Catalyst Program

The Community Economic Resilience Fund (CERF) is a catalytic investment for California’s 13 economic regions. These investments are building collaboratives that represent entire regional communities, cast a clear vision for the region’s future, and draft a regional economic plan.

These strategy documents will be more holistic and inclusive than many past economic and workforce development plans. They will incorporate equity, environmental justice, public health, and put workers and communities at the center of each region’s economic future.

To ensure the program effects systemic changes in regional economies, the CERF Interagency Team recommends the development of a Catalyst Program to bridge the gap between creating plans and making projects a reality. This program would prepare regions to maximize investment opportunities, while reserving Implementation funds for one-time, ready to go projects.

Historically, state, federal, private, and philanthropic funds are targeted for the last mile of a project rather than the early investments needed to prepare the projects. The submissions for the recently released Economic Development Pilot grant program confirmed that many communities across California lack the resources to prepare projects to become eligible for future funding opportunities. Disinvested communities have suffered the most from this dynamic, while their better-resourced neighbors have been able to allocate capital to developing projects that are ready for implementation. The Catalyst Program would fund disinvested communities across California to develop projects that align with the vision of the HRTC and position them to access additional federal, state, and private funds.

Due to the following sections, the CERF Interagency Leadership Team will amend existing Planning Phase contracts to provide greater clarity to the “Regional Plan: Part 2, Strategic Investments and Projects” requirements.

As proposed, the Catalyst Program would fund the following items:

1. Invest no more than $1.5M per region into the already identified Regional Convenor(s) to operate the established HRTC through at least September 30, 2026. In addition, the Convenor(s) would have the following deliverables:
   1. Provide support to the HRTC in establishing up to three Industry Collaboratives, specific to the industries identified and prioritized during the planning phase, and ensure coordination between the HRTC and Industry Collaboratives;
   2. Collaborate with the GO-Biz Community & Place-Based Solutions team and the U.S. Economic Development Administration to develop Economic Development Districts where they do not currently exist;
   3. Coordinate Implementation Phase applicants on behalf of the HRTC;
   4. Support the HRTC on the use of the proposed anchor institution funding;
   5. Support the Industry Collaboratives in identifying projects that will support the proliferation of the prioritized industries and enhance high-quality job creation and label them as “exploratory” (agreed upon ideas that are at the very initial phases) and “last-mile” (agreed upon projects that need the final piece of the puzzle to begin development). After cataloging projects, the Convenor will present the identified projects to the HRTC for final approval;
   6. Track the projects identified by the Industry Collaboratives and the HRTC including applications and awards for additional funding from other funding sources.
2. Invest no more than $25M per region into the development and implementation of Industry Collaboratives, designed to promote system change and alignment activities. This includes but is not limited to:
   1. Establishing up to three Industry Collaboratives, specific to the industries identified and prioritized during the CERF Planning Phase. These collaboratives should mirror the HRTC’s inclusive and equitable decision-making structure and should include representation from at least the 12 identified categories in the Planning Phase SFP. They can be managed by the Convenor(s) or another identified organization(s).
   2. The Industry Collaboratives will be responsible for the following:
      1. Designating an Industry Careers Coordinator who would be responsible for the following activities (no more than $3M):
         1. Developing an analysis of each of the job types that would be created by the prioritized industries, including a skills map, anticipated wages and benefits and opportunities to maintain these jobs into the future;
         2. Working in partnership with the established K-16 Collaboratives, High Road Training Partnerships (HRTP), the Workforce Investment Board(s), and other stakeholders to map existing career pathways, apprenticeships, and training programs in the prioritized industries;
         3. Developing a plan, in partnership with the above-mentioned partners, to access additional resources to fully develop career pathways, apprenticeships and training programs in line with these analyses.
      2. Engaging with local public agencies, including cities, counties, and local authorities, to identify specific parcels that could be developed by, or for, the identified industries and aligning with regional economic or business development strategies (no more than $1M)
      3. Developing a revolving loan fund, in alignment with existing revolving loan funds in the region and with the CA Infrastructure & Economic Development Bank, specific to supporting businesses within the identified industries (no more than $5M)
      4. Invest pre-development dollars into projects labeled as “exploratory” and “last mile” (with the intent of making them “ready-to-go") that may be eligible for additional funding from the state or federal governments, or that align and complement state or federally funded projects. These projects must also adhere to federal, program-specific Justice40 guidelines and be prioritized in communities identified as disinvested (as defined in the Planning Phase SFP). The Industry Collaboratives must receive final approval from the HRTC before expensing funds (no more than $15M)
         1. Pre-development activities include, but are not limited to:
            1. Feasibility studies; market analysis; environmental assessments, surveys, and remediation; site acquisition; site and development plans; project designs; permitting; establishing a regional tax increment financing district; drafting and negotiating Community Benefits and Community Workforce Agreements; financial planning (e.g., preliminary budget and construction financing)
            2. Basic environmental infrastructure pre-development, construction, and development of long-term operations and maintenance plans for infrastructure such as: clean water supply systems; wastewater systems; waste disposal systems; pollution control services
            3. Support costs for building and sustaining the capacity of project leads and partners, such as: investments in partner and local staff development; funding new and/or critical positions; acquiring or utilizing tools and resources to increase partner capacity for project planning and implementation; organizational capacity activities such as access to financial services or legal review; developing new pilot or demonstration projects and programs; participation and/or partnership with existing workforce programs; providing or securing technical assistance for partners.
      5. Identifying anchor institutions (public or private) that may be at risk of financial insolvency or relocation outside of California, and if closed, would create a negative impact on the community. Upon identification, the Industry Collaboratives should recommend to the HRTC whether funding should be allocated to support the anchor institution. The HRTC would then be responsible for making any final determinations for funding, in consultation with the CERF Interagency leadership Team (no more than $1M). Funded institutions would develop a plan for transition to a worker-owned co-operative model or a community-managed asset structure. Support must align with policy, market, and demographic trends as well as goals of CERF (equity, sustainability, job quality and access, economic competitiveness and economic resilience).
3. The Fiscal Agents (on behalf of the HRTCs) in each of the 13 regions, would be eligible to apply for up to $26.5M in funds from the Catalyst Program. A closed solicitation will open on September 1, 2023, and close on November 30, 2023. Applications will be reviewed and awarded on a rolling basis. The funds will be made available by May 1, 2024. These funds will be fully expensed by September 30, 2026.

The Interagency Team will support the HRTCs in applying for funds on ready-to-go projects as well as accessing additional resources and technical assistance to implement the above deliverables.

The definition of “projects” is aligned with the Economic Development Pilot grant including the following categories: Innovation Ecosystem, Entrepreneurship and Access to Capital, Infrastructure and Community Facility Development, Social Infrastructure.

The remaining funding within CERF (approximately $100M) will be made available after July 1, 2024, through a solicitation adapted from the Economic Development Pilot Program.