth of Joby Aviation, a leading manufacturer of electric vertical take-off and landing (eVTOL) aircraft, with headquarters in Santa Cruz County and an expanding manufacturing capability at the Marina Airport. Once fully implemented, the planned Marina Airport manufacturing facility will be home to more than 1,600 new manufacturing jobs.

The Monterey Bay Drone, Autonomy & Robotics Technology (DART) initiative is guiding the emerging cluster across multiple institutions and political jurisdictions. The DART cluster initiative aims to facilitate entrepreneurship, innovation, and spinoffs by establishing the Monterey Bay region as a global player in drone, autonomy and robotics technology development, testing, and manufacturing. The DART initiative was established in 2017 by the Fort Ord Reuse Authority (FORA), which was responsible for economic recovery, land reuse, and planning at the 45-square-mile former Army installation at Fort Ord. FORA completed its reuse authority requirements and was legislatively terminated on June 30, 2020. The cluster initiative has support and ties with academic institutions (California State University, UC Santa Cruz, UC Agriculture and Natural Resource Division, Hartnell College, Monterey Peninsula College, Gavilan College, and Cabrillo College) and the private sector (Joby Aviation, Parallel Flight Technologies, and others). The DART initiative aims to increase employment in existing and new businesses by more than 100 over three to five years.

Of particular relevance to the DART initiative is the robust military-related economy in the Monterey area. The economic impact from the 16 defense-related institutions in Monterey County totals about 15,000 jobs \$1.4 billion in annual local payroll, and a total of \$2 billion per year. The Naval Postgraduate School (NPS) has several ongoing research projects focusing on cybersecurity, drones, autonomy, and robotics for military missions, including the Sea Land Air Military Research Initiative, providing testing and development facilities for sub-surface, terrestrial and aerial technologies at a new Monterey Bay facility; the Center for Interdisciplinary

⁵² PRC Inc. (2019). 2019 Community Health Needs Assessment Report: CHOMP Service Area, Monterey Peninsula, Monterey County, California. Accessed in November 2020 from <https://www.chomp.org/app/files/public/9658/2019-PRC-CHNA-Report.pdf>

Remotely Piloted Aircraft Studies, operating from Marina Airport; the Consortium for Robotics and Unmanned Systems Education and Research, a hub of interdisciplinary R&D at the NPS; Joint Interagency Field Experimentation, offering quarterly field testing opportunities at Fort Hunter-Leggett; and the Center for Homeland Defense and Security, providing national homeland security education. In August 2020, the NPS announced a \$42 million partnership with the Department of Defense to develop unmanned robotic apparatuses.⁵³

In addition to those centers and institutes, the U.S. Navy recently established the California Central Coast Connections Tech Bridge to enhance innovation and private sector partnerships. It's one of 14 Tech Bridge offices across the U.S. and is charged with expanding central and northern California connections and innovation pipelines (including the Silicon Valley). This represents an increased opportunity for local industry partnerships and innovation. The number of institutions in emerging and advanced technology in the region signals significant potential for cluster development.

Drone Industry Outlook

The global drone market is expected to grow significantly over the coming decades — from \$15 billion in 2020 to \$90 billion in 2040 (Levitante 2020). The diverse nature of drone technology and cybersecurity enables application in many sectors, including agriculture, energy, conservation, infrastructure, transportation, and defense. Rapid growth in this industry is attributed to the growing application scope across many sectors and continuous advances in airframes, power systems, guidance systems, artificial intelligence capabilities, remote sensing, and software systems. So, there is an opportunity for Monterey County to leverage its growing drone and robotics ecosystem to target cluster growth.

Table 3.10: The Regional DART Ecosystem

Private Sector

- Amazon
- Apple
- Camp Six
- Elroy Air
- Farm Wise
- Ford Motor
- Fort Ord Works
- Google Wing
- Insight Up Solutions
- Inspect Tools
- Joby Aviation
- Light & Motion
- Micasense
- Pacific Gas & Electric
- Precision Hawk
- Quantum Systems

Research Centers and Academia

- Cabrillo College
- California Department of Forestry & Fire Protection
- Center for Homeland Defense and Security
- Center for Interdisciplinary Remotely Piloted Aircraft Studies
- Consortium for Robotics and Unmanned Systems Education and Research
- Cal State Monterey Bay (CSUMB) College of Business
- CSUMB College of Science
- CSUMB Institute for Innovation & Economic Development
- Gavilan College
- Hartnell College
- Joint Interagency Field Experimentation
- Monterey Bay Aquarium Research Institute
- Monterey Peninsula College
- National Oceanographic & Atmospheric Administration

⁵³ Taylor, D.L. (2020, Aug. 12). Monterey's Naval Postgraduate School inks new robotics deal. Monterey Herald. Accessed in November 2020 from <https://www.montereyherald.com/2020/08/12/montereys-naval-postgraduate-school-inks-new-robotics-deal/>

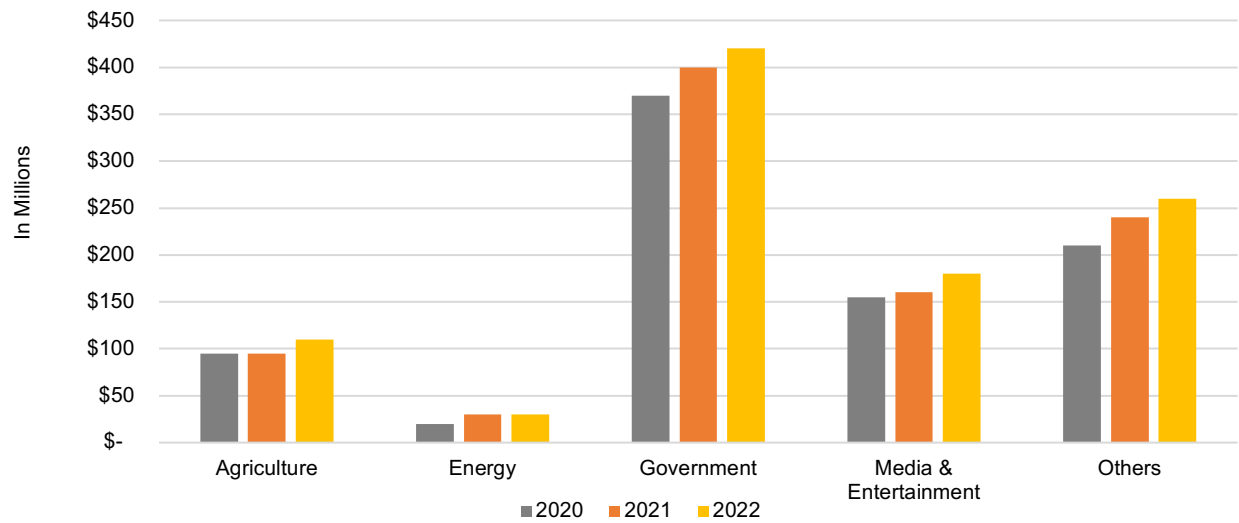
- Scoot Sciences
- Sony
- Transition Robotics
- Whitefox Defense
- Zero Avia

Related Organizations

- City of Marina
- Digital Nest
- Mavericks Foundation
- Monterey Bay DART
- Monterey Bay Economic Partnership
- Monterey County
- Monterey County Workforce Development Board
- Monterey Peninsula Chamber of Commerce
- NPS Foundation
- Santa Cruz County Workforce Development Board
- Santa Cruz Works
- Startup Monterey Bay
- UCSC Foundation
- Western Growers Center for Innovation and Technology
- Naval Postgraduate School
- Naval Research Lab
- Navalx Tech Bridge
- Navy Fleet Numerical Oceanographic Center
- Sea Land Air Military Research Initiative
- UC Agriculture & Natural Resources Division
- UC Santa Cruz (UCSC) Office of Research
- UCSC Baskin School of Engineering
- UCSC Center for Computational Experience
- UCSC Center of Information Technology Research in the Interest of Society
- UCSC Cyber-Physical Systems Research Center
- UCSC Institute for Social Transformation
- U.S. Geological Survey

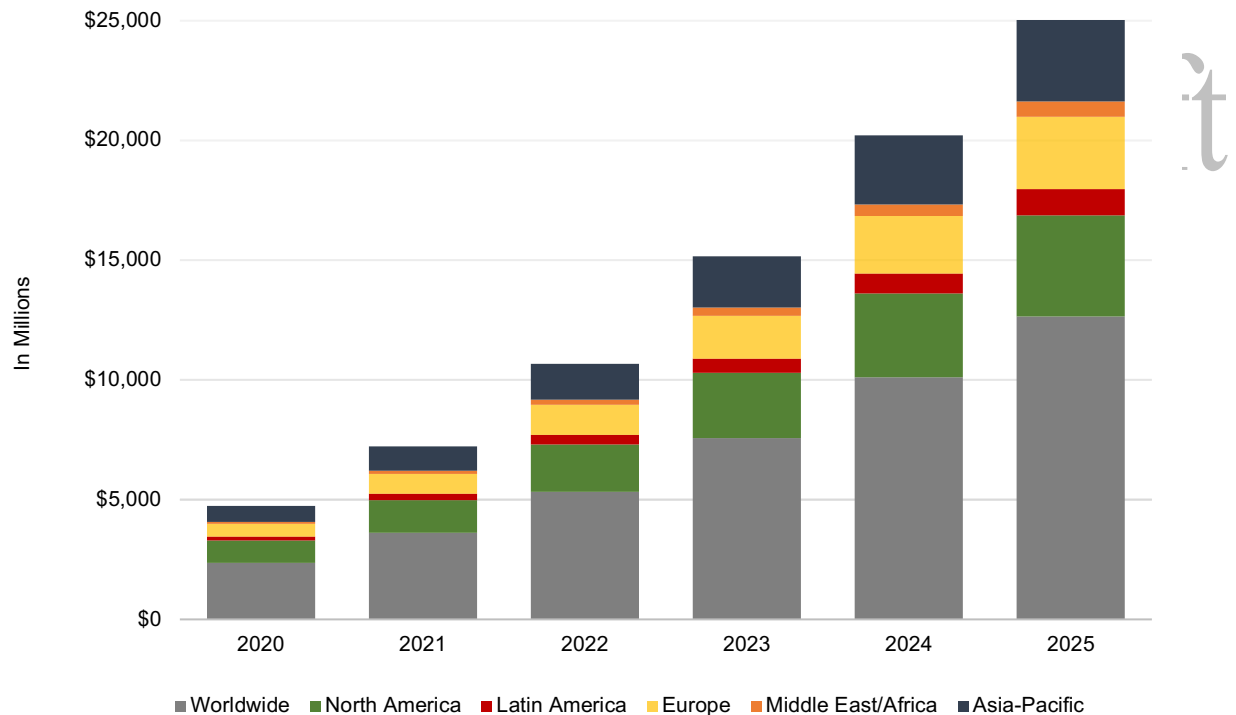
Public Comment Draft

Figure 3.7: Projected U.S. Commercial Drone Market, 2020-22



Source: Statista 2020

Figure 3.8: Projected Global Commercial Drone Revenue, 2020-25



Source: Tractica 2020

The Monterey Bay region is an attractive location for an emerging and advanced technology cluster because of its proximity to Silicon Valley (venture capital, innovation, and skilled workforce), educational institutions, environmental organizations, land abundance, and

proximity to regional growth-driving industries such as agriculture, defense, and higher education. The main potential cluster sites for DART-related growth include Marina Airport, the University of California, the Monterey Bay Education, Science and Technology Center, CSUMB, the Ryan Ranch, the City of Salinas, the Monterey Bay Academy, and Fort Hunter Liggett, with the potential for connections with expanding national networks. The added value of growing the drone cluster is that the technology can be applied to regional growth drivers including agriculture, national defense, marine and natural resources management, and, increasingly, advanced air mobility.

CALL OUT BOX - Case Study: Data to Decisions (D2D) in Syracuse, N.Y.

Syracuse, N.Y., is home to the Unmanned Aerial Systems (D2D) cluster. Much like the Monterey DART cluster, the Syracuse cluster formed in a region with a historical military presence and a number of research institutions. The cluster operates in a variety of technology fields. Today the industry focus is primarily on the application of these technologies to drones.⁵⁴

The cluster initiative was initially facilitated by a public-private economic development organization (CenterStage) that targeted cluster growth. As the cluster developed, other local institutions engaged in developing it along with CenterStage and other institutions (the NUAIR Alliance). Once the cluster was identified and prioritized, development focused on receiving drone test site designation. In 2013 the FAA designated the region a drone test site.

Following the designation, more nonprofit support organizations emerged. In 2015 the region secured \$500 million in funding from a state economic development competition that helped the region realize its cluster strategy goals. Local academic institutions such as Syracuse University facilitated cluster development by creating a campus initiative in the field of autonomous systems. The initiative focused on industry bottlenecks around policy, law, and governance in the autonomous systems field.⁵⁵ In 2019 a 50-mile drone testing corridor was finished and has attracted foreign investment.^{56 57}

The success of the cluster is due to several primary developments:

- Institution-driven cluster strategy
- Winning FAA drone test site designation
- Securing \$500 million in cluster funding via a state revitalization competition
- Forming extra-institutional links with academic and Federal institutions
- Long-term investments in cluster infrastructure (drone corridor)

⁵⁴ Donahue, R. (2018, July). Rethinking Cluster Initiatives. Metropolitan Policy Program, the Brookings Institution. Accessed in November 2020 from https://www.brookings.edu/wp-content/uploads/2018/07/201807_Brookings-Metro_Rethinking-Clusters-Initiatives_Syracuse-Drones.pdf

⁵⁵ Korey, E. (2019, Jan. 22). Maxwell leads campus wide initiative in field of autonomous systems. Maxwell School of Citizenship & Public Affairs, Syracuse University. Accessed in November 2020 from

https://www.maxwell.syr.edu/news/stories/Maxwell_leads_campuswide_initiative_in_field_of_autonomous_systems/

⁵⁶ Office of Gov. Andrew M. Cuomo (2019, Nov. 12). Governor Cuomo Announces Completion of First-In-The-Nation 50-Mile Drone Corridor Between Syracuse and Rome and Expansion of Syracuse Tech Garden [Press Release]. Accessed in November 2020 from <https://www.governor.ny.gov/news/governor-cuomo-announces-completion-first-nation-50-mile-drone-corridor-between-syracuse>

⁵⁷ Moriarty, R. (2020, June 2). Central New York drone corridor draws Israeli company to Syracuse. Syracuse.com. Accessed in November 2020 from <https://www.syracuse.com/business/2020/06/central-new-york-drone-corridor-draws-israeli-company-to-syracuse.html>

Outside these pivotal events, development agencies focused on identifying market failures and the infrastructure needed to grow the cluster. Today the cluster includes over 50 firms responsible for creating 9,000 jobs in the region. Including indirect jobs, the drone supply chain has created roughly 22,000 jobs in the region. The formation of anchor institutions and infrastructure investments helped attract outside investment from other states.⁵⁸

Cluster Challenges

With the technology cluster still in the early stages of development, barriers to growth must be overcome. Lack of a robust Federal anchor, underdeveloped cluster infrastructure, policy challenges, and fragmented institutional collaborations act as cluster bottlenecks. These challenges, however, present opportunities to further develop the cluster.

Strengthen the Federal Anchor

The DART initiative grew out of a multi-sectoral partnership aimed at securing the Unmanned Aerial Systems Integration Pilot Program (UASIPP) designation at Marina Airport. Although the UASIPP designation in California went to San Diego, the local effort united a coalition and established valuable industry, academic, and local, state, and Federal agency connections. Strengthening Federal agency connections and partnerships, starting with the Monterey-based defense institutions, and natural resource management agencies, should be a priority.

Collaborations with other Federal agencies such as the FAA and NASA could aid the pursuit of a Federal anchor. In the case of the Syracuse D2D cluster, one of the prominent success factors was the region obtaining FAA drone test site designation. Drones are actively being integrated into the National Airspace System in a tightly managed process, yet conducting Beyond Visual Line of Sight missions (a critical step for widespread commercial applications) remains limited to special cases. Establishing a regional center of excellence to facilitate safe and secure R&D missions would enable the Monterey Bay region to offer compelling business cases for locating activity centers here. Over the past five years, the FAA has created multiple partnership programs such as UASIPP, the UAS Test Site Program, and Beyond program. Although the application of drones, autonomy, and robotics technologies are still in experimental development, cluster developers should monitor potential national linkage opportunities via partnerships and by joining national industry groups.

Developing Cluster Infrastructure

As the cluster is in the early stages of development it lacks a developed ecosystem needed to further develop and mature. A mature cluster has a robust infrastructure of conferences, incubators, and support organizations that work in tandem with private firms and academic institutions. The regional AgTech cluster has multiple support organizations, private businesses, academic programs relevant to the local industry cluster, internships, and an annual conference. The current emerging and advanced technology cluster has a growing ecosystem of infrastructure such as aerospace firms, a local cluster initiative (DART), other support infrastructure such as Drone Camp 2020, and an annual symposium. To develop and mature, cluster initiatives need to address local infrastructure bottlenecks such as regional marketing of the cluster, local incubator spaces, and relevant local academic programs that facilitate the

⁵⁸ Ibid.

future cluster workforce. As drones have yet to be integrated into the National Airspace System, regional and national policy challenges in developing a robust regional cluster infrastructure should be addressed.

Fostering Extra-Institutional Linkages and Spillovers

Aerospace tech firms, colleges, and military-oriented firms are engaged in DART adjacent research and development (R&D) in Monterey County. Defense institutions such as the Naval Postgraduate School, Defense Language Institute, and other groups have been accessible primarily to those in the military. But the Navy's California Central Coast Connections Tech Bridge aims to bridge the private sector and academia to create products military and civilian use. In developing the cluster, it is important that defense-adjacent firms establish sound collaborations with intuitions outside their network (private, academic, and public) to translate and commercialize institutional knowledge. The current partnership of the Dart initiative and Naval Postgraduate school can connect Federal-serving institutions with the broader regional cluster. It is also important that academic intuitions have relevant and accessible programs (such as aeronautics degrees) to support the required cluster workforce.

Public Comment Draft

PART 4: KEY PLANNING CONSIDERATIONS

HOUSING

Monterey County has a higher percentage of multifamily housing stock than other Central Coast counties, but the share is below the statewide average. The multifamily housing is concentrated in Salinas CCD and Seaside-Monterey CCD (85%). Salinas Valley has a higher share of other housing units, such as manufactured homes (10%), than other subregions in Monterey County.⁵⁹

Table 4.1: Housing Unit Composition in Central Coast Counties, 2018

	Monterey County	San Luis Obispo County	Santa Cruz County	California
Single-Family Homes	69%	73%	72%	65%
Multifamily Homes	26%	19%	22%	31%
Other Housing Units	5%	8%	6%	4%

Source: American Community Survey 5-Year Estimates

Table 4.2: Housing Unit Composition in Monterey County Subregions, 2018

	Coastal Monterey	Salinas	Salinas Valley	Monterey County
Single-Family Homes	72%	63%	73%	69%
Multifamily Homes	24%	33%	18%	26%
Other Housing Units	4%	4%	10%	5%

Source: American Community Survey 5-Year Estimates

Housing Shortage

Like other parts of California, Monterey County faces significant challenges in housing affordability and availability. After the Great Recession, population growth far outpaced the increase in housing units in the 2010s. From 2005 to 2019, Monterey County's population increased 9.0% but housing units grew just 4.1%. Years of underbuilding left a chronic undersupply. As a result, home sales were on a downward trend throughout the 2010s. The COVID-19 pandemic caused a further decline in home sales. Just 435 single-family resales occurred in the second quarter of 2020, the lowest since the first quarter of 2008. Monterey

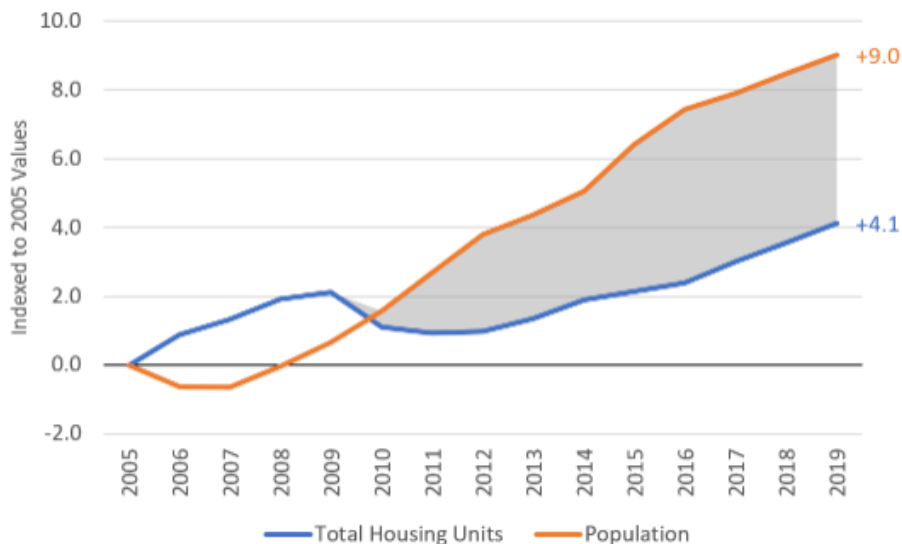
⁵⁹ The housing analysis uses 2019 American Community Survey (1-year estimates) and 2018 American Community Survey (5-year estimates) data to identify the housing stock characteristics of Monterey County and its subregions. Analysis of median home prices and home sales is based on data from CoreLogic. CoreLogic's data on home prices are used with data from the Bureau of Labor Statistics to analyze affordability. Finally, housing permit data, which come from the Construction Industry Research Board, are used to compare population growth with permitting.

County (1.5%) had significantly lower vacancy rates than its neighbors and the state (3.8%) before the pandemic.

Vacancy rates in all regions began to increase in the first quarter of 2020. In the past decade, population growth had far outpaced new residential construction permits, which contributed to the ongoing housing shortage and overcrowded housing conditions. While the population increased by thousands each year, only a few hundred new residential construction permits were issued. The type of housing built has changed over the past decade; from 2010 to 2015 more permits were issued for multifamily housing than in the latter half of the decade. From 2015 on significantly more permits were issued for single-family housing in the region. Although single-family permitting has increased, population growth has outweighed housing availability. From 2009 on, the population began to outpace the number of housing units.

Several employer-based housing initiatives have begun. One is the Tanimura and Antle Farmworker housing initiative, an 800-bed farmworker housing complex in Spreckles. Its success has led Ocean Mist Farms, Nunes Co., and Montage Health to implement similar initiatives in the region.⁶⁰

Figure 4.1: Housing Units and Population in Monterey County, 2005-19

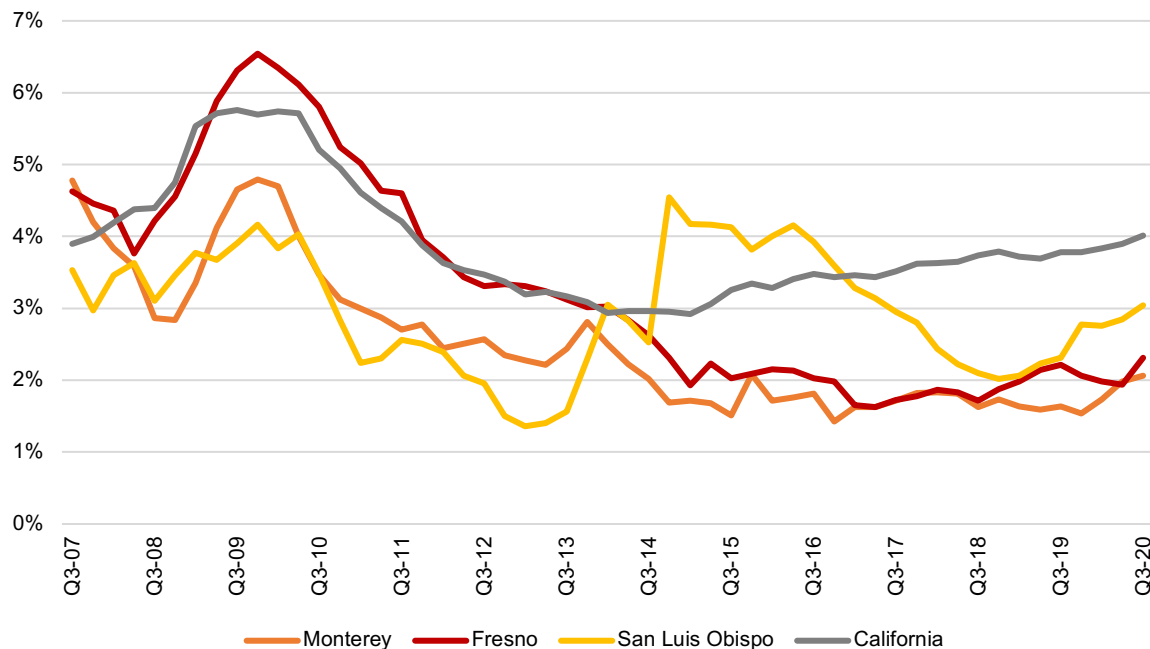


Draft

Source: California Department of Finance, American Community Survey 1-Year Estimates

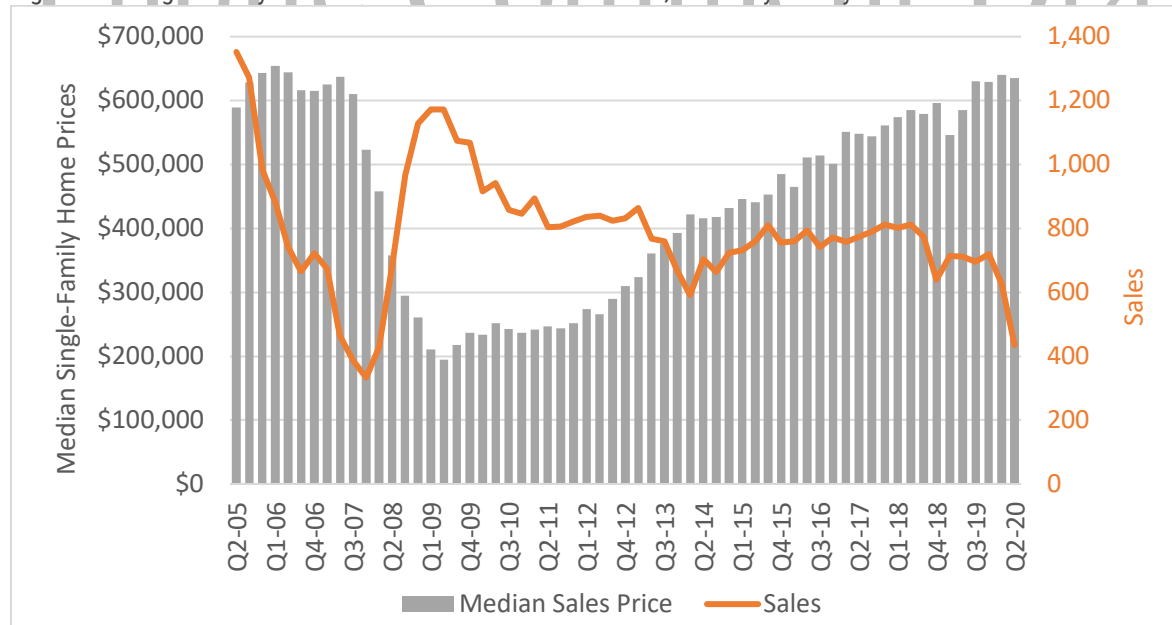
⁶⁰ Housing for Farmworkers Is So Scarce That Ag Companies Are Becoming Builders. 2018. 90.3 Kazu. [Accessed Jan. 27, 2021, from https://www.kazu.org/post/housing-farmworkers-so-scarce-ag-companies-are-becoming-builders#stream/0](https://www.kazu.org/post/housing-farmworkers-so-scarce-ag-companies-are-becoming-builders#stream/0)

Figure 4.2: Apartment Vacancy Rates (Seasonally Adjusted and Smoothed), 2007-20



Source: Axiometrics/RealPage

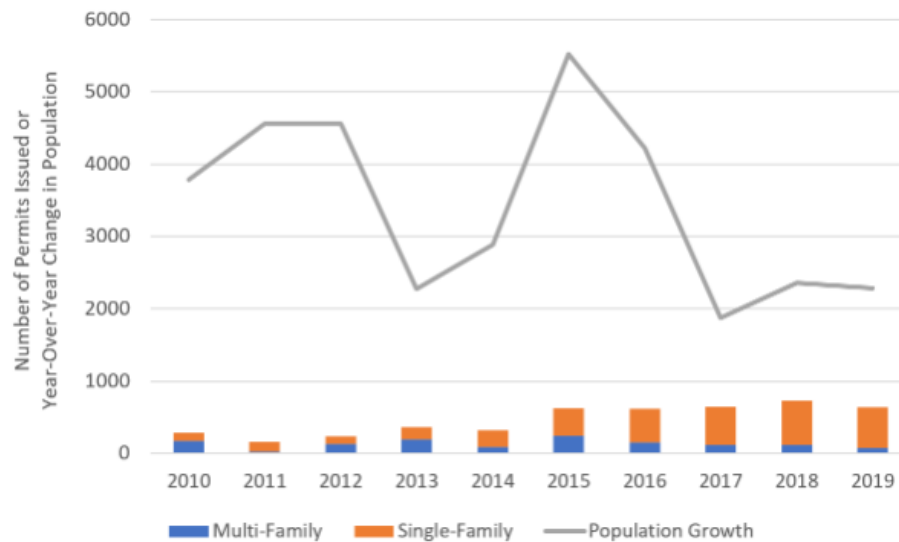
Figure 4.3: Single-Family Homes Median Sales Price and Sales, Monterey County



Note: Prices are not adjusted for inflation.

Source: CoreLogic

Figure 4.4: Residential Construction Permits and Population Growth



Source: Construction Industry Research Board, California Homebuilding Foundation, California Department of Finance

COVID-19's Impact on Housing

COVID-19 has changed the demand factors for housing as more remote workers leave the urban areas in favor of more rural regions. Although COVID-19 destabilized labor markets, it has not had a devastating impact on the housing market. A substantial number of home sales in California over the past six months have been at the upper end. The demand for homes under \$499,000 decreased in 2020, while demand for homes \$1 million and over increased 7% over the previous year.⁶¹

The pandemic and the growth of remote working have created an increase in demand for more housing space as the home has become the new office. Although the pandemic has increased home sales, it has caused decreased demand in the rental market. The vacancy rate for San Francisco apartments increased 10 basis points in the fourth quarter of 2020 from the fourth quarter of 2019. During the same period, average rent per unit declined 5.6%. Vacancy rates in the East Bay are forecast to increase until 2021.⁶² The pandemic has not had a significant impact on the vacancy rates for renters in Monterey County, but local Realtors have noted an increase in demand from buyers in urban areas. The California Association of Realtors reported a 25% year-to-year price increase in the Central Coast region.⁶³

Housing Affordability Issues: High Prices/Rents

After the Great Recession, the median sales price of existing single-family homes climbed significantly faster than the average (mean) annual wage in Monterey County. By the first quarter of 2020, buyers needed 12.3 times the average annual wage to afford a median-priced

⁶¹ California Association of Realtors (2020, Sept. 4). Retrieved Sept. 8, 2020, from <https://www.car.org/marketdata/data/countysalesactivity>

⁶² Source: REIS

⁶³ Real estate prices in Monterey County soar during pandemic, climbing 25% amid pandemic. 2020. The Californian. Retrieved Feb. 3, 2021, from <https://www.thecalifornian.com/story/news/2020/12/02/real-estate-prices-californias-central-coast-up-25-percent-amid-pandemic/6399837002/>

home in Monterey County, compared with 10.0 times five years ago. This ratio is also significantly higher than the statewide ratio of 6.8.

Rent and mortgage payments are a significant portion of household expenses for most households in Monterey County. A higher percentage of Monterey County renter households than owner households are housing-cost-burdened, that is, paying more than 30% of their income for housing. This is true throughout California. Salinas has the highest percentage of cost-burdened households. Overall, the share and distribution of cost-burdened households are similar in all subregions of Monterey County.

The percentage of overcrowded households in Monterey County in 2018 was significantly higher than households in other Central Coast counties and California (8.2%). Overcrowding, defined as more than 2.1 people per room, is highly correlated with low household income. If Monterey County had the same rate of overcrowding as California, the percentage of housing-cost-burdened households would probably be higher. Affluent areas of coastal Monterey County (Toro Park, Carmel-by-the-Sea, and Carmel Valley) have the lowest rates of overcrowding (less than 7%), though coastal areas north of Salinas have high rates: Pajaro's rate is 17%, and Castroville's 17%. Overcrowding is generally high in East Salinas and especially in the Salinas Valley, where 23% of households are affected. Greenfield and Gonzales, which have some of the lowest median household incomes, have the highest rates of overcrowding (30% and 24% respectively).

The issues of overcrowding are compounded during disasters and pandemics. The COVID-19 pandemic is exacerbated for those living in overcrowded conditions because it is more difficult to isolate. Overcrowded households are also more likely to work in lower-paid essential sectors. In the case of renters, they are less likely to have insurance that covers disaster risk.

Table 4.3: Occupied Housing Units that are Overcrowded in Monterey County by Sub-region, 2018

	Coastal Monterey	Salinas	Salinas Valley	Monterey County
Overcrowded	4.3%	13.4%	12.6%	8.6%
Severely Overcrowded	4.1%	4.7%	10.2%	5.1%
Total Overcrowded	8.3%	18.1%	22.8%	13.7%

Source: American Community Survey 5-Year Estimates

Table 4.4: House- and Rent-Burdened Households, Monterey County and Subregions, 2018

	Coastal Monterey	Salinas	Salinas Valley	Monterey County
Renter Households	53.9%	57.6%	56.4%	55.7%
Owner Households, With Mortgage	40.7%	41.4%	39.6%	40.8%
Owner Households, Without Mortgage	15.3%	14.1%	12.1%	14.6%
Total Households	41.7%	46.2%	43.4%	43.5%

Source: American Community Survey 5-Year Estimates

Homelessness

Homelessness is a serious issue throughout California, including in Monterey County. Nationwide, the U.S. Department of Housing and Urban Development estimates that about 500,000 people are homeless. The number of homeless people in California is about 151,000, or 30% of the nation's homeless population. Every two years, the Coalition of Homeless Services Providers and Continuum of Care conducts a homeless Point-in-Time (PIT) census and survey. According to the 2019 Monterey County Homeless Census & Survey,⁶⁴ homelessness declined from 2017.⁶⁵ Though the homeless population was lower in 2019,⁶⁶ the count may have been low that night because of a rainstorm and other factors. In any case, substantially more people are homeless than before the Great Recession. In fact, from 2007 to 2009, the number of homeless increased by 1,005 (PIT, 2019-page 10, Figure 1). Because of pandemic-related job losses and evictions, there are fears that the County will sustain a significant increase in homelessness.

California and Monterey County have high numbers of homeless who are unsheltered. Based on the 2019 Monterey County PIT count, 3 in 4 were unsheltered. Three in seven individuals were living on the street or in vehicles in 2019, down from 4 in 7 in 2017. But a higher percentage of homeless lived-in tents in 2019 (18%) than in 2017 (10%). Over one-fifth of homeless people (23%) are chronically homeless.⁶⁷ Over half (54%) have lived in Monterey County at least 10 years. Almost one-fifth (18%) are employed.

Job loss and eviction (59%) are the top causes of homelessness, followed by alcohol or drug use (40%) and divorce/separation/breakup (23%). Almost three-fifths of people experiencing homelessness (58%) reported having at least one disabling condition.⁶⁸ Many people experiencing homelessness suffer from mental and physical health issues: depression (44%), alcohol and drug use (45%), physical disability (27%), chronic health problems (25%), post-traumatic stress disorder (19%), other psychiatric and emotional conditions (19%), traumatic brain injury (10%), and HIV/AIDS-related illness (1%).

The COVID-19 pandemic has exacerbated job losses, especially in low-paying sectors such as Hospitality and Agriculture, which are the main economic drivers of Monterey County. Despite Federal and state policies that aim to prevent or ameliorate the negative financial impacts, many residents face an increased risk of eviction and homelessness. Furthermore, those at-risk

⁶⁴ Connery, J., Kwak, Y., Connery, P., Green, S., Gallant, J., and Ithiphol, K. (2019). Monterey County Homeless Census & Survey Comprehensive Report. Applied Survey Research. Accessed Nov. 15, 2020, from <https://www.co.monterey.ca.us/home/showdocument?id=81207>

⁶⁵ The 2019 Monterey County Point-in-Time Homeless Census represented a complete enumeration of all sheltered and unsheltered people experiencing homelessness. It consisted of a General Street Count, an early-morning count of unsheltered homeless individuals and families on Jan. 31. This included those sleeping outdoors on the street; at bus and train stations; in parks, tents, and makeshift shelters; and in vehicles and abandoned properties; and a General Shelter Count, a nighttime count of homeless individuals and families staying at publicly and privately operated shelters on Jan. 30. This included those who occupied emergency shelters, transitional housing, and havens.

⁶⁶ Note that the PIT count does not include individuals living in "double-up" situations or hotels and motels. Therefore, the true homeless population may be higher than the official count.

⁶⁷ A chronically homeless person is one who has experienced homelessness for a year or longer, or has experienced at least four episodes of homelessness in the last three years, and has a disability that prevents them from maintaining steady work or housing.

⁶⁸ A disabling condition is defined by HUD as a developmental disability, HIV/AIDS, or a long-term physical or mental impairment that impacts a person's ability to live independently, but could be improved with stable housing.

individuals also face a greater risk of contracting COVID-19 because of a lack of sanitation and facilities in which to isolate.⁶⁹

Table 4.5: Homeless Population by City per 1,000 Residents, Monterey County, 2019

	Unsheltered/Resident Population	Sheltered/Resident Population	Homeless Pop./Resident Population
Monterey	6.0	1.3	7.3
Salinas	6.0	1.3	7.3
Marina	4.3	11.5	15.8
Seaside	3.8	1.7	5.5
Sand City	20.9	0.0	20.9
Gonzales	2.5	0.0	2.5
Pacific Grove	0.9	0.0	0.9
King City	1.9	0.0	1.9
Greenfield	0.8	0.0	0.8
Del Rey Oaks	0.0	0.0	0.0
Carmel	1.5	0.0	1.5
Soledad	1.4	0.0	1.4
Total Cities	4.5	1.7	6.1
Total Unincorporated Areas	3.2	0.3	3.5
Monterey County Total	4.1	1.3	5.5

Source: Applied Survey Research (2019), Monterey County Homeless Census & Survey, Watsonville, CA.; California Department of Finance

Monterey County's homeless population faces a significant shortage of shelter opportunities. Shelters or transitional housing units are mainly in Marina, Monterey, and Salinas. New shelters will be opening in Salinas and Seaside in 2021, and Salinas just opened a shelter in Salinas Chinatown. Therefore, few homeless people are sheltered outside of the four cities in the northern part of the County — Marina, Monterey, Salinas, and Seaside. Many challenges must be overcome to eliminate homelessness in Monterey County and help homeless individuals and families access services and support.

Barriers to Development

Many barriers to development exist in Monterey County. Some apply throughout California, and some are unique to Monterey County. Workforce housing initiatives, impact fee calculation adjustments, and other policy changes have helped, but the housing shortage persists.

⁶⁹ Cimini, Kate (2020, Oct. 30). Evicted Monterey County renters face greater risk of contracting COVID-19. CalMatters. Accessed Nov. 5, 2020, from https://calmatters.org/california-divide/2020/10/evicted-california-renters-greater-risk-covid-19-coronavirus/?utm_medium=email&utm_source=CalMatters+Newsletters&utm_campaign=e2381932ea-EMAIL_CAMPAIGN_2020_10_30_07_26&utm_medium=email&utm_term=0_faa7be558d-e2381932ea-150246061&mc_cid=e2381932ea&mc_eid=1f7561d309

Regulations on housing development in California are time-consuming, burdensome, costly, and often fraught with litigation. Although local jurisdictions have amended impact fees and development policies, increased labor and material costs (especially for lumber) contribute to an environment in which it costs almost half a million dollars to build one housing unit in Monterey County. In California, development standards such as minimum lot size and dwelling units per acre encourage developers to build a single large housing unit on a parcel. Also, many fees are associated with new housing projects. Many, such as impact fees, are levied on a per-unit basis instead of per square foot. This discourages developers from building smaller, more affordable units. For example, the fees for building four 800-square-foot two-bedroom units are higher than those for a 4,000-square-foot home. Although the cost of construction and the size of construction are otherwise correlated, the development standards and the fee structure push housing developers to build large housing units that many families — many of which have members working in low-paying jobs in the Agriculture and Hospitality sectors — simply cannot afford.

The vast majority of land for residential use is zoned for single-family uses (96.3% of land zoned for residential uses in Monterey County and 84.5% in the County's three largest cities), so virtually no land is available for infill or multifamily units. As a result, many jurisdictions simply cannot build enough housing to meet demand.

TRANSPORTATION AND INFRASTRUCTURE

Monterey County has a developing transportation system that consists of the Transportation Agency for Monterey County (TAMC), which is the transportation planning agency, and Monterey-Salinas Transit (MST), which is the County's primary public transportation agency. MST's 128-bus fleet operates on over 61 routes in a service area of 295 square miles. TAMC oversees projects, including bike and pedestrian lanes, bus transit schemes, highway safety, and rail planning services.

Interstate and Roadways

In Monterey County, 81.5% of workers 16 years and older commute by car, truck, or van. Mean commute time is estimated at just under 23 minutes, but a quarter of the workforce commutes 30 minutes or longer.⁷⁰ In recent years, ride-hailing services have become increasingly popular in Monterey County. In 2018, 8.7% of workers 16 and older used a taxi, motorcycle, or similar means as the primary mode of transportation, a significant jump from just 3% in 2010.

Falling revenue has been a major challenge in transportation funding in Monterey County. The passage of Measure X in 2016 (a $\frac{3}{8}$ -cent-on-the-dollar sales tax dedicated to improving the transportation network) and Senate Bill 1 in 2017 have helped Monterey County receive significantly more transit funding.⁷¹ But a large backlog of local street and road maintenance needs exists. Even with funds from Measure X and SB1, TAMC expects it will take several years to

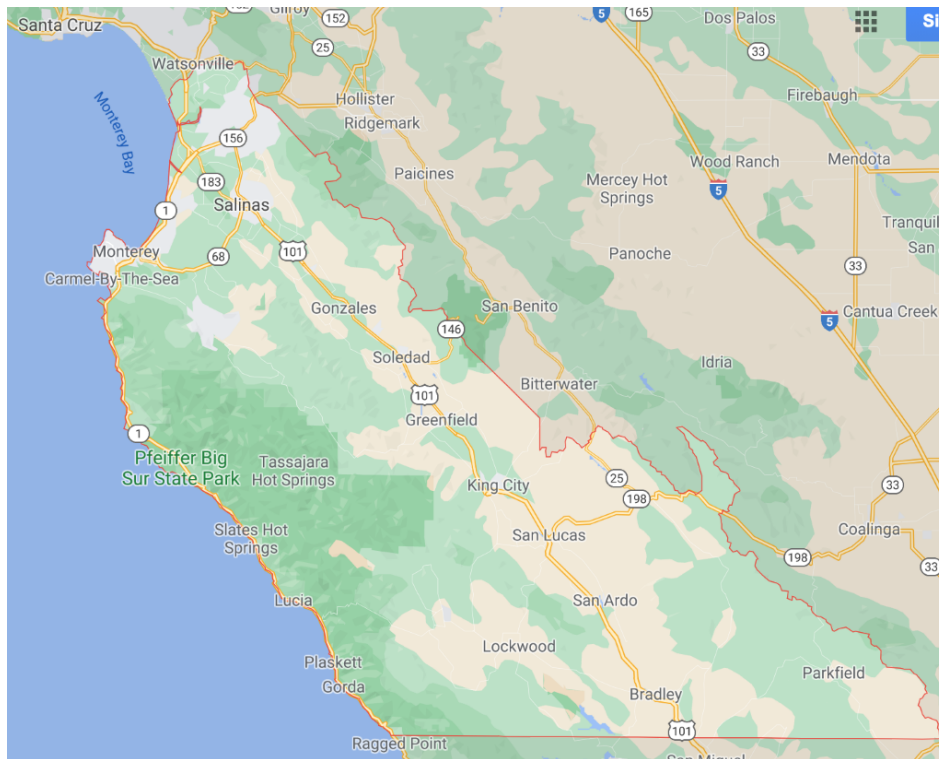
⁷⁰ 2018 American Community Survey 5-year estimates

⁷¹ Transportation Agency for Monterey County (2018). 2018 Monterey County Regional Transportation Plan. Accessed on October 29, 2020. Retrieved from: <https://www.tamcmonterey.org/files/d171e64be/2018-RTP-3.pdf>

fully meet these needs.⁷² Moreover, the 2018 Regional Transportation Plan identified \$3.71 billion in costs for local street and road operations, maintenance, and rehabilitation needs across Monterey County, but just 11.8% of the costs is assumed to be funded in the plan. Finally, Federal funding of local transit and regional road projects has been significantly reduced through the elimination of Federal earmarks.

Monterey County's primary transportation corridors go north-south: U.S. 101 connects the inner cities and California 1 connects the coastal areas. California 198 extends east from San Lucas toward Fresno County, California 146 extends east from Soledad toward San Benito County, and California 68 extends west from Salinas toward Seaside and Monterey. During peak morning hours on a typical weekday, significantly more traffic is westbound than eastbound. Before the COVID-19 pandemic, California 156 had significant commuter and tourist traffic into Monterey.⁷³ The major routes east into Monterey, California 156 and California 68, are insufficient to handle high-speed commuter traffic.

Figure 4.5: Major Highways in Monterey County



Draft

Source: Google Maps

Monterey County's local streets and roads are in significantly worse shape than the statewide average, according to the 2018 California Statewide Local Streets and Road Needs

⁷² Transportation Agency for Monterey County (2018). 2018 Monterey County Regional Transportation Plan. Accessed on October 29, 2020. Retrieved from: <https://www.tamcmonterey.org/files/d171e64be/2018-RTP-3.pdf>

⁷³ A Study of Monterey County Commuter Conditions. County of Monterey. Accessed Oct, 30, 2020, from <https://www.co.monterey.ca.us/home/showdocument?id=27563>

Assessment.⁷⁴ On a Pavement Condition Index scale of 0 (failed) to 100 (excellent),⁷⁵ the County received a score of 49 (poor) in 2018 compared with a score of 65 statewide, earning a rank of 51 out of 58 (with rank 1 being the best).

The County's road conditions have worsened significantly over the past 10 years, declining from a score of 63 (at risk) in 2008 to 49 in 2018. Unincorporated and rural areas tend to have worse road conditions than cities. Coastal cities such as Seaside and Pacific Grove received higher marks (scores of 61 to 70) than cities such as Salinas and King City (scores of 50 to 60), but unincorporated areas scored below 50. None of the areas in Monterey County scored 71 or above (good). Similarly, Monterey County's bridges are in significantly worse shape than the statewide average. The County received an overall sufficiency rating of 69 versus 81 statewide.⁷⁶ Of the 137 bridges in Monterey County, 15.3% need replacement (a rating of 50 or below) and 23.4% need rehabilitation (51 to 80).

Public Transportation

Public transportation use in Monterey County is much lower than it is statewide. In 2018, just 1.6% of workers 16 and older used public transportation to get to work, compared with 5.1% statewide. It is not just Monterey County; public transportation use is low throughout the Central Coast. Like many areas in California, the percentage of commuters using public transportation has fallen in the last decade, from 2.4% in 2010 to 1.6% in 2018.

MST provides bus service in the greater Monterey and Salinas areas, with express service to Santa Cruz County and San Jose to the north and Paso Robles to the south. There were 4.35 million boardings in 2019, an average of 11,917 daily.⁷⁷ Boardings are generally highest in August and lowest in December and January, reflecting the County's busy summer season. The agency operates over 50 bus routes plus a few special service routes. MST offers daily service routes to tourist hotspots such as Big Sur (line 22), the Carmel Valley (line 24), and San Jose (line 55 and 86).

Figure 4.6: Monterey-Salinas Transit Regional Map

⁷⁴ Nichols Consulting Engineers, Chtd. (2018, October). California Statewide Local Streets and Roads Needs Assessment. Accessed Oct. 30, 2020, from <https://www.savecaliforniastreet.org/wp-content/uploads/2018/10/2018-Statewide-Final-Report-1.pdf>

⁷⁵ The Pavement Condition Index rates the condition of the surface of a road network.

⁷⁶ The sufficiency rating is an overall assessment of a bridge's fitness based on factors derived from multiple National Bridge Inventory data fields: structural evaluation, functional obsolescence, and essentiality to the public. A low sufficiency rating may be due to structural defects, narrow lanes, low vertical clearance, and other issues.

⁷⁷ Based on calculations using data from the National Transit Database, Department of Transportation.

At present, MST offers limited and infrequent transit services. Route 41 (Northridge-Salinas) is the only route whose wait time between vehicles is 15 minutes or less on the weekdays. Even some of the major bus routes (including 23, 24, 28, and 29) have wait times of 30 minutes or longer, and most of the other routes have wait times of at least 60 minutes.

Figure 4.7: Transportation Agency for Monterey County (TAMC) Rail Network Map



Source: Transportation Agency for Monterey County

Broadband

Unequal broadband access and a “digital divide” (which includes both accessibility as well as digital literacy) are issues in Monterey County. Although access is a countywide issue, it is more pronounced in rural areas such as in northern Monterey County, Big Sur, and the Salinas Valley. Average download speeds in the County (111 megabytes per second, or Mbps) are 60% above the California average, but not everyone has sufficient access.⁷⁸ The FCC defines broadband as a minimum speed of 25 Mbps download and 3 Mbps upload. Currently, 27,000 people lack access to 25 Mbps wired broadband in the region.⁷⁹ Residents in parts of the County, particularly in lower-income areas, have access only to slow and expensive broadband. For example, in Gonzales, top download speeds for businesses range from 10 Mbps to 20 Mbps, and connections costing more than \$199.99 monthly get top speeds of 15 Mbps.⁸⁰ The COVID-19 pandemic has put pressure on digital bandwidth for many underserved households and those

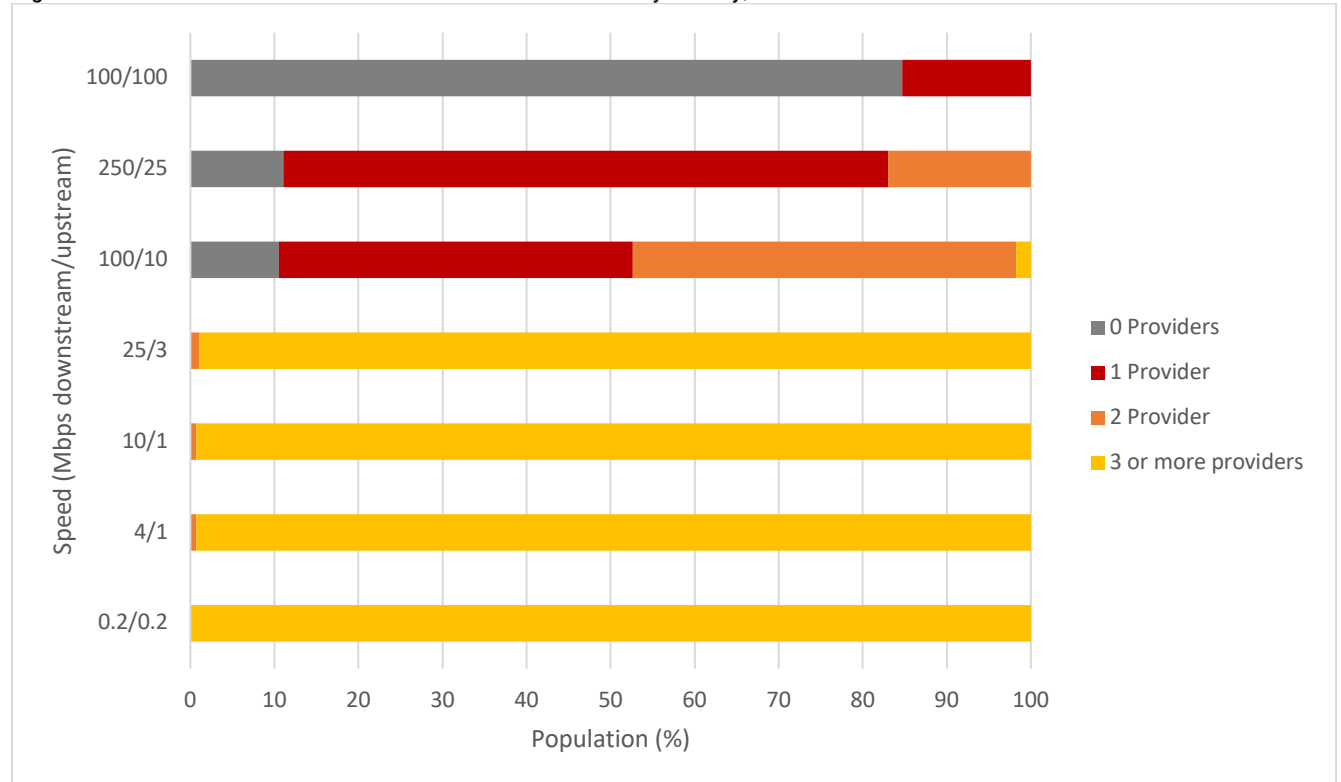
⁷⁸ BroadbandNow. (2021, February). Internet Access in Monterey California. Accessed Feb. 11, 2021, from <https://broadbandnow.com/California/Monterey>

⁷⁹ BroadbandNow. (2021, February). Internet Access in Monterey California. Accessed Feb. 11, 2021, from <https://broadbandnow.com/California/Monterey>

⁸⁰ Argueza, M. (2018, March 1). About 30% of Monterey County doesn't have high-speed internet. Some businesses and city governments are trying to fix that. Monterey County Weekly. Accessed Nov. 5, 2020, from https://www.montereycountyweekly.com/news/cover/about-30-percent-of-monterey-county-doesn-t-have-high-speed-internet-some-businesses-and/article_4d23b65a-1ce6-11e8-bcde-87000d561763.html

who lack access. The speed and availability of household internet also limit the types of services households can use (Table 32).

Figure 4.8: Fixed Residential Broadband Providers in Monterey County, 2020⁸¹



Source: Federal Communications Commission

Table 4.6: Broadband Coverage, 2018

	Percentage of Households with Internet Service ⁸²	Percentage of Households at Regional Standard ⁸³
Monterey County	81%	63%
Santa Cruz County	86%	76%
San Benito County	90%	75%

Source: Monterey Bay Economic Partnership and California Public Utility Commission

⁸¹ In this figure, the y axis plots varying broadband speeds available in the region. The x-axis plots the percentage of the population with the respective speed and the number of providers offering those speeds to the percentage of the population. A region with diversified providers and speed options signals a healthy broadband ecosystem. Conversely, a region with fewer speed options and provider diversification signals a fragmented broadband ecosystem.

⁸² Includes mobile, satellite, wireless, dial-up, and borrowed Wi-Fi

⁸³ 100 Mbps download speed and 20 Mbps upload speed

Fast, reliable internet access is needed by residents to use telehealth services, by small businesses for daily operations, and for students now learning in an online environment. In March 2020, 11,291 students in the region lacked sufficient internet access, and 9,839 lacked access to a device to access the internet. County and Office of Education efforts helped reduce that figure to 1,120 students without access to a device and 1,082 students without access to the internet by November 2020. The County along with the Office of Education helped lower the digital divide by using CARES Act funding and community donations to ensure more students have internet and device access during the pandemic. Hundreds of students lacking sufficient internet access entering the pandemic illustrates the digital divide in the region.

The region has several providers offering the minimum broadband benchmark speeds of 25 Mbps, but few providers offer speeds of 100 Mbps and above in more rural areas. Furthermore, broadband benchmark speeds of 25 Mbps are not adequate in the post-COVID-19 environment in which multiple family members are using a single connection for work, school, health services, and leisure. Residents of Carmel-by-the-Sea, Monterey, Seaside, Marina, and Salinas have greater internet access and connectivity than those in Soledad, Greenfield, Gonzales, and King City.

CALLOUT BOX: What has Monterey County done to narrow the digital divide?

- To address unequal access to broadband, Monterey County libraries have created Wi-Fi hotspots in underserved areas such as Big Sur, Greenfield, and King City. The Monterey County Office of Education (MCOE) formed a Digital Equity task force to address the digital divide among students in the region.⁸⁴ The MCOE recently partnered with Monterey-Salinas Transit to remedy the technological divide by sending Wi-Fi-equipped buses to certain locations so that families can park nearby to get connectivity from their cars.
- The County Board of Supervisors has a referral on the digital divide that aims to bring the County, K-12 school districts, city governments, and community partners together to assess the issue and create solutions. □Also, in November 2020, supervisors changed the board's Legislative Program to support state and Federal legislative efforts addressing the digital divide.⁸⁵
- The City of Salinas is working on a Municipal Dark Fiber network, collaborating with other owners of broadband infrastructure to help enable other internet service providers to access the Salinas market.
- With the Marina Foundation, the City of Marina's Broadband Project seeks to connect City employment centers with publicly owned broadband infrastructure to improve options and reduce costs for data-intensive industries.
- The Monterey Bay Economic Partnership and Central Coast Broadband Consortium are working to ensure the region has 100% broadband coverage at 100/25 Mbps. Recent infrastructure developments include the Sunesys fiber-optic middle mile project, the Surfnet Paradise Road project, and the Central Coast Broadband Expansion. The first stage, to increase connectivity in the short term, began with the delivery of hotspot access for students. Underserved areas such as the Pajaro Valley were covered through partnerships with COE and Curzio Internet.

⁸⁴ Rodriguez, D. (2020, May 25). Monterey County Office of Education bridging the digital divide. The California. Accessed Nov. 5, 2020, from <https://www.thecalifornian.com/story/news/2020/05/25/monterey-county-office-education-bridging-digital-divide/5251626002/>

⁸⁵ County of Monterey (2020, November 17). Board Referral No. 2020.25. Retrieved from <https://monterey.legistar.com/LegislationDetail.aspx?ID=4694724&GUID=37E07BF4-947B-4E29-B4DF-8A162D9FEA52&Options=&Search=&FullText=1>

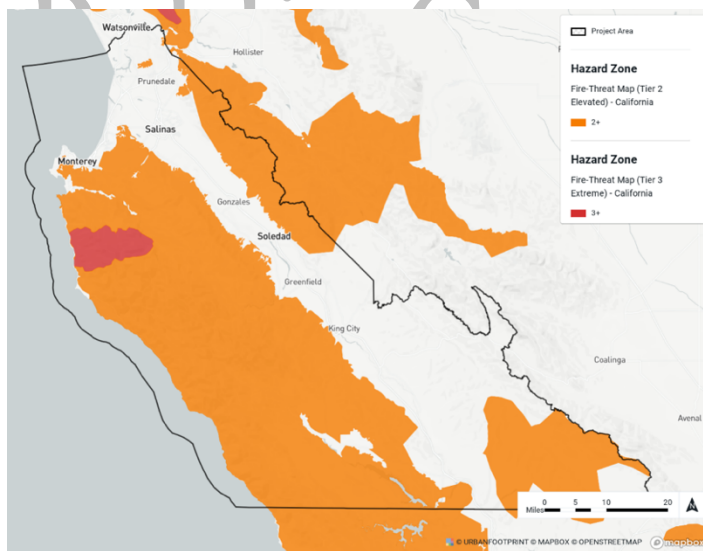
CLIMATE CHANGE AND ENVIRONMENTAL HAZARDS

Major environmental threats to Monterey County include natural disasters such as wildfires, earthquakes, wind storms, flooding, mudslides, and droughts. Anthropogenic impacts include air pollution, degraded water quality, and land loss and erosion. These environmental issues are crucial because Monterey County's economy is highly dependent on environmental factors and stability. The County is also susceptible to extreme weather variations and should continue to take these environmental threats into consideration in planning and economic development.

Wildfire Hazards

In recent years, wildfires have become an increasingly menacing threat to California. Over half of Monterey County's land mass is at elevated or extreme wildfire risks; the coastal area as a whole is at significantly higher risk than the Salinas Valley from wildfires. Particularly, the area west of Carmel-Valley and north of Pfeiffer Big Sur State Park is at extreme risk.

Figure 4.9: Fire Threat Map: Wildfire Hazard Zone⁸⁶



Source: California Public Utilities Commission; UrbanFootprint

Intense fires harm the waterways, soil, and the land itself. This means wildfires tend to hurt Monterey County's key industries (Agriculture and Hospitality) more than other industries. Exposed soils erode and enhance siltation of rivers, which increases flood

⁸⁶ Tier 2 and Tier 3 fire-threat areas depict areas with elevated risk and extreme risk (including likelihood and potential impacts on people and property), respectively, from utility-associated wildfires. The map was last updated in April 2020.

risks, degrades water quality, and harms aquatic life. Land stripped of vegetation can lead to debris flows.

In recent years, wildfires have greatly intensified in California even though the drought ended in 2017.⁸⁷ The Soberanes Fire in 2016 burned 132,127 acres, destroyed 57 homes and 11 outbuildings, and ravaged the largest Pacific madrone tree in the United States in the Joshua Creek Canyon Ecological Reserve.⁸⁸

The costliest wildfire to date (\$206 million), the Soberanes Fire had major impacts on Monterey County's economy, government, and residents. It caused more than \$5 million in damage to public infrastructure, such as roads impacted by heavy firefighting equipment, burned bridges, fences, and buildings. Many displaced residents, whose homes were destroyed or damaged, were underinsured or uninsured. In addition, private water systems were damaged or destroyed, resulting in a loss of potable water for affected residents. The fire erupted at the height of the County's summer tourism season, resulting in an estimated 40% less revenue and significant losses of income, jobs and tax revenue for Carmel and Big Sur.

2020 was an extremely unfortunate year for Monterey County.⁸⁹ Its main economic engines were battered by the pandemic, and the wildfires added more damage to the industries. The pandemic halted local tourism, and wildfires have broader impacts that affect regional markets such as wine. Farmers and wineries reported grapes tainted by wildfire smoke; these cannot be processed into wine. Because of the wildfires, some wine sales and distribution contracts were abandoned or canceled.

Wildfires also affect the production and harvest of other crops. Inhaling wildfire smoke and chemical residue poses great health risks; farmers on the field needed to stop working or be provided appropriate protective gear, such as N95 masks. In addition, farmworkers are disproportionately affected by COVID-19. In 2019, California's Division of Occupational Safety and Health implemented new standards for protecting outdoor workers from wildfire smoke.⁹⁰ The use of a mask is dependent on how bad the air quality is, however, and there was no clear definition of bad air quality as it pertains to working conditions for farm laborers. In addition, enforcement was lacking. A survey by Union Farm Workers found that 84% of the farmworkers surveyed did not receive a mask and worked when the air quality was bad.⁹¹ Unfortunately, farmworkers have little to no recourse; farm work is mostly low-paid and without health benefits, and choosing not to work for safety reasons means not making ends meet.

The Carmel and River fires were worsened by inadequate controlled burns performed in the original footprints of the flames during the decade before the fires. Controlled burns renew the plant system while protecting against future structural damage. In California, CalFire is responsible for carrying out controlled burns. Unfortunately, local communities opposed and

⁸⁷ Source: CalFire.

⁸⁸ Alexander, K. (Oct. 6, 2016). Giant Pacific madrone is a likely victim of Soberanes Fire. Seattle Post Intelligencer. Accessed Dec.11, 2020, from <https://www.seattlepi.com/bayarea/article/Before-and-after-See-the-record-size-tree-that-9876266.php#photo-11356744>

⁸⁹ The Dolan Fire burned 124,924 acres and destroyed 14 homes and five other structures and was barely 98% contained as of Dec. 7, 2020. The River Fire burned 48,088 acres, destroyed 13 homes and 17 structures, and damaged 13 other structures. The Carmel Fire burned 6,905 acres, destroyed 50 homes and 23 structures, and damaged seven other structures.

⁹⁰ More information: <https://www.dir.ca.gov/dosh/wildfire/Worker-Protection-from-Wildfire-Smoke.html>

⁹¹ Mahoney, E. (Sept. 7, 2020). Farm Workers Face Double Threat: Wildfire Smoke and COVID-19. npr.org. Accessed Dec. 11, 2020, from <https://www.npr.org/2020/09/07/909314223/farm-workers-face-double-threat-wildfire-smoke-and-covid-19>

rejected these mitigation efforts. In the case of Carmel Fire, residents of Sky Ranch, a million-dollar home community, did not want controlled fires nearby and repeatedly blocked CalFire's controlled burns.⁹²

Although people have become more motivated to prepare for disasters, they are still likely to lack adequate insurance and emergency savings, and few are involved in community preparedness and emergency drills. Amid the double threat of COVID-19 and wildfires, resources and grants are available to farmers and ranchers affected by wildfires.

- Monterey County Recovers Program: Using an online form, applicants can request toiletries, transportation services, and other services and supplies.⁹³
- Monterey County Community Resilience Program: This provides a community analysis and recommendations for boosting resilience, along with public surveys, a preparedness web page, and outreach packets to help County residents work together to prepare for disasters.⁹⁴
- California Farm Bureau Federation:⁹⁴ This offers a comprehensive relief guide and assistance for small-business owners, homeowners, and farm operators.⁹⁵
- Emergency Forest Restoration Program:⁹⁵ This helps private landowners restore forest health damaged in natural disasters with direct payments.⁹⁶

Threatened Water Resources

Like many counties in the state, Monterey County has water shortages and scarcity issues. Despite water efficiency gains over the past decade, scarcity in the region persists. Increasing population, periods of drought, and competing demands challenge water availability.⁹⁷ Water supply and control in Monterey County have been historically controversial, with debates revolving around ownership of the supply (public versus private), water system methods, access, and costs. Over the past 60 years, dam and desalination plans have failed amid competing priorities, lack of funding, and lack of consensus. Decades of legal battles have failed to form a consensus regarding long-term solutions for the region's water supply.

Today regional water agencies, local institutions, and advocacy groups remain in litigation limbo. The debate around water conservation and extraction methods continue, with Cal Am lobbying for the completion of its proposed desalination plant and other local agencies such as Public Water Now lobbying for an expansion of the region's water recycling plant (Pure Water Monterey). As local agencies discuss the benefits of various water systems, the debate around

⁹² Cimini, K. (August 28, 2020). Some residents shot down controlled burn that could have mitigated Carmel Fire. Salinas Californian. Accessed Dec. 11, 2020, from <https://www.thecalifornian.com/story/news/2020/08/28/residents-shot-down-california-prescribed-burn-mitigated-carmel-fire/5621524002/>

⁹³ More information: <https://montereyco.recovers.org/>

⁹⁴ More Information: <https://www.co.monterey.ca.us/government/departments-a-h/administrative-office/office-of-emergency-services/resilience>

⁹⁵ More information: <https://www.cfbf.com/wildfire-aid/>

⁹⁶ More information: <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/emergency-forest-restoration/>

⁹⁷ Hanak, E., Lund, J., Thompson, B., Bowman Cutter, W., Gray, B., Houston, D., Howitt, R., Jessoe, K., Libecap, G., Medellin-Azuara, J., Olmstead, S., Sumner, D., Sunding, D., Thomas, B., and Wilkinson, B. (2012). Water and the California Economy. Public Policy Institute of California. Accessed in November 2020 from https://law.stanford.edu/index.php?webauth-document=publication/385240/doc/slspublic/R_512EHR.pdf

public versus private ownership of water continues, with advocacy groups challenging Cal Am's control of the local water system. Currently, the environmental impact report, an outcome of Measure J regarding the public acquisition of Cal Am's regional water system, has been certified by the Monterey Peninsula Water Management District board. The feasibility of the acquisition is still being contested.⁹⁸ Water conservation and system efficiency have been subjects of an ongoing debate. Various potential ideas have been proposed, but the lack of consensus has prevented long-term solutions.

Outside the water debate, local stakeholders in the Monterey County focus groups spoke of water being "weaponized" in the region. An example was the San Lucas Water District not having access to a potable source because residents blocked grant easements for transmission lines.

The lack of consensus in addressing water scarcity has several implications for future growth. Water shortages and limits on use restrict agricultural growth and the types of crops that can be grown, although the industry has increased water efficiency over the years. Regions with water shortages and limits on use have less maneuverability amid market changes (consumption changes) such as increased demand for water-intensive crops and products.

Water scarcity also impacts other industries, such as technology firms, which need water where data centers are sited. Water scarcity will also act as a bottleneck in attracting tech firms and startups with data server requirements. The lack of water access for certain communities also exacerbates inequity. Water scarcity will have to compete with the land, as property will be needed for water management and water recycling and desalination plants. The demand for land for water needs can limit land needed for housing. Failure to address water scarcity will have implications on industry growth, population growth, and equity in the region.

Air Quality

Despite having a large and productive agricultural sector, air quality in Monterey County is generally good and much better than most of California and the nation, especially on the coast, thanks to its abundance of natural greenery. But air quality in the Salinas Valley, where most agricultural activities occur, is worse than in the coastal area. Census tracts and ZIP codes in the Salinas region ranked higher in the CalEnviroScreen 3.0 list which scores ZIP codes by pollution (40% and above percentile range). Conversely, Carmel, Pacific Grove, and Monterey ranked lower in pollution by score (1% to 5% percentile range).

Ozone

In Monterey County, the maximum eight-hour ozone concentration ranges from 0.0325 parts per million (ppm) in Salinas and Monterey to 0.0443 ppm in Soledad and Greenfield, whereas the range statewide is 0.0264 to 0.0678 ppm.⁹⁹ The national standard is 0.08 ppm. Ozone concentration is lower in Monterey County than statewide and is well within the national standard limit.

⁹⁸ Johnson, J. (2020, Oct. 30). Public water buyout EIR certified. Monterey Herald. Accessed in November 2020 from <https://www.montereyherald.com/2020/10/30/public-water-buyout-eir-certified/>

⁹⁹ Source: CalEnviroScreen3.0, California Office of Environmental Health Hazard Assessment

Over the past 15 years, Monterey County and the state have lowered ozone concentration. Thanks to emissions controls, the number of exceedance days has declined even though population has increased slightly. These programs and rules have been crucial:

- California Air Resources Board's (CARB's) Low Emission Vehicle Program: This led to major declines in NO_x and ROG emissions from motor vehicles.
- CARB's Off-Road Motor Vehicle Program: This is responsible for the major declines for NO_x and ROG emissions from the Other Mobile Source emission category. This has reduced NO_x emissions from diesel-powered off-road trucks, agricultural equipment, and other heavy-duty equipment.
- CARB's Advanced Clean Cars: This program promotes new technologies for motor vehicles including low- and zero-emission vehicles and clean fuels.
- Pavley Fuel Standards: This program increases fuel mileage goals for new passenger cars and trucks, which will reduce fuel consumption and related emissions.
- District Rule 431, Emissions from Electric Power Boilers: This rule reduced NO_x by about 20 tons a day through reductions at the Moss Landing Power Plant. Total NO_x emissions from the plant, including its newer high efficiency gas turbines, are less than 2 tons a day.
- District Rule 1002 Transfer of Gasoline into Vehicle Fuel Tanks: This continues to produce a 90%-plus reduction in ROG and in toxic emissions from the gasoline vapors emitted during refueling.
- District Rule 426 Architectural Coatings: This rule limits the emissions of Volatile Organic Compounds (VOC) in the formulation of various architectural coatings.

Particulate Matter 2.5 (PM_{2.5}) and Particulate Matter 10 (PM₁₀)

High levels of PM_{2.5} particulate matter in the air can cause reduced visibility and health issues. These inhalable particles are a result of burning fuel and natural chemical reactions. Sources include environmental dust, construction dust, and airborne bacteria. The primary difference between PM_{2.5} and PM₁₀ is the diameter; PM_{2.5} particles are smaller and pose a greater health risk.

Diesel Particulate Matter (DPM)

Exhaust from trucks, buses, trains, ships, and other equipment with diesel engines contains a mixture of gases and solid particles. These solid particles are known as diesel particulate matter, or DPM. Human exposure to DPM should be minimized because it is a suspected carcinogen. Because DPM emissions are from on-road and non-road sources, concentration tends to be the highest in inner-city or urban core areas, where there are more diesel engine vehicles. In Monterey County, DPM ranges from 0.08 to 25.04 ppm; state figures are 0.02 to 253.73. Concentration is highest in Salinas and Monterey.

* * *

The Monterey Bay Air Resources District, responsible for overseeing air quality in Monterey, Santa Cruz, and San Benito counties, continues to progress toward lowering the eight-hour ozone standard. The district also supports programs that reduce ozone precursor emissions, implements rules when necessary, and maintains robust permitting and enforcement programs.

Public Comment Draft

PART 5: CURRENT ECONOMIC DEVELOPMENT INITIATIVES

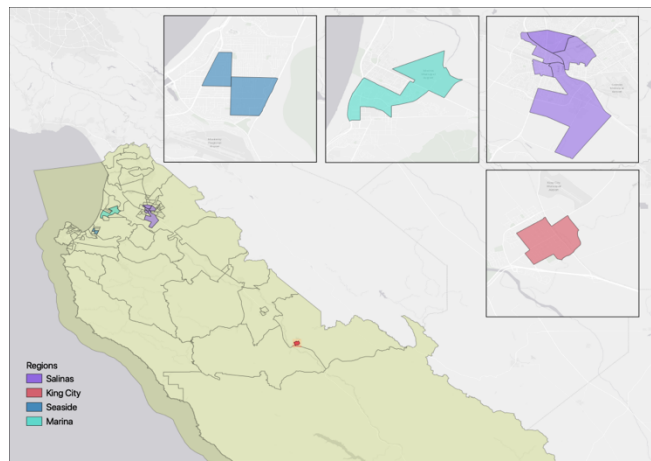
OPPORTUNITY ZONES

Opportunity Zones, a product of the Tax Cuts and Jobs Act of 2017, are designated areas in economically distressed communities. Investors are incentivized to fund and finance infrastructure and economic development projects in these zones through tax deferrals and/or reductions in capital gains tax liabilities through a combination of:

- **Temporary Deferral:** Investors can effectively defer capital gain taxes until Dec. 31, 2026. Deferred gains must be rolled over into an Opportunity Fund (OF).
- **Step-Up in Basis:** The deferred capital gains liability held in the OF is reduced 10% if the OF is held five years. If the OF is held seven years, there is another reduction of 5%. Holding an OF fund for seven years can reduce overall tax liability 15%.
- **Permanent Exclusion:** An exemption on capital gains tax applies to investments made through the OF if the investment is held for 10 years.

Monterey County has nine Opportunity Zones (defined by Census Tract) in four cities: five census tracts in Salinas, two in Seaside, one in Marina, and one in King City. A total of 12,868 households and 42,920 County residents live in qualified opportunity zones. 35,599 of those live-in census tracts¹⁰⁰ above the average California poverty rate of 17.8%. The two locales that fall below the California average poverty line are Marina City and the Abbott Street and Alisal Marketplace area of Salinas. All renters in the opportunity zones areas are considered rent-burdened. Those living in Seaside are more rent-burdened than those in King City. All nine opportunity zones in the region are designated as low-income communities.

Figure 5.1: Opportunities Zones in Monterey County



Source: California Opportunity Zones

¹⁰⁰ Census tracts are statistical geographic subdivisions that cover a contiguous area of a county featuring populations of roughly 1,200 to 8,000 people.

Table 5.1: Opportunity Zones in Monterey County

City	Census Tract	Population	Median Household Income	Below Poverty Line	Unemployment Rate
Salinas	000400	8,489	\$48,886	21%	8.7%
	001802	5,439	\$56,375	25%	
	014500	4,542	64,519	14%	
	000502	3,919	\$51,111	18%	
	001300	2,565	\$25,828	34%	
Marina	014102	2,779	\$63,056	16%	8.4%
Seaside	013500	5,099	\$61,012	26%	8.0%
	013700	4,472	\$42,635	22%	
King City	011302	5,616	\$37,623	28%	4.3%

Source: Source: American Community Survey, California Employment Development Department, and Opportunity Zones Database ¹⁰¹

Current Redevelopment and Opportunity Zone Planning Efforts

Salinas, Marina, and King City are using opportunity zones in redevelopment. Salinas has identified main potential project sites on Division Street and Lincoln Avenue. Seventeen parcels in the Lincoln Avenue Corridor are envisioned for mixed-use development, a civic center, and a parking structure. The redevelopment efforts in the Lincoln Avenue Corridor are being facilitated by the Salinas Downtown Vibrancy Plan.¹⁰² On Division Street, seven properties are being considered for redevelopment, with efforts led by the Alisal Vibrancy Plan¹⁰³. Abbott Street and the Alisal Marketplace have been envisioned for mixed-use development. Finally, Salinas is planning to redevelop Chinatown and recently completed the Chinatown Revitalization Plan.¹⁰⁴

Marina's Opportunity Zone Prospectus includes redevelopment of parcels in Cypress Knolls, Dunes, Marina Airport Gateway, Marina Airport, Marina Arts District, Sea Haven, and Stockade. The plans include housing units, industrial/retail/commercial/research space, and mixed-use facilities.¹⁰⁵ King City and Seaside have redevelopment plans that cover their opportunity zone census tracts. Redevelopment efforts in King City are envisioned as part of the Downtown Addition Specific Plan.¹⁰⁶ Redevelopment in Seaside is being guided by the General Plan 2040.

¹⁰¹ Unemployment as of October 2020. UI rates for the census tracts are extrapolated from the Census Designated Places (CDP) numbers: <https://www.labormarketinfo.edd.ca.gov/file/1fmonth/montesub.xls>

¹⁰² More information on Salinas Opportunity Zone can be viewed at the City of Salinas' webpage on Opportunity Zones at <https://www.cityofsalinas.org/node/5534>

¹⁰³ Unemployment as of October 2020. UI rates for the census tracts are extrapolated from the Census Designated Places (CDP) numbers: <https://www.labormarketinfo.edd.ca.gov/file/1fmonth/montesub.xls>

¹⁰⁴ Myrick, A. (2019, November). Salinas Opportunity Zones [Presentation]. City of Salinas. Accessed in November 2020 from <https://selectcentralcoast.org/wp-content/uploads/2019/11/Salinas-MBOZ-OpportunityZone-Prospectus-111519.pdf>

¹⁰⁵ Long, L. and Lidloff, M. Opportunity Zone Prospectus [Presentation]. City of Marina. Accessed in November 2020 from <https://ordforward.org/wp-content/uploads/2019/03/CityofMarina-OZ-Prospectus.pdf>

¹⁰⁶ More information on King City's Downtown Addition Specific Plan can be viewed at <http://www.kingcity.com/city-government/downtown-addition/>

The general plan of Seaside outlines redevelopment of the opportunity zone census tracts into a vibrant employment center and low- and medium-density housing hub.¹⁰⁷

Table 5.2: Select Opportunity Zone Projects in Monterey County

City	Type	Agency	Project
Seaside	CCI	Air Resources Board	Clean Vehicle Rebate Project (CVRP)
Marina	CCI	Air Resources Board	Clean Vehicle Rebate Project (CVRP)
		Department of Water Resources	Water Link Monterey Bay Area
	Local Partnership Program (Line)	Transportation Agency for Monterey County	Marina Salinas Multimodal Corridor
King City	CCI	Air Resources Board	Clean Vehicle Rebate Project (CVRP)
Salinas	SB 1	Transportation Agency for Monterey County	Ford Ord Regional Trail and Greenway
			Regional Wayfinding Program
			Route 156 Safety Improvements
			Blackie Road Extension
			Pavement Preservation Project
			Traffic Management Systems Project
	CCI	Air Resources Board	Clean Vehicle Rebate Project (CVRP)
		Department of Transportation	Single Family Solar PV
			Weekends Without Fares in Salinas
		California State Transportation Agency	Monterey Bay Operations and Maintenance Facility/Salinas Transit Service Project
		Department of Community Services and Development	-
Marina, Monterey, Salinas, Sand City, and Seaside	State Transit Assistance	Transportation Agency for Monterey County	Bridge Revamp

Source: California Opportunity Zones

Table 5.3: Monterey County and Local Projects and Initiatives

PROJECT NAME	AGENCY	LOCATION	DESCRIPTION
--------------	--------	----------	-------------

¹⁰⁷ Raimi+ Associates, Lisa Wise Consulting, Rincon Consulting Inc., TJKM Transportation Consultants, Veronica Tam & Associates, and Whitson Engineers (2017, November). City of Seaside General Plan [Public Draft]. City of Seaside. Accessed in November 2020 from <http://seaside2040.com/wp-content/uploads/2016/05/Seaside-GP-Public-Draft-11072017-Screen.pdf>

Bradley Mitigated Negative Declaration	Monterey County Resource Management Agency	Bradley	Maintain and protect the Bradley Road Bridge piers from the impacts of soil and sediment erosion.
Carmel Valley Road Emergency Repairs MP 13.6 to 13.9	Monterey County Resource Management Agency	Carmel Valley	Ongoing repair project on Carmel Valley Road to repair the roadway from storm damage
Countywide Striping Project 2019	Monterey County Resource Management Agency	Countywide	Public works project that includes applying centerline striping and traffic control to roughly half of Monterey County's striped roads
Davis Road Bridge Replacement and Road Widening Project	Monterey County Resource Management Agency	Salinas	Public works project that replaces the low-level bridge over the Salinas River with a bridge that meets the current American Association of State Highway and Transportation Officials requirements
Gloria Road, Iverson Road, and Johnson Canyon Road Reconstruction	Salinas Valley Solid Waste Authority and Gonzales	Gonzales	Reconstruction efforts (recycling existing pavement surface and placing an asphalt overlay) on Gloria Road, Iverson Road, and Johnson Canyon Road from U.S. 101
Jolon Road Bridge Rail Replacement Project	Monterey County Resource Management Agency	Jolon	Improving bridge safety by replacing the existing bridge rails on Jolon Road (Bridge No. 327)
Las Lomas Drive Utility Relocation	Monterey County Resource Management Agency	Las Lomas	Utility (gas, electrical, water and cable) relocation project. The project consists of utility relocation by PG&E, AT&T and Cal Water Co., which includes trench excavation and traffic control.
Moss Landing Rule 20A Underground Utility District	AT&T	Moss Landing	Public works project to remove poles and obscure overhead utility lines in Moss Landing Road/Sandholdt Road by installing them underground
Old Stage Road Culvert Replacement	Monterey County Resource Management Agency	Salinas Valley	Public works project to replace and improve drainage along Old Stage Road
River Road Reconstruction	Monterey County Resource Management Agency	Salinas Valley	Reconstruction efforts (recycling pavement surface and placing an asphalt overlay) on River Road (from Limekiln Road to Gonzales River Road Bridge)
River Road Rehabilitation	Monterey County Resource Management Agency	Salinas Valley	Rehabilitation efforts (recycling pavement surface and placing an asphalt overlay) on River Road (from California 68 to Las Palmas Parkway)
Downtown Streetscape Project	King City	King City	A streetscape plan designed to revitalize (improvements of crosswalks, streetlights, public art, etc.) downtown King City
Downtown Plaza/Visitor and History Center Project	King City	King City	A plan to revitalize downtown King City by making it more activity-oriented
Chamber of Commerce and Agriculture/City of	King City	King City	A plan to support businesses by developing strategies and outreach efforts for new

King Ambassador Program			businesses. Includes workforce development through a partnership with the Small Business Development Center.
King City Hotel Project	King City	King City	A collaboration between the City and a hotel developer to create a hotel development project along the U.S. 101 corridor
South Monterey County Tourism Program	Various Government Agencies	King City, Greenfield, Soledad, and Gonzales	A partnership among King City, Greenfield, Soledad, and Gonzales to develop a thematic tourism marketing program (Steinbeck History, Wine Region, Ag Tourism, etc.)
Union Pacific Railroad	City of Gonzales	Gonzales	The development of an additional crossing over the Union Pacific Railroad to connect to Alta Street. The crossing is to facilitate the expansion of the Gonzales Agricultural Industrial Business Park.
Backbone Arterial Road	City of Gonzales	Gonzales	Development of road infrastructure to connect to the Vista Lucia region and the Puente del Monte region, where redevelopment efforts are being led. The road will connect to Associated Lane and Johnson Canyon road in a bid to reduce traffic.
Workforce Training Facility	UC Santa Cruz	Marina	A plan to create a 20,000- to 50,000-square-foot technical workforce training facility to provide development in aerospace, automation, and robotics technology cluster
DART Ecosystem Development	Monterey Bay DART	Marina	Cluster initiative to facilitate the continued growth of the Monterey Bay Drone, Automation & Robotics Technology (DART) ecosystem. The goal is to expedite the creation of 100+ jobs over three to five years.
City of Marina Arts Village	City of Marina	Marina	Redevelop existing 60,000-square-foot Arts District building into a creative structure for shops, artisan studios, office space, innovative light manufacturing, foundries, museums, and indoor/outdoor entertainment.
Marina Broadband Project	Marina/Marina Foundation	Marina	Connects Marina employment centers with publicly owned broadband infrastructure. The project aids companies that require access to fiber networks to locate in Marina.
Growers Ice 3	City of Salinas	Salinas	Infrastructure capacity improvements to support the redevelopment of a 28-acre precooling, cooling, storage and shipping campus that meets industry standards. Existing facilities are 50+ years old and inefficient. The site is in an Opportunity Zone.
Ag Industrial Center	City of Salinas	Salinas	Infrastructure improvements to support development of a 257-acre complex devoted

			to agricultural-related uses including value added processing. The site is in an Opportunity Zone.
Work, John, Abbott Streets	City of Salinas	Salinas	Transportation and utility infrastructure improvements required to redevelop underused properties including an obsolete agricultural shipping facility and with job generating uses. Sites are in an Opportunity Zone.
Airport/Salinas Travel Center	City of Salinas	Salinas	Transportation and utility infrastructure improvements required to develop properties at the Salinas Municipal Airport and Salinas Travel Center
Firestone Facility	City of Salinas	Salinas	Collaboration with the County to increase infrastructure capacity and connect a former tire manufacturing facility to city sewer infrastructure to allow for more intensive manufacturing uses and job creation. The facility is 1.2 million square feet.
Infrastructure to support Future Growth Area Development	City of Salinas	Salinas	Infrastructure is needed to facilitate and support the future development of the City's EDE future growth areas K, M, and West and Central Area Specific Plans as employment centers including a business park, general and light industrial, and commercial retail uses.
Infrastructure to support Infill Development	City of Salinas	Salinas	Infrastructure is needed to support the redevelopment of multiple opportunity sites in the Opportunity Zone.
Alisal Market Place	City of Salinas	Salinas	Light industrial flex space, live-work units, co-working space, and mixed-use commercial retail
Chinatown	City of Salinas	Salinas	Light industrial flex space, live-work units, co-working space, and mixed-use commercial retail
Lincoln Avenue Corridor	City of Salinas	Salinas	Redevelopment of multiple publicly owned parking lots and buildings within the Salinas City Center (Downtown) with housing or other private development
Intermodal Transportation Center	City of Salinas	Salinas	Transit-oriented development at the site of a historic train station
Municipal Dark Fiber Network Installation	City of Salinas	Salinas	Partnership among Salinas local broadband infrastructure providers to facilitate infrastructure access to other internet service providers who want access to the Salinas market
Del Dono Project	City of Carmel	Carmel	Development of a 11,679-square-foot two-story mixed-use building with 1,697 square feet of commercial space and eight residential units

Lincoln Lane Project	City of Carmel	Carmel	Demolition and reconstruction of a restaurant building (8,000-square-foot site) on Lincoln Lane. The plan includes two single-story commercial buildings surrounding a courtyard.
The Seaside Resort Development Project	Seaside	Seaside	Proposal to develop a mixed-use (entertainment, retail, housing, and lodging) urban village with a centralized main street. The plan includes pedestrianized streetscapes and park and ride facilities.
The Ascent Project	Seaside	Seaside	A workforce rental housing project that includes 90 units and townhouses (1 to 3 bedrooms) and 16 low-income units. The project includes a 4,000-square-foot retail space, shared parking area, and green space areas for residents.
Seaside Senior Living Project	Seaside	Seaside	Development of a 144-bed residential care facility for senior assisted living services
Various Development Projects	Community Hospital Properties	Monterey	Numerous ongoing projects to increase the expansion (medical office building, parking garage) and capacity (outpatient clinic unit and increased psychiatric health facility beds) of Community Hospital Properties

Public Comment Draft

PART 6: ASSESSMENT

The previous sections focused on the health and prospects for Monterey County's key industries through the lens of traditional economic indicators. But the economic well-being of the County's workers, residents, and businesses depends on factors that are not necessarily quantifiable. This section places the preceding analysis in context and assesses the County's competitive advantages and challenges.

COMPETITIVE ADVANTAGES

The Monterey County Board of Supervisors identified several economic pillars that can be leveraged to drive economic growth.

DEFENSE SECTOR

The region's significant defense sector includes many institutions (Naval Postgraduate School, Defense Language Institute, Fleet Numerical Meteorology, Oceanography Center, and Fort Hunter Liggett, among others) working in cybersecurity, languages, and other national security fields. Military-related employment accounts for roughly 6% of County employment. The sector has 18,300 jobs (direct and indirect military employment) in the region, of which 7,700 are in the private sector, a recent report¹⁰⁸ by the Monterey Bay Defense Alliance and the Middlebury Institute of International Studies at Monterey shows. Private sector military employment is spread across all sectors of the local economy, including in Construction (19%), Retail Trade (16%), Professional Services (12%), Health Care (12%), and Accommodation & Food Services (10%). The industry generates \$4.3 billion in gross output and \$1.4 billion in personal income per year.¹⁰⁹ The presence of these institutions can also aid spillovers and technology transfer into related sectors. Defense institutions can also facilitate the growth of subsectors such as emerging and advanced technology.

RESEARCH & DEVELOPMENT

The region has several Research & Development institutions in cybersecurity, public policy, oceanography, defense, astronomy, and an emerging ecosystem of drone and robotics-related research. The presence of these R&D institutions can be leveraged to encourage spillovers into other sectors. The R&D ecosystem can be used to forge networks between research and entrepreneurship in established and emerging fields. Linking cutting-edge research with entrepreneurship will be key to growing niche sectors and commercializing the local knowledge pool.

EDUCATION AND WORKFORCE DEVELOPMENT

¹⁰⁸ Report Title: Contributions of the Military to the Monterey County Economy.

¹⁰⁹ Middlebury Institute of International Studies at Monterey and Monterey Bay Defense Alliance. 2021 (forthcoming). Contributions of the Military to the Monterey County Economy

Monterey County also has several education institutions and workforce development centers, ranging from K-12 to postsecondary education. Many nonprofits and research institutions also offer educational-related services. Given the number of both education and R&D firms in the region, the opportunity exists to leverage the local pool of specialized knowledge. Creating channels among education, workforce development, entrepreneurship, and industry can help create new and spinoff firms and technologies. Collaboration among educational institutions, workforce development bodies, and industry can address regional bottlenecks. Workforce development initiatives can help retrain the workforce as local industries transform. Ensuring that the workforce is equipped and trained to handle industry transformation is key in providing long-term stability for residents.

AG-TECH

The Agriculture Industry is a significant economic pillar and growth driver in the region. The industry has a significant history of technology adaptation and innovation in the region. Over the past few years, the industry has changed significantly with advancements in technology and industrial change. Considering that the industry shares complementarities with growing niche industries such as emerging and advanced technologies, opportunities exist for collaboration among agriculture and growing sectors in emerging and advanced technology. Knowledge transfer between emerging science and technology firms can not only help develop emerging industries but also solve industry bottlenecks such as labor shortages. Cross-sectoral collaborations can also bring competitive advantage, knowledge spillovers, and the creation of offshoots.

BUSINESS ENVIRONMENT

Public Comment Draft

Although not formally identified as a regional pillar, the business environment could be enhanced in the region. Considering the County's proximity to Silicon Valley, local networks should be established around venture capital, innovation policy, and attracting key workforce personnel. Enhancing the local business environment can be done through encouraging entrepreneurship in the region. Entrepreneurship can be enhanced via business development support organizations, university startup challenges, local incubators, and regional knowledge centers that provide information on funding and regulations. Creating a robust ecosystem around entrepreneurship can spur industry growth. A healthy ecosystem around entrepreneurship can also provide opportunities for those who want to stay in the region upon finishing their studies. Programs and incentives focusing on entrepreneurship can help mitigate brain drain.

CHALLENGES

EQUITY & INCLUSION

Equity and inclusion are ongoing challenges in Monterey County; the pandemic has disproportionately hurt the most vulnerable residents. COVID-19 has put pressure on digital bandwidth for many underserved households and those lacking access (in terms of speed and availability) especially in the rural parts of the County. This can lead to lack of telehealth access for residents, lowered levels of operations for business owners, and students falling behind in

school. Those whose employment opportunities have been the most negatively affected by the pandemic disproportionately work in traditionally low-wage sectors such as Agriculture, Tourism and Hospitality. Before the pandemic, many of these workers had been barely getting by financially but now face significant financial stress as a result of reduced work hours or job loss. Finally, housing burden — high housing costs and overcrowding — was a problem even before the pandemic.

DEVELOPMENT VS. PRESERVATION

A significant challenge for development in the region is the disparate attitudes regarding economic development and land preservation. These debates touch on all aspects of regional development, including water access, housing, and the growth of the tourism wine corridor. In the past, these debates acted to stifle development. A significant challenge for the County and developers will be coalescing these varying attitudes into workable policy. A sustainable approach would consider the environmental implications of development while meeting economic goals.

LOW-GROWTH SECTORS

Much of Monterey County's employment is in low-growth sectors (Accommodation, Food Services, Retail Trade, etc.). These industries are not centers of innovation or reliable economic drivers and so are unlikely to drive long-term economic growth. But a healthy economy is a diversified one; the local economy should have a mix of employment types for people of varying skill/trade levels. The low pay in these low-growth sectors has implications in a region that lacks low-income housing.

CHILDCARE

Access to safe and affordable childcare will be crucial to long-term economic recovery. Parents and families must have childcare options available as the parts of the economy begin to reopen. The childcare industry has been significantly impacted by the pandemic, with many childcare businesses temporarily closed. Those that are still open are struggling and operating at reduced capacity and sometimes with increased operational costs. The lack of available childcare is exacerbated by the closure of schools during the pandemic. An impact report by the U.S. Chamber of Commerce Foundation found that roughly 50% of parents who have not returned to work have cited childcare as a primary reason. The report also found that roughly 75% of working parents have children at home during work hours.¹¹⁰

SWOT ANALYSIS

On Oct. 14, 2020, the CEDS Committee workshop assessed the County's strengths, weaknesses, opportunities, and threats.

¹¹⁰ U.S. Chamber of Commerce Foundation. 2020. Covid-19 Impact on Childcare. [Accessed Jan. 27, 2021. https://www.uschamberfoundation.org/reports/covid-19-impact-childcare](https://www.uschamberfoundation.org/reports/covid-19-impact-childcare)

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<p>Industry</p> <ul style="list-style-type: none"> • Agriculture sector • Tourism (coastal, agriculture, recreational) • Higher education and research • Defense and cyberpresence • Vibrant nonprofit sector <p>Workforce</p> <ul style="list-style-type: none"> • Proximity to regional employment centers • Cultural and professional networks <p>Amenities</p> <ul style="list-style-type: none"> • Natural landscape • World-class attractions <p>“The community has grit, and South County community is underutilized. In addition to abundant outdoor activities (and opportunities to do more outdoors), there is a rich, embedded Arts community here.”</p>	<p>Industry</p> <ul style="list-style-type: none"> • Tourism sector vulnerability • High regulatory burdens <p>Workforce</p> <ul style="list-style-type: none"> • Labor shortage • Workforce decline/exodus • Lack of high-wage jobs in nonfarm industries <p>Housing</p> <ul style="list-style-type: none"> • Housing costs • Pro-growth vs. anti-growth sentiments • Permitting and red tape <p>Education</p> <ul style="list-style-type: none"> • Access to good-quality K-12 education • Low educational attainment <p>Equity & Inclusion</p> <ul style="list-style-type: none"> • Socioeconomic and racial inequality • Uneven access to health care <p>Infrastructure</p> <ul style="list-style-type: none"> • Limited transportation infrastructure • Limited water supply <p>“The general feeling among residents is that development is bad, leading to high regulatory burdens that make new investment challenging.”</p>	<p>Industry</p> <ul style="list-style-type: none"> • Growing innovation economy • Sustainable recreation and wellness • Ag-tech • Aerospace, robotics, and advanced technologies • Small-business development and support <p>Workforce</p> <ul style="list-style-type: none"> • Entrepreneurship development • Workforce retention and expansion • Remote worker attraction <p>Housing</p> <ul style="list-style-type: none"> • Housing expansion • Workforce housing <p>Planning</p> <ul style="list-style-type: none"> • Land use conversion • Infill development • Water supply reliability <p>Equity & Inclusion</p> <ul style="list-style-type: none"> • Expanded access to public services • Nonprofits that foster social cohesion <p>“Support the development of a high-tech ecosystem around higher education, which will lead to a diversified economic base and high-paying jobs for our college graduates.”</p>	<p>Industry</p> <ul style="list-style-type: none"> • Regional competition • Consolidation among firms and primacy of national brands in agriculture and hospitality sectors • National economic shocks <p>Workforce</p> <ul style="list-style-type: none"> • Low workforce retention • Decline in working age population • Declining school enrollment <p>Housing</p> <ul style="list-style-type: none"> • Low housing supply • Rising housing costs • Increasing homelessness <p>Environment</p> <ul style="list-style-type: none"> • Climate change • Environmental hazards <p>“The biggest threat is increasing business and housing costs, which is causing businesses to slowly fail or relocate and making it very difficult for working adults to afford to live here.”</p>

PART 7: STRATEGIC FRAMEWORK

The vision, principles, and goals detailed below set the tone for Monterey County's next phase of development in a post-pandemic world. The associated actions aim to bolster further strategic planning, increase administrative capacity, facilitate technical assistance, foster community revitalization, and encourage community advocacy. As the County pivots toward a new economic development infrastructure, this strategic framework will aid policymakers and planners to create the conditions for development and implementation as resources come online.

VISION

Balancing conservation of the natural environment with the need to adapt to a rapidly changing economic landscape, Monterey County will use civic and institutional assets and provide its businesses, communities, and residents with equitable and sustainable growth, a robust and resilient economic infrastructure, and opportunities to pursue a high quality of life.

PRINCIPLES

- Shared Responsibility
- Collaboration
- Inclusion
- Equity
- Communication
- Transparency
- Responsiveness

GOALS

ECONOMIC DEVELOPMENT CAPACITY

GOAL #1: BUILD A COUNTYWIDE ECONOMIC DEVELOPMENT CAPACITY

Although many development projects and programs are underway — through city governments or led by local and regional organizations — Monterey County needs a formal mechanism that can guide, coordinate, and support countywide economic development. The impact of these activities — including workforce development, small-business assistance, cluster development and business recruitment, regional marketing and branding, and infrastructure investment — can be amplified if the County aligns efforts and curates a dynamic economic development ecosystem.

Objective 1.1: Create a public-private partnership charged with economic planning and development.

A dedicated body focused on stakeholder needs across multiple jurisdictions and can marshal resources to respond accordingly will be critical as the County restructures its economy to be more sustainable and resilient. The partnership may be built off of existing partnerships such as Central Coast Marketing Team, MBEP, and United Way.

Strategy 1.1.1: Establish a Monterey County Office of Economic Development to implement the CEDS, serving as an information clearinghouse and helping stakeholders secure funding for regional, local, and community projects, programs, and initiatives.

Action 1.1.1.1: Form an Economic Development Advisory Board. This board's membership would initially be drawn from members of the CEDS Committee and in consultation with County and local authorities and would include members representing the public and private sectors. The board's initial mission would be to define the mandate, role, and responsibilities of the new office and oversee the implementation of the CEDS. *High-Priority Action. Timeline: Within 6 Months of CEDS Release.*

Action 1.1.1.2: Recruit an Economic Development Manager and support staff that report to the County Chief Administrative Officer and works in collaboration with the Economic Development Advisory Board to execute CEDS strategies and actions, formulate policy, and provide technical assistance to communities, organizations, businesses, and jurisdictions in their development goals. *High-Priority Action. Timeline: Within 6 Months of CEDS Release.*

Strategy 1.1.2: Act as a steward and broker among industry sectors and private, public, and nonprofit sectors to build new connections, strengthen existing networks, pursue joint initiatives, and address risk.

Action 1.1.2.1: Convene the Economic Development Advisory Board regularly and hold stakeholder forums across the County to share best practices and identify mutual growth opportunities. *High-Priority Action. Timeline: Ongoing.*

Action 1.1.2.2: Explore ways to establish a pool of grant funds through public, private, and philanthropic partnerships that stakeholders could apply to advance collective economic development initiatives. *Medium-Priority Action. Timeline: Year 2.*

Objective 1.2: Ensure Monterey County's economic development ecosystem is resilient in the face of evolving challenges.

Strategy 1.2.1: Identify chronic stresses and potential shocks to the regional economy and develop safeguards to mitigate economic downturns.

Action 1.2.1.1: Conduct workshops, led by the Economic Development Advisory Board, with industry stakeholders, nonprofit organizations, and community groups (particularly small businesses and entrepreneurs) to identify systemic vulnerabilities and barriers to development. *High-Priority Action. Timeline: Year 1 to Year 2.*

Action 1.2.1.2: Based on the updated Disaster Resiliency Plan by the Monterey County Office of Emergency Services, evaluate the priorities on the recommendations in the plan and what goals can be implemented in the short, medium, and long term:

Emergency Preparedness, Mitigation and Sustainability, Connectedness and Engagement, Basic Needs, Health and Well-Being, and Employment and Income. *Medium-Priority Action. Timeline: Year 1-2.*

Action 1.2.1.3: Develop County resilience strategies (and encourage local jurisdictions to do the same) to support important but vulnerable sectors, especially those in the Agriculture and Tourism & Hospitality cluster, and vulnerable communities during times of prolonged economic disruption. *Medium-Priority Action. Timeline: Year 3.*

Strategy 1.2.2: Strengthen partnerships with regional, state, and Federal economic development agencies and link local long-term planning with their strategic goals.

Action 1.2.2.1: Serve as a bridge for local jurisdictions to access funding, technical expertise, and other resources from public agencies outside the County. *Medium-Priority Action. Timeline: Ongoing.*

Action 1.2.2.2: Leverage efforts by local government, regional organizations, and community groups to support and invest in equitable development programs throughout the County.

WORKFORCE

GOAL #2: BUILD, SUPPORT, AND RETAIN A ROBUST AND ADAPTABLE MONTEREY COUNTY WORKFORCE

Educational attainment in Monterey County currently lags behind that of California, and many of its high school graduates are not ready for collegiate-level coursework. Many residents lack the essential skills considered to succeed in the workforce. Finally, the most prolific jobs are in Agriculture and Hospitality & Tourism, which are typically low-paid with little to no room for advancement.

Objective 2.1: Create a talent pipeline for high school and college students through curricula and experiences geared toward more advanced opportunities in local, living-wage industries.

This objective aims to equip high school and college students with the skills necessary to prepare them for their chosen careers. The strategies would not only create a talent pipeline for the region's employers, but also provide a roadmap guiding the students to the type of skills and education required. As school districts traditionally have not been part of the CEDS conversation. To create a talent pipeline, acknowledgement of the need must come from school districts first and foremost and provide systems that support individuals.

Strategy 2.1.1: Build apprenticeships, hands-on training, and internships into the high school curriculum.

Action 2.1.1.1: Provide, expand, improve, and maintain technical, vocational, and trade classes for non-college-bound students to help them prepare for careers in the trades and/or transition into community college-level technical programs. There should be emphasis on at-risk individuals and those from low-income communities. *High-Priority Action. Timeline: Ongoing.*

Action 2.1.1.2: Partner with local businesses and connect them with high school students to give the students the chance to intern and shadow at these businesses. *Medium-Priority Action. Timeline: Ongoing.*

Action 2.1.1.3: Retool existing Career and Technical Education (CTE) programs to reflect both anticipated labor market opportunities and the education that leads to them. Develop and deploy intensive career development opportunities that begin no later than middle school. *Medium-Priority Action. Timeline: Ongoing.*

Action 2.1.1.4: Engage private sector employers to ensure there is a skill match with industry needs. Identify and develop programs that address gaps in skills and training, with emphasis on retraining of unemployed and underemployed residents. *Medium-Priority Action. Timeline: Within 3 years of CEDS release.*

Strategy 2.1.2: Create incentives and occupational pathways for college students to remain in the region following graduation supporting individuals from cradle to grave.

Action 2.1.2.1: Improve existing apprenticeship, internship, and cooperative work programs in CSUMB, Hartnell College, and Monterey Peninsula College. *High-Priority Action. Timeline: Ongoing.*

Action 2.1.2.2: Connect students and parents to resources and promote existing educational and training programs, including at Hartnell and CSUMB. *Medium-Priority Action. Timeline: Ongoing.*

Objective 2.2: Foster adult career pathways for residents interested in pursuing higher-paying jobs outside Agriculture, Hospitality and Tourism. Workforce development has primarily centered on entry-level employment for young people. Discussions on adult career pathways for those who are not of recent college graduate age have been lacking.

Strategy 2.2.1: Establish public-private partnerships geared toward workforce development for adults.

Action 2.2.1.1: Partner with local businesses and Workforce Development Board (upon confirming that the Workforce Development Board is interested in assuming a leadership role in the partnership) to increase the number of adults who obtain relevant job experience. Special emphasis should be placed on training low-skilled, low-income, veterans, underemployed, and unemployed individuals. *High-Priority Action. Timeline: Ongoing.*

Action 2.2.1.2: Provide ancillary support such as childcare, transportation, and counseling services for low-income, underemployed, and unemployed population to ease program completion by those enrolled in training and education courses. *Medium-Priority Action. Timeline: Ongoing.*

Strategy 2.2.2: Enable progressive skills development through education and training programs, using multiple entry and exit points, so that each level of skill development corresponds with a labor market payoff for those being trained or educated.

Action 2.2.2.1: Partner with the Workforce Development Board and Monterey Bay Economic Partnership to promote and increase access to existing programs such as

SkillUp Monterey and Five Cities Partnership by Hartnell Sector Based Intermediary. Emphasis should be on adults who have digital access difficulty. *Low-Priority Action Timeline: Ongoing.*

Action 2.2.2.2: Partner with private, nonprofit, and public sectors to increase the number of adults who obtain a marketable and industry-recognized credential or degree. *High-Priority Action. Timeline: Ongoing.*

Action 2.2.2.3: Support marginalized populations such as formerly incarcerated residents to reenter the workforce and have paths to employment. *Medium-Priority Action. Timeline: Ongoing.*

Objective 2.3: Improve tech, digital, and financial literacy training for small businesses and the workforce. To boost workforce development, people need adequate technology, digital, and financial literacy skills to avoid being bogged down just by making ends meet and surviving the short-term day-to-day life.

Strategy 2.3.1: Improve technology and digital literacy. Particular emphasis should be in low-income and rural communities.

Action 2.3.1.1: Continue to partner with the Monterey County Office of Education's Digital Equity task force to use CARES Act funding and community donation to ensure more students (and adults) have reliable and fast internet and device access during and after the COVID-19 pandemic. *High-Priority Action. Timeline: Ongoing until the pandemic is over.*

Action 2.3.1.2: Partner with broadband providers, county libraries, and local government including cities with library systems to develop and expand digital and Wi-Fi hotspots throughout the County, particularly in unincorporated areas, low-income communities, and rural areas. *High-Priority Action. Timeline: Ongoing.*

Strategy 2.3.2: Improve the financial literacy of the population. Particular emphasis should be on individuals in low-income households and socioeconomically disadvantaged areas.

Action 2.3.2.1: Introduce or reintroduce financial literacy and home economics courses in high school, community college, and at CSUMB and encourage and/or incentivize the coursework to be a mandatory graduation requirement. *Medium-Priority Action. Timeline: Ongoing.*

Action 2.3.2.2: Provide financial literacy support for small businesses and entrepreneurs. Examples include training on bookkeeping, credit score and credit management, and building relationships with financial institutions. *Medium-Priority Action. Timeline: Ongoing.*

HOUSING

GOAL #3: ADDRESS HOUSING SHORTAGE, AFFORDABILITY, AND BARRIERS TO NEWDEVELOPMENT

Consideration: Monterey County (especially Salinas Valley) has a significantly higher percentage of overcrowded households than statewide (13.7% vs. 8.2%), and over half of the renter

households are rent-burdened. Several countywide efforts are addressing housing issues, such as the Salinas Plan, the Farmworker Housing Study and Action Plan, and collaboration with the United Way on accessory dwelling units. However, currently, there is simply not enough housing to accommodate especially low-income households, and housing costs are simply too high for many households. Many households in these categories work in low-paying jobs such as farm work or tourism and hospitality, which is also seasonal by nature. Programs to alleviate housing shortage and affordability should be targeted to these households.

Objective 3.1: Foster dialogue and cooperation on housing needs and housing issues through active communication, regional working groups between all stakeholders inclusively. The current process for housing planning, approval, and development faces many obstacles; some are due to the legal challenges by anti-housing development groups, while some are due to the burdensome regulatory and permitting process. Overall, the current landscape lacks cooperation. To address housing shortage and affordability issues, all sides must come and work together.

Strategy 3.1.1: Establish a joint Housing Committee with proponents and opponents of new development to facilitate discussion and goal-setting.

Action 3.1.1.1: Identify and select individuals on the Housing Committee that represent stakeholders. The process should give particular representation to groups, such as renters and socioeconomically disadvantaged households, that have traditionally been underrepresented. *High-Priority Action. Timeline: Within 6 months of CEDS release.*

Action 3.1.1.2: Create and assign roles and a housing committee organization chart that holds each committee accountable to each other as well as the stakeholders. *High-Priority Action. Timeline: Within 9 months of CEDS release.*

Action 3.1.1.3: The joint Housing Committee shall conduct at least two working groups annually to implement and monitor each goal and priority area identified in this CEDS. *High-Priority Action. Timeline: Ongoing.*

Strategy 3.1.2: Conduct outreach and education workshops for stakeholders and the public so that potential applicants and local communities better understand the rules and regulations governing housing.

Action 3.1.2.1: Workshops should be conducted in English and Spanish, with additional languages as necessary. Various outreach methods should be deployed in good faith, and additional efforts should be made to reach households where English is not the primary spoken language and which are not tech-savvy. *High-Priority Action. Timeline: Ongoing.*

Action 3.1.2.2: Expand training of city and County staff and local elected officials about state and local land use laws and regulations. *Medium-Priority Action. Timeline: Ongoing.*

Objective 3.2: Promote alternative housing tenure and/or housing types for seasonal workers over the next five years to stabilize the Agriculture, Tourism, & Hospitality workforce. Housing overcrowding is a severe issue in Monterey County, especially in the Salinas Valley region, where it is common among farmworkers and low-income households. In addition, finding housing

options is a significant challenge for many H-2A visa workers, many of whom provide seasonal farm work. The traditional one-household-per-single-family housing unit is not feasible for many households because of the high housing costs. The County must promote alternative housing for these workers.

Strategy 3.2.1: Ease local restrictions to development while avoiding excessive natural working lands conversion.

Action 3.2.1.1: Allow affordable housing to be built on land zoned for commercial or public uses and on church-zoned lands. *High-Priority Action. Timeline: Ongoing.*

Action 3.2.1.2: Ease development of Accessory Dwelling Units (ADUs) by reducing ADU impact and permit fees, disseminating public information, and establishing lender products for ADU new construction and rehabilitation. *Medium-Priority Action. Timeline: Ongoing.*

Action 3.2.1.3: Identify and eliminate barriers to the development of employer-sponsored housing while ensuring that the development is built to allow for future conversion to multifamily should the employer sell the property. *High-Priority Action. Timeline: Within 12 months of CEDS release.*

Strategy 3.2.2: Partner with local businesses to develop a workforce housing pilot program to test viability.

Action 3.2.2.1: Investigate and pilot the use of innovative emergency housing types, such as mobile and tiny homes, for seasonal, migrant workers. *High-Priority Action. Timeline: Within 12 months of CEDS release.*

Action 3.2.2.2: Collaborate with other jurisdictions to develop a model ordinance for the temporary use of motels and hotels for H-2A or other seasonal workers. *Medium-Priority Action. Timeline: Within 12 months of CEDS release.*

Objective 3.3: Change regulations to remove barriers, streamline processing, and reduce costs of housing development.

Strategy 3.3.1: Encourage local jurisdictions to proactively collaborate with affordable housing developers and develop solutions that remove site-specific land use barriers where possible.

Action 3.3.1.1: Identify and map appropriate sites for seasonal, farm, and Tourism and Hospitality worker housing in collaboration with local jurisdictions in the region and streamline the approval processes whenever possible. *High-Priority Action. Timeline: Within 12 months of CEDS release.*

Action 3.3.1.2: Support annexation of unincorporated county land to adjacent cities so that the land may connect to city infrastructure to facilitate development of housing. *Medium-Priority Action. Timeline: Ongoing.*

Strategy 3.3.2: Encourage local jurisdictions to identify and evaluate current land use and zoning and, when appropriate, rezone properties to create additional sites for affordable housing.

Action 3.3.2.1: Create defined standards that, if met, allow agricultural land to be annexed into a city to enable potential relaxed restrictions on the residential use of agriculturally-zoned land in unincorporated areas that restrict on-farm residential development. *Medium-Priority Action. Timeline: Years 2 to 5.*

Action 3.3.2.2: Promote the establishment of Affordable Housing Overlay Zones in “high-opportunity” areas in Monterey County. *Medium-Priority Action. Timeline: Years 2 to 5.*

CLUSTER DEVELOPMENT

GOAL #4: FOSTER DEVELOPMENT OF GROWING ESTABLISHED AND EMERGING CLUSTERS

Regions must be vigilant against brain drain, industry transformation, and stagnation. Targeting growth toward industry clusters can assist regional resilience through diversification of the local economy. Successful clusters can also facilitate spillovers, multiplier effects, higher wages, and employment diversity. In expanding cluster development, regional developers should encourage Science, Technology, and Innovation (STI) policies to develop local clusters. STI policies can be key in reducing regional inequality and meeting sustainable development goals (SDGs).¹¹¹ Regional developers should target growth to each of the subregions’ industrial niches. On the County level, growth should be targeted toward emerging technologies and AgTech. In Salinas Valley, growth should pivot toward value-added manufacturing and processing. In the coastal Monterey Peninsula, growth should be targeted toward merging segments of the tourist sector with other growing and established sectors.

Objective 4.1: Expedite advanced technology innovation ecosystems in Monterey County. Steer regional policy toward advanced technology sectors. In doing so the region must have the capacity to grow the cluster. The growth of advanced technology in the region can also help other industries that need technological know-how.

Strategy 4.1.1: Expedite advanced technology innovation ecosystems and address bottlenecks of emerging cluster initiatives. Successful cluster growth is that which is supported by a host of entities with a long-term strategy and vision. Existing cluster initiatives such as Monterey Bay Dart should continue regional efforts in targeting regional bottlenecks to advanced technology growth sectors.

Action 4.1.1.1: Strengthen Federal and Regional Anchors by collaborations with Federal/regional institutions. Cluster developers should monitor formal collaboration opportunities and partnerships with institutions such as the FAA, NASA, and other Federal technological-related agencies. *Medium-Priority Action. Timeline: Ongoing.*

Action 4.1.1.2: Foster Partnerships and Collaborations. To grow the cluster, education and training opportunities must exist in the relevant fields. It is also important to form cross-sectoral partnerships with other industries and sectors (public and private). Local developers should collaborate and work closely with academic institutions and workforce development centers to determine future job growth and the type of skills and education needed (aeronautics and related STEM degrees).

¹¹¹ UNESCO. Science, Technology and Innovation Policy Development. Retrieved from <http://www.unesco.org/new/en/natural-sciences/science-technology/sti-systems-and-governance/sti-policy-development/>

For emerging tech, support organizations such as the Monterey Bay Dart should continue collaborations with the Naval Postgraduate School and other defense-related institutions and explore opportunities to extend advanced technologies curriculum to the civilian population.

For the AgTech cluster, there should be continued collaboration between Hartnell College and CSUMB, among other cluster support organizations. There should be continued rollout and expansion of Career Technical Education (CTE) programs to grow and develop the AgTech cluster. *High-Priority Action. Timeline: Ongoing.*

Action 4.1.1.3: Develop a Long-Term Cluster Strategy. To encourage cluster growth there must be long-term planning. Cluster developers should consider devising a long-term cluster strategy that addresses innovation, policy, specialization, market structure, market failures, and coordination. Short-term goals can address collaborations and winning bids with Federal anchors while long-term goals can address formal corridor development and long-term funding opportunities. *High-Priority Action. Timeline: Year 2.*

Strategy 4.1.2: Bolster the expansion and curation of advanced technology innovation ecosystems over the next five years.

Action 4.1.2.1: Local regional cluster actors should coordinate every two years to facilitate collaboration and technology transfer within the region. Examples are the City of Salinas (AgTech), Western Growers Association, Hartnell College, Agriculture companies, Emerging Tech Companies, the Monterey Bay Dart, Naval Postgraduate School, Monterey Bay Defense Alliance, economic developers, and local academic institutions among others. Institutions should collaborate to expand advanced technology applications in existing sectors Agriculture, Health Care, and defense). *Medium-Priority Action. Timeline: 2 Years.*

Action 4.1.2.2: Coordinated events should address regional industry bottlenecks. *Medium-Priority Action. Timeline: 3 Years.*

Objective 4.2: Expand value-added manufacturing and processing in Salinas Valley.

Strategy 4.2.1: Expand the value-added manufacturing and processing industry. This can be done by ensuring industrial zones, opportunity zones, and areas zoned for economic development have the necessary infrastructure and capacity required to attract and retain new and old businesses.

Action 4.2.1.1: Monterey County and local governments should work with regional economic developers to upgrade and expand infrastructure and capacity in strategic development, opportunity, and industrial zones. *High-Priority Action. Timeline: 2 Years.*

Action 4.2.1.2: Monterey County, local governments, the AgTech cluster, community colleges, and business development centers should collaborate to expand local processing capabilities. Business development centers and workforce development entities should create initiatives that facilitate the growth of local value-added food processing in the region. Initiatives should include targeted information on food safety certification, food business licensing, and the use of communal commercial kitchens,

etc. These initiatives should be linked with local farmers markets and marketing campaigns to develop the region as a model for value-added processing. *Medium-Priority Action. Timeline: 4 Years.*

Objective 4.3: Create and continue to support cross-sectoral opportunities between the Agriculture and Tourism sectors in Coastal Monterey. Many opportunities exist to further develop segments of the Tourism sector that can be merged with supply chains of the Agriculture sector. The Monterey Peninsula, one of the main tourism hubs in the County, can be bolstered through collaborations. A cross-sectoral approach should be used to expand both sectors of the economy by collaboration and sharing of complementarities. A sustainable approach should be undertaken when growing the Tourism sector to ensure that any developments meet environmental standards and do not contribute to over-tourism and environmental degradation.

Strategy 4.3.1: Create and continue developments around sustainable tourism that merge the strengths of the Tourism and Agriculture sectors.

Action 4.3.1.1: The Monterey tourism board, Monterey County, local City governments, relevant industry specialists, and environmental agencies should collaborate to curate tourism experiences around local sectors. The Hospitality Industry can collaborate with the Agricultural and Manufacturing industries to expand value-added processing to wine grape crops to attract and retain new & existing visitors. In the case of the ongoing developments of the regional Wine Corridor, there should be continued efforts to sustainably grow and develop the effort. *High-Priority Action. Timeline: 2 Years.*

Action 4.3.1.2: The Monterey tourism board should work with industry-relevant bodies and local developers to monitor and incorporate development initiatives into their tourism strategy. The goal should be to expand local sectors by merging them with the tourist sector. It can be done via events, marketing, and curating new tourism experiences in line with local development goals. *High-Priority Action. Timeline: Ongoing.*

Objective 4.4: Create a regulatory compliance task force for the agriculture cluster. One of the greatest challenges for the local Agriculture Industry is responding to new and evolving regulatory measures in a cost-efficient and timely manner. The increasing regulatory costs hurt small farms and growers who lack the resources needed to keep up with compliance. The task force will be key in helping them navigate the evolving landscape of policy change in the industry.

Strategy 4.4.1: Create a regulatory compliance task force for the Agriculture Industry within a year of the Monterey CEDS publication date

Action 4.4.1.1: The Monterey CEDS Committee should determine a key organization to lead in the creation of the task force. Institutions that could lead the task force are the Farm Bureau Monterey, the City of Salinas (AgTech Salinas), Thrive AgTech, and the WGA Center for Innovation and Technology. *High-Priority Action. Timeline: 1 Year.*

Action 4.4.1.2: The key organization should set up a task force of members from various fields. The committee should be cross-sectoral to ensure that institutions working outside the agriculture cluster are involved. *High-Priority Action. Timeline: 1 Year.*

Action 4.4.1.3: The task force should solve regulatory compliance bottlenecks. *High-Priority Action. Timeline: 2 Years.* Examples of tasks:

- Review current and forthcoming regulations that eliminate and inhibit job and industry growth.
- Identify regulations that are obsolete, ineffective, inconsistent, not practical to implement, hamper industry growth, and impose costs that exceed benefits concerning current legislation.
- Work with local education institutions and workforce development groups to explore creating a regulatory compliance curriculum to overcome the lack of agriculture regulatory compliance officers in the region.¹¹²

Action 4.4.1.4: Considering the evolving nature of regulations, upon meeting its goals, the group should consider transitioning to a working group. *High-Priority Action. Timeline: Ongoing.*

SMALL BUSINESS AND ENTREPRENEURSHIP

GOAL #5: STRENGTHEN SMALL BUSINESS AND ENTREPRENEURSHIP ENVIRONMENT

Regions can instill resilience through policies and initiatives that strengthen the small-business and entrepreneurship climate. Developers should ensure that there is a healthy ecosystem of entrepreneur development (skill development and business acumen skills), networking (industry events, digital conferences, and outreach), capital acquisition (information on local financing options, grants, regional initiatives, and other capital acquisition methods), local business climate (information on regulation and policy) and culture (positive community attitudes and support for local business).

Objective 5.1. Ensure that the region has a robust support structure for business development and entrepreneurship in addition to workforce development programs.

Strategy 5.1.1: Implement a Business Retention and Expansion Program over two years that facilitates a local entrepreneurial ecosystem. The local ecosystem should combine the information of the business landscape in the region and be unified by a singular information hub (website or app). The information hub should encompass knowledge of all aspects of business development.

Action 5.1.1.1: Survey the local business community to understand their business needs. The surveys should be based on entrepreneur development, networking, capital acquisition, local business climate, and business cluster type to understand the regional shortfalls. Survey local Technical Assistance providers, ensure capital to coordinate resources, and identify gaps. *Medium-Priority Action. Timeline: 1 Year.*

Action 5.1.1.2: Create a business development information hub that combines all of the information needed in the business development cycle. *High-Priority Action. Timeline: 2 Years.*

¹¹² U.S. Department of Education. Improving Regulation and Regulatory Reform. Retrieved from <https://www2.ed.gov/policy/gen/reg/retrospective-analysis/index.html>

Action 5.1.1.3: Ensure that pertinent information is accessible in multiple languages when feasible. *Low-Priority Action. Timeline: 2 Years.*

Action 5.1.1.4: Develop and expand the Business Retention and Expansion Program by creating a physical presence. This can be done via the formation of a Business Development Center and external collaborations with local community stakeholders. *Medium-Priority Action. Timeline: Ongoing.*

Objective 5.2: Ensure a resilient and equitable business ecosystem. Local workforce development agencies and regional developers should develop a contingency plan that can help transition workers and small businesses back into the economy after an industry shock or decline. Economic developers should collaborate and form partnerships with those working in the fields of emergency management and pre-disaster. These collaborations can not only help businesses manage disasters but also help in the response stages.

Strategy 5.2.1: In the event of industrial decline or stagnation, regional developers should develop programs to retrain and rebuild over three years. Programs should be industry-specific, for example, the decline of Leisure & Hospitality could be approached by retraining workers of that sector in other parts of the economy.

Action 5.2.1.1: Industry-specific nonprofits, emergency management specialists, business, and workforce development agencies should collaborate to create mitigation programs that can deal with a decline or sudden downturn. Retraining workers and entrepreneurs of a declining sector and deploying their skills elsewhere in the economy should be emphasized. *High-Priority Action. Timeline: 3 Years.*

Action 5.2.1.2: Candidates should be tracked throughout all stages of the process (from resume building to contract signing). *High-Priority Action. Timeline: 3 Years.*

Strategy 5.2.2: Develop Technical Assistance programs for businesses and business owners impacted by disasters (natural and economic). Ensure that new and small businesses can enter or reenter the economy following periods of economic downturn and disaster. Programs should also take a cross-sectoral approach to target growth to other local sectors.

Action 5.2.2.1: Development agencies should work with the County, cities, technical assistance providers, workforce development boards, emergency management specialists, and other community initiatives to develop economic contingency strategies in the event of an industry decline or shock stemming from natural disasters. *Medium-Priority Action. Timeline: 3 Years.*

Action 5.2.2.2: Local community development agencies and nonprofits should collaborate to raise funds for industries in decline/stagnation. Funding should help business owners stay solvent during times of decline and disaster. Funding should also be used to help new entrants to the industry by the development of shared spaces such as local incubator hubs and commercial kitchens (contingent on specific industry needs). *Medium Priority Action. Timeline: 5 Years.*

Action 5.2.2.3: Local business development agencies, technical assistance providers, and workforce development boards should collaborate to provide industry-specific targeted

responses in periods of decline. Strategies should take a cross-sectoral approach via collaborations with other sectors. A specific industry policy of a COVID-19 recovery initiative for helping small businesses to reenter the Food & Beverage industry is presented below (Action Plan). *Medium-Priority Action. Timeline: 3 Years.*

Action 5.2.2.4: The County should work with relevant workforce development agencies to incorporate mitigation strategies for industry decline into the development of their Economic Development Disaster Recovery Strategy (Emergency Operations Plan). *Low-Priority Action. Timeline: 2 Years.*

INFRASTRUCTURE

GOAL #6: EXPAND THE REGIONAL BROADBAND INFRASTRUCTURE.

The COVID-19 pandemic shed light on the digital divide in the region, when it was found that over 11,000 students lacked the services needed in their education. It was exacerbated in rural regions where the older population had less internet access and couldn't access essential telehealth services during the pandemic.

Objective 6.1: Expand broadband access and infrastructure over the next seven years. The Central Coast Broadband Consortium set a regional standard of 100 Mbps download/20 Mbps upload speed, which should be used as the benchmark. Furthermore, the region should follow the state benchmark of rolling out services to 98% of the region. A Federal Highway Administration report found that 90% of broadband installation costs were due to the digging of the roadways and not the installation of the lines themselves.¹¹³ A County-level Dig Once initiative can offset the costs of new providers setting up services.

Strategy 6.1.1: Monterey County should consider adopting a Dig Once initiative in the region. A Dig Once policy includes installing a conduit and fiber during construction projects to offset duplicate construction costs. This in turn makes it less costly for service providers to offer broadband to rural regions.

Action 6.1.1.1: Monterey County should examine the feasibility of adopting a Dig Once initiative in the region. *High-Priority Action. Timeline: 6 Months.*

Action 6.1.1.2: Local government agencies that do not already have a Dig Once initiative should also examine the implementation of this policy in their jurisdiction. *High-Priority Action. Timeline: 6 Months.*

Strategy 6.1.2: Regional institutions working on expanding broadband access should collaborate and replicate successful initiatives to expand service. Currently, several entities are tackling the digital divide. Bringing these groups together could combat the current fragmented regional approach and avoid duplicity of efforts.

Action 6.1.2.1: Create a working group of experts who are already working toward reducing the digital divide in the region (Monterey Bay Economic Partnership, Central

¹¹³ Cooper, T. (2019, Aug. 7). Dig Once: The Digital Divide Solution Congress Squandered and Policy That Could Save \$126 Billion on Broadband Deployment. BroadbandNow. Retrieved from <https://broadbandnow.com/report/dig-once-digital-divide/>

Coast Broadband Consortium, Digital Equity Task Force, and regional governments).
High-Priority Action. Timeline: 6 Months.

Action 6.1.2.2: Explore and research other success stories such as the Equal Access Santa Cruz County¹¹⁴ and Gonzales's Internet for All initiative. Then determine how these initiatives can be best adapted throughout the region. *High-Priority Action. Timeline: 12 Months.*

Action 6.1.2.3: Start a fund and collaborate with regional nonprofits such as the Community Foundation for Monterey County and designate entities of the working group as fiscal agents for fund disbursement and initiative rollout. *High-Priority Action. Timeline: 12 Months.*

Action 6.1.2.4: Work with the California Broadband Council and the Governor's Office of Broadband and Digital Literacy to help execute the Broadband for All plan published in December 2020. *Medium-Priority Action. Timeline: 6 Months.*

Objective 6.2: Eliminate the student digital divide by ensuring all K-12 students have access to online distance learning infrastructure. Expansion of the internet infrastructure should include both expansion and access to remote learning infrastructure and access to physical community institutions with connectivity such as libraries and public Wi-Fi hotspots, etc. The region should expand and prioritize both at-home and public infrastructure services. The Monterey County Office of Education, Monterey County, and the regional digital equity team should collaborate to determine the extent of the digital divide for students. The aforementioned institutions should work together in a bid to eliminate student digital inequality by 2024.

Strategy 6.2.1: Local education districts should designate school officials to create, implement, and harmonize an outreach strategy aimed at increasing digital literacy among parents and guardians.

Action 6.2.1.1: Create a system of documentation of initial contact and follow-up to encourage and ensure parents acquire the devices needed. *High-Priority Action. Timeline: 6 Months.*

Action 6.2.1.2: Designate a point of contact for replacement and repair of devices. *Medium-Priority Action. Timeline: 3 Months.*

Action 6.2.1.3: Make instructional videos and curriculum on digital literacy aimed at helping parents and students with their specific needs (instructional videos should aim for equity by ensuring access in the language spoken at home). *High-Priority Action. Timeline: 1 Year.*

Action 6.2.1.4: Designate funds to provide hotspot devices for low-income families to ensure access for students that cannot use bus Wi-Fi and library services. *Medium-Priority Action. Timeline: 2 Years.*

¹¹⁴ This initiative involved collaborations among a local service provider, the Santa Cruz County Office of Education, and the Pajaro Valley School district. The plan gave three months of free service and Wi-Fi hardware followed by a discounted service for low-income families.

Action 6.2.1.5: Continue **to create initiatives and continue** the rollout and expansion of public hotspots, library access, and mobile hotspots. *Medium-Priority Action. Timeline: Ongoing.*

Public Comment Draft

APPENDIX 1: ADDITIONAL ECONOMIC INDICATORS FOR MONTEREY COUNTY

Table A1: Industry Composition by Employment in Coastal Monterey, 2010-18

2018	2010	Growing Industries	Declining Industries
Accommodation & Food Services (12%)	Retail Trade (12%)	Agriculture, Forestry, Fishing & Hunting (42%)	Mining, Quarrying, and Oil and Gas Extraction (-50%)
Health Care & Social Assistance (12%)	Educational Services (11%)	Accommodation & Food Services (16%)	Management of Companies & Enterprises (-35%)
Educational Services (11%)	Health Care & Social Assistance (11%)	Health Care & Social Assistance (14%)	Information (-33%)
Retail Trade (10%)	Accommodation & Food Services (11%)	Public Administration (9%)	Finance & Insurance (-31%)
Professional & Technical Services (7%)	Professional & Technical Services (7%)	Educational Services (2%)	Utilities (-24%)

Source: American Community Survey

Table A2: Industry Composition by Employment in Salinas, 2010-2018

2018	2010	Growing Industries	Declining Industries
Agriculture, Forestry, Fishing & Hunting (24%)	Agriculture, Forestry, Fishing & Hunting (18%)	Agriculture, Forestry, Fishing & Hunting (35%)	Retail Trade (-18%)
Health Care & Social Assistance (12%)	Retail Trade (12%)	Accommodation & Food Services (27%)	Finance & Insurance (-40%)
Retail Trade (9%)	Health Care & Social Assistance (11%)	Transportation & Warehousing (47%)	Public Administration (-11%)
Accommodation & Food Services (7%)	Construction (7%)	Health Care & Social Assistance (10%)	Real Estate, Rental & Leasing (-36%)
Educational Services (7%)	Manufacturing (7%)	Educational Services (16%)	Manufacturing (-7%)

Source: American Community Survey

Table A3: Change in Industry Composition by Employment in South Monterey, 2010-18

2018	2010	Growing Industries	Declining Industries
Agriculture, Forestry, Fishing & Hunting (39%)	Agriculture, Forestry, Fishing & Hunting (35%)	Agriculture, Forestry, Fishing & Hunting (23%)	Transportation & Warehousing (-62%)
Retail Trade (8%)	Health Care & Social Assistance (8%)	Accommodation & Food Services (103%)	Wholesale Trade (-39%)
Manufacturing (7%)	Manufacturing (8%)	Retail Trade (27%)	Health Care & Social Assistance (-18%)
Educational Services (7%)	Public Administration (7%)	Administrative & Waste Services (64%)	Other Services, Except Public Administration (-22%)
Accommodation & Food Services (7%)	Educational Services (7%)	Professional & Technical Services (67%)	Public Administration (-10%)

Source: American Community Survey

Table A4: Forecast Change in Employment by Occupation, Monterey County, 2020-23

	2020 (Q1)	2023 (Average)	3-Year Change	5-Year Growth
Farming, Fishing, and Forestry	44,540	45,534	994	2.2%
Office and Administrative Support	19,000	18,780	-220	-1.2%
Food Preparation and Serving Related	18,513	19,023	510	2.8%
Transportation and Material Moving	15,381	15,562	181	1.2%
Sales and Related	15,314	15,251	-63	-0.4%
Management	14,221	14,509	288	2.0%
Educational Instruction and Library	11,685	11,691	6	0.1%
Healthcare Practitioners and Technical	8,083	8,293	210	2.6%
Healthcare Support	7,872	8,458	586	7.4%
Business and Financial Operations	7,862	7,998	136	1.7%
Building and Grounds Cleaning and Maintenance	7,843	7,907	64	0.8%
Construction and Extraction	6,457	6,626	169	2.6%
Production	6,315	6,335	20	0.3%
Installation, Maintenance, and Repair	5,737	5,812	75	1.3%
Protective Service	4,548	4,562	14	0.3%
Personal Care and Service	4,521	4,626	105	2.3%
Community and Social Service	3,183	3,308	125	3.9%
Computer and Mathematical	2,751	2,824	73	2.7%
Arts, Design, Entertainment, Sports, and Media	2,536	2,560	24	0.9%
Architecture and Engineering	1,781	1,801	20	1.1%
Life, Physical, and Social Science	1,593	1,614	21	1.3%
Legal	1,185	1,201	16	1.4%
All Occupations	210,907	214,400	3,493	1.7%

Source: Jobs EQ

APPENDIX 2: ASSET REGISTER

Consult “Asset Register” Excel workbook.

Public Comment Draft

APPENDIX 3: WORKFORCE DEVELOPMENT PROGRAMS

Provider Name	Provider Type	Location
Esalen Institute	Apprenticeship, Business, Career, & Tech Schools	Big Sur
Monterey Institute of Touch	Apprenticeship, Business, Career, & Tech Schools	Carmel
Monterey / Santa Cruz Plumbers & Steamfitters	Schools with Occupational Programs (ROP)	Castroville
Sheet Metal Workers Local Union #104	Apprenticeship, Business, Career, & Tech Schools	Castroville
King City Adult Education	Schools with Occupational Programs (ROP)	Greenfield
Golden Gate University	University or College (four-year school)	Marina
Chapman University - Monterey	University or College (four-year school)	Monterey
Monterey Institute of International Studies	University or College (four-year school)	Monterey
Monterey Peninsula Adult Education	Schools with Occupational Programs (ROP)	Monterey
Monterey Peninsula College	Community Colleges (two-year school)	Monterey
Del Monte Aviation	Apprenticeship, Business, Career, & Tech Schools	Monterey
Pacific Grove Adult Education	Schools with Occupational Programs (ROP)	Pacific Grove
Mission Trails Regional Occupational Program	Schools with Occupational Programs (ROP)	Salinas
Hartnell Community College	Community Colleges (two-year school)	Salinas
Central Coast College	Apprenticeship, Business, Career, & Tech Schools	Salinas
H & R Block Tax School	Apprenticeship, Business, Career, & Tech Schools	Salinas
Heald College	Apprenticeship, Business, Career, & Tech Schools	Salinas
OfficeStar Computer Training Center Education	Apprenticeship, Business, Career, & Tech Schools	Salinas
Salinas Beauty College	Apprenticeship, Business, Career, & Tech Schools	Salinas
Shoreline Occupational Services/Goodwill	Apprenticeship, Business, Career, & Tech Schools	Salinas
Waynes College of Beauty	Apprenticeship, Business, Career, & Tech Schools	Salinas
Shoreline Workforce Development Services - Santa Cruz	Apprenticeship, Business, Career, & Tech Schools	Santa Cruz
California State University, Monterey Bay	University or College (four-year school)	Seaside
Monterey Bay Beauty College	Apprenticeship, Business, Career, & Tech Schools	Seaside
Monterey College of Law	Apprenticeship, Business, Career, & Tech Schools	Seaside
H & R Block Tax School	Apprenticeship, Business, Career, & Tech Schools	Watsonville

Source: California EDD