



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: BC 21-033

March 31, 2021

Introduced: 3/23/2021

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

- a. Receive and support the Comprehensive Economic Development Strategy 2021-2026 for Monterey County; and
- b. Support direction for the Assistant County Administrative Officer to submit the Comprehensive Economic Development Strategy to the U.S. Department of Commerce, Economic Development Administration.

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Receive and support the Comprehensive Economic Development Strategy 2021-2026 for Monterey County; and
- b. Support direction for the Assistant County Administrative Officer to submit the Comprehensive Economic Development Strategy to the U.S. Department of Commerce, Economic Development Administration.

SUMMARY:

A Comprehensive Economic Development Strategy (CEDS) is a document developed by jurisdictions for the United States Economic Development Administration (EDA) to apply for vital funding for community economic development initiatives. The County of Monterey conducted its CEDS process following 13 CFR §303.6. This CEDS was developed with broad-based participation that included the agricultural community and vintners, tourism and hospitality professionals, educators, small business owners, non-profit representatives, and community partners. One of the main goals of the document is to determine needs in the community and for the regional economy and to take actions to improve the economy. The CEDS takes into account and, where appropriate, incorporates or leverages other regional planning efforts, including the use of available federal funds, private sector resources, and state support which 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 existing regional conditions, opportunities, and global economic conditions, leading to 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 U.S. Economic Development Administration (EDA) funding assistance under its Public Works and Economic Adjustment Assistance programs. Annual assessments of progress to date and plans for the coming year also are required.

The EDA requires the following components be incorporated into the document in some form:

- **Background Summary:** The summary of the region presents current, relevant data to describe local economic conditions.
- **SWOT Analysis:** This analysis of strengths, weaknesses, opportunities, and threats (SWOT) provides an understanding of a region's capabilities, capacity, and aspirations.
- **Strategic Direction / Action Plan:** The strategic direction and associated action plan outlines priorities, goals and objectives as well as specific activities to be implemented over a set period of time.
- **Evaluation Framework:** The evaluation framework serves as a mechanism to gauge progress on the successful implementation of the overall CEDS.
- **Economic Resilience:** in the context of economic development, "resilience" has three primary attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether.

Success of the CEDS hinges on the implementation of specific action recommendations. The planning of the CEDS initiated the process of building support among partner agencies and will continue throughout the duration of the five-year time period of the CEDS. Each strategy in the CEDS will not apply to every jurisdiction in Monterey County. However, each strategy is crafted to have the most impactful results 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.

Adoption of the CEDS is a federal requirement which the County, and qualified organizations within the County, must meet to apply to EDA for Public Works or Economic Adjustment Assistance Program grants. EDA has been an important partner in financing economic development projects, extending from King City to Pajaro, and including the reuse of the former Fort Ord and programs at CSUMB.

DISCUSSION:

Since 2011 the Economic Development Department has been engaged in developing a Strategic Plan for Economic Development (CEDS) in the County. Recently, with the economic crisis brought on by the COVID-19 pandemic, the County received an additional \$1,700,000 in EDA CARES Act funding to provide loans to small businesses.

The County utilized a consultant team, National Development Council (NDC) and Beacon Economics to conduct the CEDS outreach process, analysis of data, and to write the report.

The CEDS combines an in-depth statistical look at the local economy with quantitative and qualitative analysis of the County's economic and social environment conducted by Beacon Economics.

Beacon's work culminated in identification of six strategic framework goals:

1. Build Countywide Economic Development Capacity

Legistar File Number: BC 21-033

2. Build, Support, and retain a Robust and Adaptable Monterey County Workforce
3. Address Housing Shortage, Affordability and Barriers to New Development
4. Foster Development of Growing Established and Emerging Clusters
5. Strengthen Small Business and Entrepreneurship Environment; and
6. Expand the regional Broadband Infrastructure

In addition to summarizing the status of the local economy and areas of opportunities, the focal point of the CEDS is identification of projects that may be eligible for federal grant funding. Each jurisdiction and the County are then eligible to prepare individual grant applications for funding.

OTHER AGENCY INVOLVEMENT:

The CEDS committee has reviewed the document and recommended that it be presented to the Board of Supervisors for adoption.

FINANCING:

There is no additional cost to the General Fund. The County's cost to manage development of the CEDS was funded out of the General Fund support through the CAO's office through Economic Development Department Fund 001-1050-8514-6607-CAO038 through the FY 21 budget.

Receiving this report does not have any financial impact.

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Attachments: Draft Comprehensive Economic Development Strategy (CEDS)