

**California Jobs First:
Regional Investment Initiative
Annual Report
December 31, 2024**

Table of Contents

Executive Summary.....	3
Regional Investment Initiative Objectives	4
Annual Summary of Awards	4
Planning Phase	4
Program Evaluation.....	5
Operational Consultant.....	5
Summary of Award:	6
Economic Development Pilot Projects.....	6
Tribal Investment Initiative.....	7
Catalyst Program.....	7
Implementation Phase.....	9
Fiscal Compliance.....	9
Reporting and Invoicing	9
Program Metrics	10
Metrics	10

Executive Summary

In calendar year 2024, staff from the Governor’s Office of Planning and Research transitioned to the Governor’s Office of Business and Economic Development to better centralize and align the scope of work associated with collaboration efforts for the implementation of the Community Economic Resilience Fund Program, since renamed the Regional Investment Initiative, pursuant to Senate Bill (SB) 162 (Committee on Budget & Fiscal Review, Chapter 259, Statutes of 2021). Throughout the life of the program, the Inter-Agency Leadership Team, comprised of the Governor’s Office of Planning and Research, Labor and Workforce Development Agency (LWDA), and the Governor’s Office of Business and Economic Development with the administrative support of the Employment Development Department (EDD) will continue to participate in regularly scheduled reporting meetings to discuss stakeholder input, agendas, policy recommendations and program guidelines.

On March 8, 2024, Governor Gavin Newsom announced the California Jobs First Council to focus on streamlining the state’s economic and workforce development programs to create more jobs, faster. California Jobs First Council will achieve these goals by supporting regional Jobs First Collaboratives in the implementation of their Jobs First Strategies. The California Jobs First State Economic Blueprint builds on the regional priorities and plans established through the Regional Investment Initiative. The Blueprint will include statewide economic snapshots and identify priority sectors, statewide project portfolios, business expansion, attraction, and retention strategy and workforce development strategy.

The California Jobs First State Economic Blueprint aims to deliver a sustainable and equitable recovery from the economic distress of COVID-19 and other macroeconomic impacts such as the global transition to carbon neutrality. In 2024, the Regional Investment Initiative made significant strides in advancing economic development with a core focus on fostering equity and sustainability within California. In addition to the \$5 million Planning Phase grants, the Inter-Agency Leadership Team awarded each of the 13 Jobs First Collaboratives \$14 million, to invest in sector-specific pre-development activities, enabling regions to take projects from exploratory and last-mile to ready-to-go projects that can access local, state, and federal funds, as well as private and philanthropic investments. On September 30, 2024, the 13 Jobs First Collaboratives successfully completed the Planning Phase and submitted Part 2 of their Regional Plan. Part 2 presented a holistic economic development strategy that prioritized the creation of high-quality jobs, equitable access to jobs and resources, and emphasized developing sustainable and resilient economies and industries. Looking ahead, the program is committed to continuing to build upon the success of the program and further advance economic development in California. The Inter-Agency Leadership Team will release the Implementation Phase Solicitation for Proposal in 2025, which seeks to fund ready-to-go projects.

The 2024-25 Budget Act reduced the Regional Investment Initiative program budget from \$600 million to \$300 million. Under the new budget plan, the Regional Investment Initiative will also receive \$50 million in funding per year over the next three state fiscal years (SFY), totaling \$150 million, to support project implementation and the Tribal Investment Initiative.

Regional Investment Initiative Objectives

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

As part of the Planning Phase, the Jobs First Collaboratives implemented a transparent and inclusive process to advance long-term prosperity and equity, working directly with the Regional Climate Collaboratives Program where applicable, and included balanced representation from labor, business, community, government, and other stakeholders, including, but not limited to, economic development, philanthropy, education, and workforce partners. Together, these partners formed their respective collaborative to engage in strategic planning for economic resilience and equitable pathways to high road opportunities and the development of their Regional Plan. Regional Plans are based on actionable research in partnership and shared decision-making with communities and in consultation with expert institutions, with a focus on the program objectives of equity, sustainability, job quality, economic competitiveness, and resilience. Analyses and plans account for sub-regional and inter-regional dynamics. The plans build on existing regional and/or subregional economic development plans and strategies as appropriate. The Regional Plan included two parts. Part 1 presented a snapshot of socio-economic conditions in the region: mapping stakeholders, providing a regional summary, and conducting analyses. Part 1 was due December 31, 2023. Part 2 established a forward-looking economic development and transition roadmap using the information obtained in Part 1. Part 2 was completed on August 30, 2024, and will be made available online.

Annual Summary of Awards

The following provides summary information for ongoing or recently completed project phases, or detailed information on grants that were not included in previous reports. For a complete synopsis of the Regional Investment Initiative awards (previously CERF), visit [EDD's Legislative Report webpage](#).

Planning Phase

Funding Awarded: \$65 million

Number of Awards: 13

During the Planning Phase, the program provided \$5 million in planning grants per region in 13 regions for a total of \$65 million. The collaboratives were composed of an administrative Fiscal Agent, a Regional Convener, and a wide range of diverse partners reflecting the diversity of each region. Planning grants were administered jointly by the Fiscal Agent and/or Regional Convener.

The Jobs First Collaboratives worked with a wide range of partners to develop a representative regional governance structure, complete their data analysis for Part 1 of the Regional Plan, and initiate activities for Part 2. During Part 2, each region held community engagement opportunities for their region

expanding representation across various stakeholder groups. The Jobs First Collaboratives attended several convenings hosted by the Inter-Agency Leadership Team in Sacramento. During the convenings the regions participated in various exercises and discussions aimed for promoting regional and cross-regional collaboration.

The Planning Phase concluded on September 30, 2024.

Program Evaluation

Funding Awarded: \$3.3 million

Actual Expenditures: \$1.6 million

Number of Awards: 1

The Program Evaluator, The Mark USA, Inc. (The Mark), in collaboration with the Inter-Agency Leadership Team, led on the development of early-stage mapping of outputs and the necessary data to track for the long-term evaluation of the planning and implementation phases of this program. The evaluator served as a learning partner in the early stages of program development and provided data-driven recommendations to inform the decisions of the Inter-Agency Leadership Team and the California Jobs First Collaboratives. The outputs of the evaluation have informed adaptations, shifts, and recommendations as new lessons emerge with the goal to support real-time feedback and learning.

In May 2024, the contract with the evaluator ended. Due to changes in the budget and timeline, the Inter-Agency Team will reassess the scope of the evaluation in the coming years to ensure alignment with all phases of the program. Furthermore, the evaluation will need to consider the goals and objectives in the California Jobs First Operational Plan.

Operational Consultant

Funding Awarded: \$4.6 million

Number of Awards: 1

The Operational Consultant, McKinsey & Company, in collaboration with the Inter-Agency Team and the California Jobs First Council, will lead the development of the California Jobs First State Economic Blueprint. The Blueprint will outline the ways in which the State of California can assist the regional Jobs First Collaboratives in implementing their strategies. This plan will be implemented by a variety of state agencies and community partners. It is intended to build on the work of the regions and will include the following components:

- Research & State Prioritization
- Regional Investments
- Workforce
- Business Development
- Monitoring & Evaluation

Summary of Award:

Operational Consultant – Contract Amount - \$4,592,302

Operational Consultant:

McKinsey & Company, Inc. Washington D.C.

McKinsey, along with subcontractors ARKEN Strategies+, The Honey Agency, and California Forward will support the Inter-Agency Leadership Team in the development of the Operational Plan/State Economic Blueprint.

Several principles will guide the approach to support the development of the Operational Plan:

- **Alignment of workplans across regions:** This includes providing clear milestones and expertise to support the development of high-quality plans by the mandated deadline. They will also provide best-practice approaches from supporting large-scale, multistakeholder efforts to establish clear timetables, provide regions with consistent templates and toolkits, and empower regions with specific “hands on” support that may be needed.
- **Establishing the right operating model:** Identify the right operating model to balance regional autonomy with state-level harmonization to deliver maximum impact. Such an approach aims to leverage local expertise and knowledge and ensure that all the regions’ plans fit together into a cohesive vision for the state aligned priorities.
- **Focus on execution:** To ensure that the Operational Plan can be implemented, the strategic planning effort will be designed with an execution lens from the start.

Economic Development Pilot Projects

Funding Awarded: \$39.3 million

Number of Awards: 8 projects

The Economic Development Pilot funds eight projects that align with the values of the Regional Investment Initiative program and demonstrate potential uses of implementation funds. These projects are currently in progress and have a 24-month period of performance. At least three of the projects are leveraging other sources of funds to carry out their full scope of work. Additional sources of funding include state, federal, and philanthropic funds.

Economic Development Pilots are expected to conclude in late 2025 and early 2026.

Summary of Awards:

1. Alchemist Public Market, Alchemist Community Development Corporation
Award: \$7,898,506
2. Walnut-Daisy Urban Farm, Cooperacion Santa Ana
Award: \$3,802,367
3. NOYO Harbor Revitalization Plan, Noyo Harbor District
Award: \$3,203,872

4. PACE Green Loan Fund, Pacific Asian Consortium in Employment Finance Corp
Award: \$5,000,000
5. Integrating Innovation and the North State's Working Landscape, Siskiyou Economic Development Council
Award: \$2,145,000
6. Bioeconomy, Agriculture, and Manufacturing Initiative, Stanislaus Business Alliance, Inc d.b.a. Opportunity Stanislaus
Award: \$3,602,786
7. High Roads to Good Jobs and Prosperity in the Central Valley, United Way Fresno and Madera Counties
Award: \$10,000,000
8. Latino Workers and Entrepreneurs Resiliency Pathway, Ventures
Award: \$3,496,179

Tribal Investment Initiative

Funding Availability: \$15 million

The Tribal Investment Initiative includes \$15 million of funding to support tribal-led economic planning and implementation in tribal communities.

EDD, on behalf of the Inter-Agency Leadership Team, released a request for proposal, contract for services in February of 2024 and did not receive any eligible applications. As such, the Inter-Agency Leadership Team renamed the program as the Tribal Investment Initiative and expects to release the Solicitation for Proposal in February 2025 that includes up to \$5 million per year for the next three fiscal years.

Catalyst Program

Funding Awarded: \$182 million

Number of Awards: 13

On March 8, 2024, Governor Newsom [announced](#) the Catalyst Program awards, which invest in sector-specific pre-development activities, enabling regions to take projects from exploratory and last-mile to ready-to-go projects that can access local, state, and federal funds, as well as private and philanthropic investments.

The Catalyst Program will support the following activities in each of the 13 Jobs First Collaboratives:

1. Support the already identified Regional Convenor(s) to operate the established Jobs First Collaborative through at least September 30, 2026. These funds will support the Conveners with the following activities:

- a. Continue to expand regional outreach and engagement activities, ensuring inclusion of disinvested communities;
 - b. Continuously update research to keep plans current for future funding opportunities and planning processes;
 - c. Coordinate Implementation Phase application process;
 - d. Collaborate with the GO-Biz Regional Economic Development Initiatives team and the U.S. Economic Development Administration to develop Economic Development Districts where they do not currently exist;
 - e. Track the projects identified by the Jobs First Collaborative, including applications and awards for additional funding from other sources.
2. Develop and recruit Sector Investment Coordinators, tasked with promoting system change and alignment activities. These funds will support no more than five positions or sub-contracts, either as new staff at the Conveners or at another identified organization in the region. The positions will execute the following activities on behalf of the Jobs First Collaborative:
- a. Work within the collaborative on industries prioritized in the Planning Phase;
 - b. Support the collaborative in cataloguing projects that will support the proliferation of the prioritized industries and enhance high-quality job creation; label these projects as “exploratory” (agreed-upon ideas that are at the very initial phases) and “last-mile” (agreed-upon projects that need the final component to begin development), or identify projects as non-viable;
 - c. Work with GO-Biz staff and regional partners to find and apply for state, federal, and private grants;
 - d. Align collaborative-identified projects with federal funding;
 - e. Liaise with workforce and economic development partners, High Road Training Partnerships, community-based organizations, and others capable of contributing to the success of the project to build an ecosystem around identified industries or sectors;
 - f. Provide or procure Technical Assistance for Implementation grant applications and administration.
3. Invest funding into projects labeled as “exploratory” or “last mile,” with the intent of performing pre-development activities to identify viable projects that could become “ready-to-go” or any projects that may be non-viable. After receiving Catalyst funds, ready-to-go projects may be eligible for additional funding from local, state, or federal governments, philanthropy, or private investors. These projects must align with existing Regional Investment Initiative priorities of equity, sustainability, job quality and access, economic competitiveness, and economic resilience. Projects must also adhere to federal, program specific Justice40 guidelines, which requires 40% of the overall benefits and investments flow to disadvantage communities. The funds may also be identified in federal grant applications as matching funds.
- a. Pre-development activities include, but are not limited to:
 - i. 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 (TIF); drafting and negotiating Community Benefits Agreements and Community Workforce Agreements; establishing public-private partnerships, Community Development Corporations and Community Development Financial Institutions; revolving loan funds; joint powers authorities; financial planning (e.g., preliminary budget and construction financing); with the goal of establishing long-term funding opportunities for implementation of Planning Phase regional strategies;
- ii. 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;
 - iii. 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.

The Catalyst Program began May 1, 2024.

Implementation Phase

During the Implementation Phase (2025-2030), the Regional Investment Initiative will fund an estimated 20 implementation projects on a rolling basis using specific criteria, such as demonstrated community support, alignment with state climate goals, and demonstration of labor standards and job quality. The Implementation Phase program criteria was presented to the Jobs First Collaboratives during the Jobs First Convening in February 2024.

The Implementation Phase Solicitation for Proposal is expected to be released in February 2025.

Fiscal Compliance

In accordance with Section 11019.1 of the Government Code, the Inter-Agency Team provided an Advance Payment option to community-based non-profit organizations. The Advance Payment option aims to reduce barriers in participating in the Regional Investment Initiative. Applicants may apply to receive up to 25 percent of their total grant award through an Advance Payment option. During calendar year 2024, the Inter-Agency Team received and approved \$19.2 million under Catalyst and \$9.3 million under Economic Development Pilots for Advance Payment. The Department of Finance provides oversight for Regional Investment Initiative fiscal compliance, including with the Advance Payment process. EDD regularly collaborates with the Department of Finance to ensure funds are managed, spent, and monitored appropriately.

Reporting and Invoicing

The fiscal agent prepares and submits monthly financial reports for reimbursements, or as requested, in formats prescribed by EDD. At a minimum, each entity is required to provide the total amount of funds

available for each budget category, and monthly program deductions (e.g., payments to subcontractors, participant compensation). In addition to submitting monthly reports, the Inter-Agency Team meets monthly with each Fiscal Agent to discuss the program deliverables.

Planning Phase grants concluded on September 30, 2024. EDD will initiate the close-out of these grants in December 2024 and disencumber any of the remaining funds by January 2025.

Program Metrics

Metrics

In collaboration with the Leadership Team and the collaboratives, the evaluator led the design and implementation of the evaluation plan for the Planning Phase. The evaluator served as a learning partner and provided data-driven recommendations to inform the decisions of the Inter-Agency Leadership Team. The program evaluation examined the Regional Investment Initiative theory of change – the inputs provided by the State during Planning Phase (funding, technical support, coordination) and developed several Evidence Briefs to inform Planning Phase and Catalyst Program decisions.

The Program Evaluator, The Mark, in collaboration with the Inter-Agency Team and the regional collaboratives, developed the Metrics Scorecard and the Evaluation Design Report. The agreement with the Program Evaluator, The Mark, concluded on May 10, 2024, with the submission of the Evaluation Design Report and Metrics Scorecard. This scorecard will guide the publication of data metrics in future reports, including any high road metrics. Looking ahead, the program is committed to building upon its ongoing success to advance economic development in California.



STATE OF CALIFORNIA

LABOR AND WORKFORCE DEVELOPMENT AGENCY

EMPLOYMENT DEVELOPMENT DEPARTMENT