

# Community Economic Resilience Fund

L.A. HRTC

Date

The Honorable Stewart Knox  
Secretary of the California Labor & Workforce Development Agency  
800 Capitol Mall, Suite 5000  
Sacramento, CA 95814

The Honorable Samuel Assefa  
Director of the Governor's Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

The Honorable Dee Dee Myers  
Director of the Governor's Office of Business and Economic Development  
1325 J Street, Suite 1800  
Sacramento, CA 95814

## **Subject: Community Economic Resilience Fund (CERF) Catalyst Program**

Dear Secretary Knox, Director Assefa and Director Myers,

On behalf of the over 300 public, private, and non-profit members that make up the Community Economic Resilience Fund Los Angeles County High Road Transition Collaborative (CERF LA HRTC), we respectfully write to recommend changes to the Catalyst Program recently released by the CERF Interagency Team.

First and foremost, we would like to commend the state for its commitment to preparing projects in disinvested communities and maximizing funding opportunities for CERF projects. The CERF Catalyst Program's objective to overcome timeline constraints and expedite support to communities aligns with our mission to promote sustainable and inclusive development in our regions.

While the CERF Catalyst Program provides good direction on the types of items that should be funded (i.e. career coordinators, community asset surveys, revolving loan funds, improvement of anchor institutions, and project investments), we are concerned with the decision to reserve each region \$26.5 million. The proposed allocation does not adequately address the pressing needs of disinvested communities in different regions with larger populations that personify the goals and objectives of CERF. It is crucial that the funding distribution considers the scale of challenges faced by our region and ensures that resources are allocated equitably to address these challenges effectively.

Using the smallest and largest regions as examples, under the current proposal, the Eastern Sierra CERF (ES CERF) region with a population of approximately 192,000 is getting the same amount of investment dollars as the Los Angeles County CERF (LA CERF) Region that has a population of approximately 9.7 million. Broken down on a per person basis the ES CERF will receive \$137.73 per person whereas LA CERF will get only \$2.73 per person (see Table 1). The proposal also ignores the diversity of

communities being served. For example, the ES CERF region's minority population only makes up 23% of its population or approximately 45,000 individuals. Compared to the LA CERF region whose minority population accounts for 68% of its total population or 6.5 million individuals (see Table 3).

We feel it is essential to address concerns regarding the equitable distribution of funding among the regions in California. Our intention is not to detract from the needs of other regions but to highlight the specific obstacles and opportunities present in our respective areas. When determining the amount of funding to provide each region, the CERF Interagency Team could have taken one of two extreme approaches. Option one, give each region the exact same amount or option two, give each region money solely based on its population. We think both of these approaches are flawed as both approaches would disproportionately punish small or large regions depending on the approach selected.

Instead, we recommend revising the CERF Catalyst Program proposal to provide each region a minimum of \$10 million in CERF monies instead of \$26.5 million. The remaining \$214.5 million would be allocated to each of the regions based on the percentage of the state population for which they account. This approach ensures that every region, especially those with small populations, receives a minimum of money to assist with their efforts. It also ensures that regions with large populations receive additional resources to help with their greater need. It's important to note that under the revised proposal, the largest CERF regions (Bay Area, Inland Empire and Los Angeles County) would continue to receive among the lowest per person amounts per region (\$6.83, \$7.64, and \$6.52 respectively) (see Table 2).

As you consider updates to the CERF Catalyst Program, we also urge you to consider:

1. **Geographic Diversity:** The Los Angeles region encompasses 88 diverse cities within urban, suburban, and rural areas, each with its own set of challenges and opportunities. We urge the state to allocate funds in a manner that reflects the diverse needs of these different communities.
2. **Economic Disparities:** The Los Angeles region experiences significant economic disparities, with 51% of Angelenos living in disinvested communities, facing higher levels of poverty and limited access to resources. It is crucial that funding distribution be responsive to these disparities and prioritize projects that address the root causes of economic inequities.
3. **Community Engagement:** Meaningful community engagement is vital to the success of any development initiative. We encourage the state to allocate resources for robust community involvement and participation in the decision-making process, ensuring that the voices of marginalized communities are heard and respected.

**(Table 1): Funding Under CERF Catalyst Program Proposal:**

<b>Region</b>	<b>Total Population</b>	<b>Percentage of Population</b>	<b>Proposed Grant Amount</b>	<b>Per Person Amount Under Proposed Grant</b>
Bay Area	7,516,241	19.26%	\$26,500,000	\$3.53
Central Coast	2,323,262	5.95%	\$26,500,000	\$11.41
Central SJV	1,805,971	4.63%	\$26,500,000	\$14.67
Eastern Sierra	192,412	0.49%	\$26,500,000	\$137.73
Inland Empire	4,667,558	11.96%	\$26,500,000	\$5.68
Kern County	916,108	2.35%	\$26,500,000	\$28.93
Los Angeles County	9,721,138	24.91%	\$26,500,000	\$2.73
North State	602,241	1.54%	\$26,500,000	\$44.00
Northern SJV	1,634,518	4.19%	\$26,500,000	\$16.21
Orange County	3,151,184	8.07%	\$26,500,000	\$8.41
Redwood Coast	320,066	0.82%	\$26,500,000	\$82.80
Sacramento	2,723,722	6.98%	\$26,500,000	\$9.73
Southern Border	3,454,921	8.85%	\$26,500,000	\$7.67

**(Table 2): Funding Under Revised CERF Catalyst Program Proposal:**

<b>Region</b>	<b>Total Population</b>	<b>Percentage of Population</b>	<b>Revised Minimum Grant Amount</b>	<b>Revised Grant Based on Population</b>	<b>Revised Grant Amount</b>	<b>Per Person Amount Under Revised Grant</b>
Bay Area	7,516,241	19.26%	\$10,000,000.00	\$41,308,246.87	\$51,308,247	\$6.83
Central Coast	2,323,262	5.95%	\$10,000,000.00	\$12,768,334.63	\$22,768,335	\$9.80
Central SJV	1,805,971	4.63%	\$10,000,000.00	\$9,925,373.06	\$19,925,373	\$11.03
Eastern Sierra	192,412	0.49%	\$10,000,000.00	\$1,057,470.40	\$11,057,470	\$57.47
Inland Empire	4,667,558	11.96%	\$10,000,000.00	\$25,652,269.28	\$35,652,269	\$7.64
Kern County	916,108	2.35%	\$10,000,000.00	\$5,034,806.02	\$15,034,806	\$16.41
Los Angeles County	9,721,138	24.91%	\$10,000,000.00	\$53,426,063.42	\$63,426,063	\$6.52
North State	602,241	1.54%	\$10,000,000.00	\$3,309,835.32	\$13,309,835	\$22.10
Northern SJV	1,634,518	4.19%	\$10,000,000.00	\$8,983,090.49	\$18,983,090	\$11.61
Orange County	3,151,184	8.07%	\$10,000,000.00	\$17,318,482.28	\$27,318,482	\$8.67
Redwood Coast	320,066	0.82%	\$10,000,000.00	\$1,759,039.57	\$11,759,040	\$36.74
Sacramento	2,723,722	6.98%	\$10,000,000.00	\$14,969,208.78	\$24,969,209	\$9.17
Southern Border	3,454,921	8.85%	\$10,000,000.00	\$18,987,779.87	\$28,987,780	\$8.39

**(Table 3): Minority Demographics Per Region:**

<b>Region</b>	<b>Total Population</b>	<b>% of California Population</b>	<b>Total Minority Population</b>	<b>% of Minority Population</b>
Bay Area	7,516,241	19.26%	4,563,245	61%
Central Coast	2,323,262	5.95%	1,137,844	49%
Central SJV	1,805,971	4.63%	1,112,698	62%
Eastern Sierra	192,412	0.49%	45,046	23%
Inland Empire	4,667,558	11.96%	2,860,788	61%
Kern County	916,108	2.35%	541,420	59%
Los Angeles County	9,721,138	24.91%	6,561,768	68%
North State	602,241	1.54%	164,423	27%
Northern SJV	1,634,518	4.19%	998,764	61%
Orange County	3,151,184	8.07%	1,783,570	57%
Redwood Coast	320,066	0.82%	100,997	32%
Sacramento	2,723,722	6.98%	1,262,420	46%
Southern Border	3,454,921	8.85%	1,785,839	52%

In conclusion, we express our support for the CERF Catalyst Program and its goals but we hope that our regions' unique challenges reflect available funding. We are committed to collaborating with the state, our fellow stakeholders, and the affected communities to ensure the successful implementation of this program in the Los Angeles region.

We are grateful for the opportunity to provide feedback and suggestions during the upcoming public comment period. As members of the CERF LA HRTC, we are dedicated to promoting equitable development practices and advocating for the needs of our communities. We look forward to further engagement and dialogue on this recommended proposal to achieve the shared goal of a prosperous and inclusive California.

Thank you for your attention to this matter. Should you require any additional information or wish to discuss this further, please do not hesitate to contact us.

Sincerely,

cc: Mary Collins, Senior Advisor for Climate & Economy, Governor's Office of Planning and Research