



COMMUNITY ECONOMIC RESILIENCE FUND (CERF) ECONOMIC DIVERSIFICATION PILOT PROJECTS FRAMEWORK FOR PUBLIC COMMENT

DOCUMENT OVERVIEW AND NEXT STEPS

- This document provides information for public comment on key aspects of the CERF Economic Diversification Pilot Projects (“Pilot Projects”). Our objective is to receive feedback to inform developing guidelines for the Solicitation for Proposal (SFP) of the Pilot Projects. This framework is non-exhaustive.
- The CERF enacting legislation, Senate Bill 162 (2021), requires that the program “provide a small initial tranche of funding for economic diversification pilots with demonstrable high road elements.”¹ The Economic Diversification Pilot Projects are designed to meet this requirement.
- This framework provides the following key elements:
 - Pilot Projects overview
 - Requirements and letter of support
 - Proposed project evaluation criteria
 - Additional information
- After releasing this framework for public comment, the CERF team plans to hold three listening-style webinars to learn more about your questions, ideas, and concerns. The dates and corresponding regions for each webinar are below:
 - **Northern California.** November 16, 2022 from 10 – 11 am. CERF Regions: North State, Redwood Coast, Bay Area, Sacramento
 - **Central and Inland California.** November 17 from 10 – 11 am. CERF Regions: Eastern Sierra, Northern San Joaquin Valley, Central San Joaquin Valley, Kern County, Central Coast
 - **Southern California.** November 30 from 10 – 11 am. CERF Regions: Los Angeles County, Orange County, Inland Empire, Southern Border

CERF PROGRAM VISION

The objective of CERF is to build an equitable and sustainable economy across California’s diverse regions and foster long-term economic resilience in the overall transition to a carbon-neutral economy. To achieve this objective, CERF includes a focus on investments that target equitable economic outcomes for workers. CERF aims to achieve this objective through regional and worker-centered

¹ [Bill Text SB-162](#)



inclusive economic planning, while aligning with and leveraging state investments (e.g., High Road Training Partnerships, infrastructure investments, community capacity building programs), federal investments (e.g., Economic Development Administration's Building Back Better Regional Challenge), and philanthropic and private-sector investments to maximize COVID-19 recovery efforts.

PILOT PROJECTS

The CERF Pilot Projects will fund projects aligned with the values of the CERF program that demonstrate potential uses of CERF implementation funds. Up to \$50 million will be available for funding, with a maximum of \$10 million allowed for any single award. Up to 13 projects will be funded, and geographic equity among regions will be prioritized. The final Pilot Projects SFP will be released in January 2023.

Grant Requirements

CERF Pilot Projects grants will be awarded to projects that reflect the high road intent of the CERF program.² Projects must prioritize equity, sustainability, job quality and access, and economic competitiveness and resilience. The grants shall meet all of the following requirements, as noted in Senate Bill 162 (2021):

1. Support labor standards where applicable, such as livable wage, project labor agreements, or community workforce agreements.
2. Address geographic equity and access to basic services issues, accounting for differences in urban, suburban, rural, and tribal communities, and emphasize investment in disinvested communities.
3. Organize strategies by industry or geography, or both, within or across regions, with the potential to focus on regionwide strategies, on one or more specific priority projects within a region.
4. Include a range of activities related to economic diversification, such as creating innovation hubs for key growth industries, expanding incubator or accelerator programs that provide technical assistance for small business owners to connect to larger industry clusters, or other projects and activities that advance a high road economy.
5. Coordinate with, advance, and complement, without supplanting, state and federal infrastructure investments.

² See glossary entry on page 42 of the [CERF Planning Phase SFP](#) for definition of high road.



6. Align with regional workforce needs by linking directly to high road training partnerships, high road construction careers training programs, or other workforce training that supports high road jobs, wherever such partnerships exist or emerge in the region.
7. Align with state climate goals, such as fostering development of low-carbon or regenerative industries, reducing GHG emissions, or increasing water or energy efficiency.

Required Letter of Support

To be eligible for funding, project proposals must include a letter of support from at least one of the following other than the applicant:

- Local or regional government
- Economic development agency
- Workforce development agency
- California Native American Tribe
- CERF High Road Transition Collaborative (HRTC).

The letter must tie the identified project to a locally adopted strategy. Applications with a letter of support from a CERF HRTC will receive additional points in the scoring process.

Project Evaluation Criteria

Submitted projects will be evaluated for awards based on the following criteria. These criteria are not final and are subject to change in the final Pilot Projects SFP.

- **Consistency with CERF Objectives.** Extent to which the proposed investments align with CERF objectives.
- **Anticipated Impacts.** Extent to which proposed investments create beneficial impacts to workers, communities, and industries.
- **High Road Standards.** Extent to which proposed investments support and advance a high-road regional economy.
- **Geographic Equity.** Extent to which proposed investments address differences in urban, suburban, rural, and tribal communities, and emphasize investments in or for disinvested communities.
- **Alignment with State Climate Goals.** Extent to which the project aligns with state climate goals.
- **Capacity of Applicant.** Strength of applicant's organizational capacity, relevant experience, financial capabilities, and ability to meet stated metrics.



ADDITIONAL INFORMATION

- To be eligible for funding, a Pilot Project proposal must be presented as part of a plan approved or adopted by a local or regional entity within the past five years. These plans must have been developed in consultation with diverse stakeholders, including the public.
- Proposals that intend to use CERF Pilot Projects funds as matching funds must demonstrate additional funding has already been secured by submitting a letter supporting approved access to the additional funds such as a notice of award.
- Applicants will be required to submit the following as part of their applications:
 - **Displacement or dislocation mitigation strategy.** Projects must assess the potential for worker dislocation or community displacement and include an avoidance or mitigation strategy where applicable.
 - **Clear indicators and metrics.** Projects must include indicators and metrics for tracking success and progress against inequities or barriers to development of a high-road economy.