



A YEAR OF ACTION: THE SUMMIT PLAN TO ADVANCE PROSPERITY IN 2014

The California Economic Summit is bringing together leaders from across the state in an unprecedented way to create a shared economic agenda—one developed by private, public, and civic champions from the state's diverse regions with the goal of expanding prosperity for all.

At the 2013 Summit in Los Angeles, regional leaders made nearly 600 individual commitments to support the Summit's emerging prosperity strategy. These commitments reaffirmed the Summit's emphasis on the triple bottom line—simultaneously encouraging economic growth, improving environmental quality, and increasing opportunity for all.

To focus this work in 2014, the Summit has identified nine proposals the state could adopt this year to advance prosperity across California.

This report details how these nine Summit proposals are the foundation for rebuilding California's struggling middle class and restoring upward mobility. It also highlights a wealth of opportunities for the Summit's [seven Action Teams](#) to engage and collaborate to make them a reality.

The Summit's prosperity strategy starts with training the skilled **Workforce** the new economy demands, while also supporting the state's efforts at **Advancing Manufacturing**—a potential source of sustainable, middle-income jobs for years to come. To keep the state competitive, the plan also emphasizes the importance of reducing uncertainty around state **Regulations** and ensuring **Capital** continues to flow to entrepreneurial activity in every region.

While this work can begin to restore upward mobility, the Summit strategy also includes new ways to reinvest in the state's **Infrastructure** system to meet the needs of a growing population, leverage the economic value of its unparalleled **Working Landscapes**, and make **Housing** more available and affordable.

How the Summit plan can drive a statewide economic recovery in 2014

This report includes “wins” the Summit has identified in each of these areas, detailing how Summit Action Teams can support each other's work. It also describes ongoing, longer-term proposals identified by each team—work that will move toward implementation in 2015.

Several major opportunities for collaboration across the expanding Summit network are highlighted, as well—from efforts to launch new regional workforce partnerships and support local investments in infrastructure and housing to a cross-team proposal aimed at supporting sustainable communities. The Summit will work to ensure all of these efforts advance the triple bottom line—keeping California's regions competitive while providing good jobs and maintaining a high-quality environment.

2014 PRIORITIES

“The Summit has been a very impressive process; it has cast a wide net and developed a huge range of good ideas. The real key now is to distill it down—to make difficult choices and to identify the core actions we can turn into tangible accomplishments, where if we achieve them, we know we've moved the ball forward.”

—*Kish Rajan, director of the Governor's Office of Business & Economic Development*

DRIVING A STATEWIDE ECONOMIC RECOVERY:

How the Summit's Priorities Can Advance Prosperity in 2014

California's economy may be coming back, but more than four years after the end of the Great Recession, the comeback is still slow and uneven. Silicon Valley's freeways may be jammed and the road to the Hollywood sign may be flooded once again with tourists—good signs of the state's economy getting back on its feet—but Californians know that is only part of the story.

Since 2010, a million jobs have been created in California, more than any other state. But away from the wealthy coasts, and in some persistent pockets of poverty within them, the recovery is shaping up to be a long road to rehabilitation. This looming disparity is a major focus of the California Economic Summit.

For many Californians, the recession is still a grim reality—and the gap between rich and poor is expanding. In the Inland Empire, 4 million people living only 60 miles from Hollywood face unemployment levels rivaling Detroit's. The agricultural San Joaquin Valley, where only one in 15 adults in some areas have college degrees, is home to some of the most poverty-stricken congressional districts in the nation.

This looming disparity between the “two Californias”—one rich and one poor, with the middle class squeezed in between—is not only a regional challenge. Cities like Palo Alto and East Palo Alto exist side-by-side all over the state, incredible prosperity just down the street from lingering hardship.

Putting California on the road to prosperity in 2014

As California looks ahead at what it must do to thrive in the century to come, this yawning disparity may be its preeminent challenge. By tapping some of the best thinking from across the state, the Economic Summit has developed a nine-step strategy for rebuilding a strong middle class and increasing upward mobility throughout California. These proposals are detailed on the pages that follow.

NINE SUMMIT PROPOSALS TO ADVANCE PROSPERITY IN 2014

WORKFORCE – *Training workers for the new economy*

- 1. Ensure state funds are spent** on career-technical education and workforce development to prepare workers for high-demand fields (including STEM).
- 2. Increase state support for regional sector partnerships** to prepare workforce for high-demand fields.

ADVANCING MANUFACTURING – *Supporting a source of sustainable, middle-income jobs for years to come*

- 3. Expand industry-led regional manufacturing partnerships** by supporting manufacturing clusters.

REGULATIONS – *Reducing regulatory uncertainty*

- 4. Explore ways to open up government processes** and make regulatory implementation more efficient.

CAPITAL – *Ensuring capital continues to flow to entrepreneurial activity in every region*

- 5. Identify ways of using capital intermediaries** to close gaps in access to capital across the state.

INFRASTRUCTURE – *Finding new ways to meet the infrastructure needs of a growing population*

- 6. Build a project pipeline for new kind of financing**, working with the state Infrastructure Bank.
- 7. Expand the use of new financing tools** to support infrastructure development.

HOUSING – *Making housing available and affordable*

- 8. Advocate for state action** to increase accessibility of housing by broadening housing availability.

WORKING LANDSCAPES – *Leveraging the economic value of the state's unparalleled landscapes*

- 9. Expand use of data-driven approach** to show how managing working lands can improve the economy.

NINE PROPOSALS TO ADVANCE PROSPERITY IN 2014:

The Summit's Strategy for This Year and Beyond

Action Team	Top priorities for 2014	What the “win” looks like	Support from other teams	Other long-term work
WORKFORCE	<p>1. Ensure state funds are spent on career-technical education and workforce development to prepare workers for high-demand fields (including STEM), while also advancing a ‘shared investment’ approach.</p>	<p>Targeted state funding: Money allocated, guidelines adopted, incentives created that include Summit’s focus on helping community colleges support needs of regional economies. Executive or legislative action to adopt ‘shared investment’ approach that provides incentive funding for CTE aligned with regional workforce demand.</p>	Manufacturing	<ul style="list-style-type: none"> • GO-Biz partnership: Integrating state resources to connect local economic development & workforce training. Regional pilot: Inland Empire.
	<p>2. Increase state support for regional sector partnerships to prepare workforce for high-demand fields (including STEM)—collaborations that include K-12 systems, community colleges, CSUs, UCs, private education and training institutions, workforce investment boards, community-based organizations, and others.</p>	<p>Partnerships launched: At least six regions launch and/or strengthen partnerships in 2014.</p>	Manufacturing W-Landscapes Infrastructure	<ul style="list-style-type: none"> • Regional targets: Regional partnerships work with their employers and partners to establish regional targets for graduating and training needs.
MANUFACTURING	<p>3. Expand industry-led regional manufacturing partnerships focused on developing manufacturing clusters involving manufacturers, universities, community colleges, and training organizations.</p>	<ul style="list-style-type: none"> • Promote 1-2 model manufacturing partnerships in regions that apply for federal grants, for example Central Valley/Bio-Based Alliance and Southern California/aerospace. • Support training programs: Promote training programs for manufacturing in community colleges and universities that meet the skills requirement of industry. 	Workforce W-Landscapes Infrastructure Regulations Capital	<ul style="list-style-type: none"> • Campaign for manufacturing: With model manufacturing partnerships as a first step, broadly communicate importance of manufacturing in CA, including case studies demonstrating value of triple bottom line. Connect with White House manufacturing initiative. • Make regulations an advantage: Use “Regulations as a competitive advantage” to attract, keep California manufacturers. • Promote exports and direct investment: To support CA manufacturing exports, map global trade resources, align export assistance resources.
REGULATIONS	<p>4. Explore ways to open up government processes and make implementation of state regulations more efficient and economical.</p>	<ul style="list-style-type: none"> • SOAR Teams: Identify funding source and key partnerships for SOAR Teams (Streamline Our Agency Regulations) to identify regulatory processes, including CEQA and water transfers, that can be streamlined, have steps removed, or tracking-technology introduced. • “Customer-Satisfaction” website: Develop an external, independent website to help agency executives and applicants understand what works and what can be improved in the regulatory process. • Sustainable communities: An opportunity for collaboration among four Action Teams emerged in January to include Summit ideas in a range of state actions on sustainable communities and environmental planning. (See pg. 5.) 	W-Landscapes Housing Manufacturing Infrastructure	<ul style="list-style-type: none"> • Pilot tracking system: Develop a tracking system for following path of applications. • Open data: Identify regulatory areas, such as land-use, where state and local officials can begin to use open data to increase transparency and potentially scale existing best practices.

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The Summit's Strategy for This Year and Beyond

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CAPITAL	5. Identify and explore ways of using capital intermediaries that can close gaps in access to capital in all of the state’s regions.	<ul style="list-style-type: none"> • Create regional maps of intermediaries (including, for example, types of data proposed in recent state efforts to direct triple-bottom-line investments to underserved communities). Distribute to regions. • Prototype and replicate products and platforms that increase capital investment in underserved regions, including non-metro areas. 	<p>W-Landscapes Manufacturing Housing</p>	<ul style="list-style-type: none"> • Increase awareness: Continue to raise awareness about sources of capital through webinars and regional workshops.
INFRASTRUCTURE	6. Build a project pipeline, working with the Infrastructure Bank to identify projects suitable for public/private participation.	<p>Projects identified: Identify and connect with I-Bank leaders several projects in different sectors (water, transit, etc.) that can be supported with I-Bank participation and/or other public and private resources.</p>	<p>W-Landscapes Housing Capital</p>	<ul style="list-style-type: none"> • Statutory changes: Consider changing I-Bank structure based on lessons learned.
	7. Expand the use of new financing tools to support infrastructure development.	<ul style="list-style-type: none"> • Infrastructure financing authority: <ul style="list-style-type: none"> ○ <i>Locally:</i> Inclusion of Summit ideas for tax increment financing, integrated financing, and benefit assessments in state’s expansion of Infrastructure Financing District authority or other local economic development tool to replace redevelopment. ○ <i>More broadly:</i> Inclusion of Summit ideas to facilitate use of assessments for benefits and fees to finance projects beyond the community-level—at regional scale, for example. • Transportation: Adoption of Summit ideas for sustainable approach to transportation funding. Examples include: <ul style="list-style-type: none"> ○ Developing a sustainable balance of funding (raising gas tax or vehicle license fee, for example) to support Summit’s long-term focus on infrastructure. ○ Repaying loans made by transportation special funds to General Fund that are part of state’s ‘Wall of Debt.’ • Water: Inclusion of Summit ideas—a focus on results, for example—in budgeting for Water Action Plan and drafting of water bond. • Vote thresholds: Revision of local vote requirement for special taxes and general obligation bonds devoted to infrastructure. • Sustainable communities: A new opportunity for collaboration among four Action Teams emerged in January to include Summit ideas in a range of state actions related to sustainable communities and environmental planning. (See pg. 5.) 	<p>Housing W-Landscapes Regulations</p>	<ul style="list-style-type: none"> • Build public confidence: Support educational efforts to raise awareness about importance of infrastructure and the cost of doing nothing. • Performance measures: Develop metrics for measuring infrastructure performance. • Policy development: Explore policy options for allowing cities/communities to utilize benefit assessments to pay for infrastructure projects, including a statewide or region-based method for financing related ecosystem improvements.

NINE PROPOSALS TO ADVANCE PROSPERITY IN 2014:

The Summit's Strategy for This Year and Beyond

Action Team	Top priorities for 2014	What the “win” looks like	Support from other teams	Other long-term work
HOUSING	<p>8. Advocate for state action to increase accessibility of housing by broadening availability of housing stock across the state.</p>	<ul style="list-style-type: none"> • Targeted state funding: Inclusion of Summit ideas (importance of expanding housing stock, affordability, proximity to transit, for example) in passage of bills or executive action. Action should include: <ul style="list-style-type: none"> ○ Approval of SB 391 or similar legislation to create permanent source of funding for affordable housing. ○ Expansion of authority of Infrastructure Financing Districts—or another local economic development authority—with specific new tools for housing. • Sustainable communities: A new opportunity for collaboration among four Action Teams emerged in January to include Summit ideas in a range of state actions related to sustainable communities and environmental planning. (See pg. 5.) 	<p>Infrastructure Regulations W-Landscapes</p>	<ul style="list-style-type: none"> • Regional pilot: Develop regional pilot to “make promises of SB 375 real.” • Explore other housing incentives: Work to expand market incentives, update General Plans/zoning to promote development certainty, production of full range of housing types, and discourage displacement. Research effects of CEQA on housing.
WORKING LANDSCAPES	<p>9. Expand use of data-driven approach to demonstrate the importance of working landscapes—and to show how managing these lands can improve the economy.</p>	<ul style="list-style-type: none"> • Data-driven decision-making: Fund the statewide expansion of open-source software and resource planning efforts such as Urban Footprint and the Sacramento Area Council of Government’s Rural-Urban Connections Strategy (RUCS). • Water: State includes Summit ideas—including market-based incentives rewarding land stewardship that enhances ecosystem services—in budgeting for Water Action Plan and drafting of state water bond. • Sustainable communities: A new opportunity for collaboration among four Action Teams emerged in January to include Summit ideas in a range of state actions related to sustainable communities and environmental planning. (See pg. 5.) 	<p>Infrastructure Manufacturing Housing Regulations</p>	<ul style="list-style-type: none"> • Data-based modeling: Develop statewide data and modeling capacity to assess strategies that protect & enhance working landscapes. • Policy integration: Integrate desired outcome of various policy frameworks affecting working lands. • Market-based incentives: Develop and test market-based incentives to reward land stewardship that enhances ecosystem services. • Capital investments: Align public & private investments to promote markets and industries connected to Working Landscapes.

A new opportunity for collaboration between Action Teams	What the “win” looks like	Action Teams
<p>In January, three near-term opportunities emerged to advance the Summit’s agenda—and to bring several Action Teams together to ensure the administration considers the value of triple-bottom-line policies:</p> <ul style="list-style-type: none"> • The Governor’s proposed 2014-15 budget – including over \$600 million devoted to the state’s Water Action Plan and a new \$100 million grant program aimed at supporting regional Sustainable Communities Strategies. • The Office of Planning & Research’s Environmental Goals and Policy Report (in discussion draft form) • The Air Resources Board’s updated scoping plan for the state’s Cap & Trade Program (in discussion draft form) 	<p>Alignment with Summit priorities: Bringing together the resources of four Summit Action Teams, identify where these major state planning efforts align with the Summit’s goals, then inform the Governor, OPR, ARB, and legislative budget committees of steps that can be taken to advance Summit recommendations.</p>	<p>Infrastructure Housing Regulations W-Landscapes</p>



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