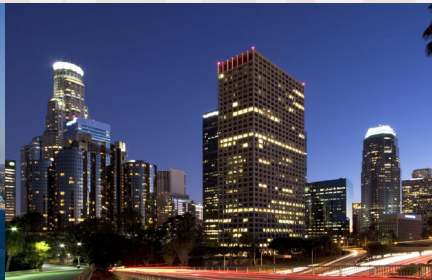




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CALIFORNIA ECONOMIC SUMMIT

2013 SUMMIT REPORT

Advancing the Triple Bottom Line
for All California

December 2013

The Summit Hosts

The California Economic Summit is a partnership of **California Forward**, a non-partisan, non-profit organization working to identify common sense steps Californians can take to make government work, and the **California Stewardship Network**, a civic effort to develop regional solutions to the state's most pressing economic, environmental, and community challenges.



California Forward receives core funding from The William and Flora Hewitt Foundation, The James Irvine Foundation, The David and Lucille Packard Foundation, The California Endowment, and Evelyn and Walter Haas, Jr. Fund.



The California Stewardship Network receives core funding from the Morgan Family Foundation.

A message from the 2013 California Economic Summit's Honorary Chairs

After decades of public service, including more than twenty years between us working for presidents from Ronald Reagan to Barack Obama, there is a reason we have turned our attention to the California Economic Summit: California's economy—and its future vitality—desperately needs this effort to connect the state's diverse regions to rebuild a strong middle class.

California's great strengths—its size, its diversity, its natural wealth—have always come with challenges as well. Our state is as big and bold as it is difficult to govern. The keys to the state's success have been creative people, entrepreneurial minds, far-sighted infrastructure investments, leading-edge technologies, and ambitious public policies. This vitality built California—and it has shaped the world.

It also makes us confident we can overcome the biggest obstacles before us today: a slow and uneven economic recovery, rising income inequality (our state is home to more billionaires and more people living in poverty than anywhere in the union), and the complex work of laying an economic foundation that will allow us to thrive in the century to come.

From smart phones and smart cars to biofuels and silicon chips, Californians invent solutions to our problems every day. To meet the economic challenges ahead, we must do the same for California's economy, using our creativity to develop new ways to provide public goods—from infrastructure to a skilled workforce—that will attract the private investment needed to produce high-paying jobs, a sustainable environment, and equal opportunities for every Californian.

This means tapping into ideas from across this state of nearly 40 million people, where driving from one border to another means traveling almost 1,000 miles—and passing through a set of diverse economies that produce the food and fiber, entertainment and technology, and even advanced manufacturing that are the envy of the world.

We believe it is in these regions that the solutions to California's problems lie. The challenge we face is bringing the best thinking of our state's most creative leaders—who do the hard work of creating jobs, building communities, and keeping California competitive—to bear on our state's most pressing public problems.

This is the work of the California Economic Summit. In its second year, the Summit has brought together experts in their fields from across California's diverse regions—rural, urban, inland, coastal, northern, and southern—to identify shared challenges, shared solutions, and to champion a shared agenda that will advance an integrated economic vitality strategy for California.

We believe this profoundly new approach, giving Californians a way to cure California's ills, is the best way to accelerate the economic recovery—and the only way to provide enduring stewardship of the state's diverse communities and its unrivaled natural resources.

The next task is to take these regional ideas and make them a statewide reality. That is the aim of the 2013 Summit, and we hope you will join us as we do what Californians have always done: Get to work and get the job done.

Sincerely,



George Shultz
Hoover Institution,
Stanford University



Leon Panetta
The Panetta Institute
for Public Policy

IN THIS SUMMIT REPORT

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Learn about the 2013 Economic Summit.

The Executive Summary (pp. 6-13) summarizes the Summit's major outcomes and commitments going forward.

2

Review Action Plans and Commitments.

An analysis of the 572 commitments individuals made to take specific action after the Summit reveals priority actions within each initiative beginning to emerge, as well as the strong linkages between these plans. A summary of the commitments made at the Summit to support the Action Plans can be found in this section (pp. 14-39).

3

The Path Forward, Summit Leadership and Underwriters.

Learn how to stay involved in the Summit process and about the leadership behind the Summit (pp. 40-41).

EXECUTIVE SUMMARY

It's the first time I can remember in California history where you have 500 economic leaders talking about things from a triple-bottom-line perspective, which is a breakthrough.

Steve Frisch
President, Sierra Business Council

The Summit [...] is a process that is unique in California. It is the only state effort aimed at fixing the state's economy by addressing the obvious: California is not one economy; we are much too big and diverse to fit that easy of a description. Rather, we are a series of diverse, and often complex, regional economies.

Paul Granillo
President and CEO, Inland Empire
Economic Partnership (IEEP), and
Co-chair of the Summit Steering Committee

**We are the leaders
we've been waiting for.**

Lenny Mendonca
Co-chair, California Forward and
Director of the Public Sector Practice,
McKinsey & Company

WHAT HAPPENED AT THE SUMMIT

It was neither a beginning nor an end. The 2013 California Economic Summit in Los Angeles—which brought together 450 business, labor, government, and nonprofit leaders from across the state to champion an integrated prosperity strategy for California—was more like a productive milestone in the middle of an ambitious journey.

The Summit gave regional leaders an opportunity to discuss what Californians can do to put the state on the road to prosperity—and to explore exactly how they can work together to create jobs, increase opportunity for all, and improve environmental quality in all of the state's diverse regions. This is the triple-bottom-line approach – economy, equity and environment – that was the underpinning of the entire Summit process. The result? Nearly 600 individual commitments were made at the Summit to advance an ambitious but important agenda in Sacramento and in our regions.

This vital work, a first-of-its-kind effort to rally California's regional economies around a shared agenda, built on the results of sixteen Regional Forums held this spring. In those meetings, more than 1,700 regional leaders began to develop solutions to challenges they share, from deteriorating infrastructure to growing educational achievement gaps. Through the summer, seven Action Teams took these ideas and honed them into a set of Action Plans. Together, these Plans offer something entirely new to California—a regionally driven statewide prosperity strategy, with proposals aimed at advancing the triple bottom line, promoting economic growth, environmental quality, and social equity in every region.

At the Summit, participants reviewed each piece of this plan—and were encouraged to help make its vision a reality by a group of state lawmakers, environmental and business leaders, and community advocates. Lieutenant Governor Gavin Newsom, in his keynote address, challenged regional leaders to use their moral authority to help return the state to greatness. “Our job as leaders is to create the right conditions where success is irresistible,” said Newsom. Kish Rajan, head of the Governor's Office of Business & Economic Development, charged the gathering with restoring California to the land of opportunity that brought his own parents to the state. “It's not always original ideas [that are necessary to solve the state's problems],” said Rajan. “It's knowing when an idea's time has come and then bringing together the leadership to get it done.”

The Summit brought these leaders together, but the meeting in Los Angeles was never meant to be more than one step on the state's road to prosperity. While the rich discussion underscored just how vital the Summit's role in shaping the state's economic future can be—with participants making 572 individual commitments to champion Summit recommendations—the meeting itself was, in the end, only a meeting.

The Road to the 2013 Summit

16

California Regions held
Forums around the state



1700+

Californians Attend
Regional Forums



7

Cross-Regional Action Teams
Develop Action Plans



450

Regional Leaders Attend the
Summit In Los Angeles



572

Commitments Made



Commitments Made at the Summit - Some Highlights

The Summit's work didn't begin in Los Angeles, nor will it end there. "A meeting is not a result," as Jim Earp, executive director of the California Alliance for Jobs, put it, encouraging the unique gathering of business, labor, and environmental leaders to continue building a coalition that can push the state to adopt the Summit's triple-bottom-line proposals.

This report serves as an initial summary of those commitments, a collection of some of the best thinking from across the state about how to drive sustainable economic growth in California. "The idea that someone in Sacramento is going to come down and announce our economic strategy is preposterous," as Newsom said. "There is no white horse coming to save the day. This is economic policy developed and informed at the local level. It's regions rising together."

This Report's Goal

The next step for the Summit is to move the hundreds of creative ideas that emerged from California's regions this year into implementation. This report offers an initial summary of commitments made by Summit participants to advance the recommendations outlined in the Action Plans. In 2014, the Summit leadership, Action Teams, and regional organizers will continue to mobilize around these commitments, working together to advance a strategy for triple-bottom-line prosperity in all regions of California.

Commitments made at the Summit – some of the highlights: Five hundred seventy-two individual commitments were made at the Summit to support the seven initiatives the Summit will be advancing this year. A brief summary of some of the major themes that emerged:

Advancing Manufacturing

- **Regional partnerships:** Multiple regions committed to coordinate and align regional manufacturing partnerships throughout California.
- **Campaign for manufacturing:** Regional and state leaders committed to develop a California campaign for manufacturing.

Workforce

- **Career-technical education legislation:** After hearing from three regions implementing successful workforce-industry partnerships, Assemblymember Al Muratsuchi (D-Torrance) committed to carry legislation to advance a shared investment approach to career-technical education in high-demand fields.
- **Regional sector partnerships:** Six regions committed to launching regional sector partnerships to prepare their workforce for high-demand fields.

Regulations

- **Streamlining targeted regulations:** State and regional leaders committed to selecting a qualified team to work with GO-Biz and the Governor to identify a small group of regulations with processes that could be streamlined, steps removed, or tracking-technology introduced.
- **Yelp for regulations:** Several regional leaders committed to pursuing a "Yelp-style" survey instrument funded and managed outside of government, to measure customer satisfaction with specific regulations.
- **Open data:** Several participants committed to joining an effort to push for open data in state regulations, such as in areas of land-use.

Capital

- **Mapping intermediaries:** Regional mapping efforts will move forward in at least seven regions throughout the state, identifying existing capital intermediaries as well as gaps in access to capital. The Action Team will continue to support and coordinate these mapping efforts across the state.
- **Increasing awareness of sources of capital:** Several Summit participants made commitments to raise awareness of various sources of capital by hosting webinars and workshops in regions throughout the state.

Infrastructure

- **Education and advocacy effort:** Regional leaders supported an effort to raise awareness about the importance of infrastructure and the cost of doing nothing—as well as alternative financing methods—in order to build public confidence and buy-in.
- **Build a project pipeline:** A half-dozen participants committed to helping bring forward actionable projects that could benefit from private financing.
- **Ensure adequate revenue:** Summit participants also pledged to support efforts to help the state access public resources the infrastructure system needs, including commitments to expand the use of benefit assessments to support infrastructure investment, to push for lowering the local vote threshold for infrastructure bonds to 55 percent; to advocate for a replacement for redevelopment authority; and to explore raising a statewide resource to support operation and maintenance of the state's transportation system.

Working Landscapes

- **Document, value and educate:** Nearly two dozen regional, state and federal leaders committed to develop case studies to demonstrate the value of working landscapes as a viable economic driver that can be used to educate students and the public, build relationships with state policymakers, and leverage new and existing resources.
- **Open-source software:** Regional, state and federal leaders committed to align data collection and analysis to demonstrate the value of ecosystem services, including efforts to take the Sacramento Area Council of Government's Rural-Urban Connections Strategy (RUCS) statewide.

Housing

- **Clearinghouse for best practices:** Regional leaders committed to developing a clearinghouse of best practices for increasing the supply and choice of housing in regions across the state.
- **Permanent source of funding:** Nearly a dozen regional and state leaders committed to building support for a permanent source of funding for affordable housing.
- **Other approaches to encouraging affordable housing:** Eleven regional and state leaders committed to engage policy makers to address barriers to affordability through regulatory reform and to support on-the-ground incentives for SB 375.

What Did Participants Think Of This Year's Summit?

A look at the results of a post-Summit survey.

9 OUT OF **10**

respondents said they'd made a commitment to action at the Summit and were very likely to follow through on it

OVER
70%

agreed the Summit gained attention for regional priorities, advanced a triple-bottom-line approach to prosperity, and created momentum to drive action on a prosperity agenda

95%

plan to keep participating in the Summit

The idea that someone in Sacramento is going to come down and announce our economic strategy is preposterous. There is no white horse coming to save the day. This is economic policy developed and informed at the local level. It's regions rising together.

Lieutenant Governor Gavin Newsom

We believe this profoundly new approach, giving Californians a way to cure California's ills, is the best way to accelerate the economic recovery—and the only way to provide enduring stewardship of the state's diverse communities and its unrivaled natural resources.

George Shultz and Leon Panetta,
honorary Summit co-chairs

WHAT THE SUMMIT IS FOR

Creating “one California” through the Summit’s triple-bottom-line strategy for restoring upward mobility

The challenge of the ‘Two Californias’

One thing became increasingly clear in the regional meetings leading up to the 2013 Summit: There are really two Californias. 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.

In the last year, over 250,000 jobs have been created in California, more than any other state. As big as the Golden State economy is—if it were a country, it would be the eighth largest in the world—its economic growth rate, with jobs roaring back in some cities, is one of the top five in the nation. In the business districts of San Francisco and Los Angeles and San Diego, the economic downturn already feels like a distant memory.

But away from the state’s 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 emerged as a recurring theme at this year’s California Economic Summit.

For many Californians, the recession is still a grim reality—and the gap between rich and poor across the state is expanding. In the Inland Empire, 4 million people living only 60 miles from Hollywood face unemployment levels rivaling Detroit’s.¹ 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.² The Los Angeles metropolitan area, one recent report found, now has levels of inequality on par with the Dominican Republic.³

This looming disparity between the “two Californias”—one coastal and one inland, 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.

What does triple bottom line mean?

Triple-bottom-line prosperity – the key goal of the California Economic Summit – results from a commitment to three co-equal and integrated goals: natural resource stewardship, economic vitality, and community well-being. The concept is also referred to as the Three P’s (planet, profit, people), the Three E’s (environment, economy, equity), or Sustainable Development (meeting the current generation’s needs while maintaining future generations’ ability to meet their needs). Ours is “Advancing the Triple Bottom Line.” We believe that the highest-value efforts result when one goal does not take precedence over another. All Summit initiatives have two important characteristics: they represent actions where California’s regions are aligned and their success is measured by metrics defined by the triple bottom line.

¹ <http://www.bls.gov/web/metro/laummtrk.htm>

² <http://www.measureofamerica.org/order/>

³ <http://www.theatlanticcities.com/jobs-and-economy/2012/10/high-inequality-us-metro-areas-compared-countries/3079>

The role of the California Economic Summit

As California looks ahead at what it must do to thrive in this young century this yawning disparity may be the state's preeminent challenge. It was also the focus of the 2013 California Economic Summit. By tapping some of the best thinking from across the state, the Summit has found a way to begin closing this gap. The following pages provide an outline of this first-of-its-kind statewide prosperity strategy for making California prosperous again by advancing the triple bottom line—driving economic growth, environmental quality, and social equity in all of the state's diverse regions.

The triple bottom line is absolutely the right approach.

Senate President Pro Tempore Darrell Steinberg, who challenged the Summit to build the same “impossible coalition” he brought together to pass SB 375

This emerging Summit prosperity strategy lays out seven broad actions that regional and state leaders can take to drive long-term prosperity. Training the skilled **Workforce** this new economy demands will be critical to creating opportunity for all while encouraging economic growth throughout California's regions. It will also support the state's efforts at **Advancing Manufacturing**—a potential source of sustainable, middle-class jobs that will require a concerted effort to educate the next generation of workers, promote the value of the manufacturing sector, and drive global connectivity through exports and direct investment. Just as vital to the state's long-term prosperity is reducing uncertainty around the state's **Regulations** that could impede this growth—and ensuring **Capital** continues to flow to entrepreneurial activity in all of the state's regions.

This work can begin to restore upward mobility in the state—offering a pathway to well-paying jobs for all Californians—but the Summit's strategy also includes steps that must be taken in the short-term to encourage sustainable growth. This includes finding ways to reinvest in the state's Infrastructure system to meet the needs of a growing population (an effort that will also create hundreds of thousands of jobs). The Summit plan also outlines new ways of leveraging the economic value of the state's unparalleled **Working Landscapes**, from farmland and ranches to forests and wetlands, to provide better links between the state's urban and rural regions—all while striving to give all Californians a place to come home to by making quality Housing more available and affordable.

Summit Commitments: How to get there

At the Economic Summit in Los Angeles, 450 regional leaders reviewed the most important part of this strategy: detailed proposals for how the state and California's diverse regions can work together to jumpstart this activity—including a range of creative financing structures, policy ideas, and opportunities for collaboration that together provide an integrated, comprehensive plan for growing the state's economy.

An analysis of the 572 commitments individuals made to take specific action after the Summit reveals priority actions within each initiative beginning to emerge, as well as the strong linkages between these plans. A summary of the commitments made at the Summit to support the Action Plans can be found on the following pages.

It's not always original ideas [that are necessary to solve the state's problems]. It's knowing when an idea's time has come and then bringing together the leadership to get it done.

Kish Rajan, executive director of the Governor's Office of Business & Economic Development (GO-Biz)

I'm just a simple Italian kid from East Oakland. My view is this: Since the end of World War II through the 1970s, economic disparity was shrinking at every level. Since then, it's gone in the other direction faster than any time in the history of this country—and probably faster than any time in the history of man....My biggest concern is that we do not create an economy that results in future generations not getting the same break I did.

Michael Rossi, Senior Advisor For Jobs and Business Development, Office of the Governor, at an October briefing reviewing the Summit plan

A meeting is not a result.

Jim Earp, Executive Director of the California Alliance for Jobs, who encouraged the unique gathering of business, labor, and environmental leaders to build a coalition that can push the state to adopt the Summit's triple-bottom-line proposals

People feel totally disconnected from a vision that's inclusive. The Summit can change that. We can get something done and show this approach works.

Antonia Hernandez, President and CEO, California Community Foundation

Diverse interests are the best way to push back on special interests.

Ashley Boren, Executive Director of Sustainable Conservation, who highlighted the potential of a coalition that can find common ground between business, labor, and environmental groups

STATEMENT OF PRINCIPLES

California's economic vitality is the result of abundant natural resources, creative people, entrepreneurial businesses, world-class higher education, smart investments in infrastructure, leading-edge technologies, connection to growing global markets and effective public policies. This vitality has shaped the world and has shaped California, based on the strengths of distinct regional economies reflecting their own landscapes, products, innovations and people.

Continued success requires public- and private-sector leaders aligning around actions that reinforce the triple-bottom-line, promoting economic, social and environmental progress in all of the regions of California.

The California Economic Summit brings together champions from across California's diverse regions—rural, urban, inland, coastal, northern, southern—to develop a shared agenda to revitalize the state. Summit actions ensure prosperity is shared across the state by advancing triple-bottom-line solutions that simultaneously generate jobs, increase regional competitiveness, promote equality of opportunity, and improve environmental quality across all regions in California.

Developing, enacting and implementing these actions will require new ways for leaders and organizations to work together with a nonpartisan focus on measurable outcomes. Responsibility for developing and furthering this agenda is shared by steward leaders in the private, public, and not-for-profit sectors, each with diverse perspectives and a common commitment to action.

Strong democracies require stewardship in the civic space to ensure nonpartisan, fact-based solutions are developed through inclusive and respectful means to identify and advance pragmatic and creative solutions. Stewardship requires that leaders bring their knowledge, expertise and passion to bear on behalf of the whole—and on behalf of future generations of Californians.

These principles are our shared commitment to making the California Economic Summit a fruitful venue and a model to help California thrive.

California Economic Summit Steering Committee

**Action Team Co-Leads**

Alma Salazar, Los Angeles Area Chamber of Commerce
Van Ton-Quinlivan, California Community Colleges,
 State Chancellor's Office

For a full list of Action Team members, see the Summit Playbook.

PROBLEM STATEMENT

- Growing shortage of skilled workers for major regional industry sectors
- Thousands of unemployed and underemployed people, including long-term unemployed
- Growing competition from other states and countries
- Fragmented and under-resourced approach to workforce development
- Prospect of comprehensive immigration reform will result in increased demand for workforce development services

GOAL STATEMENT

- Prepare people for in-demand and/or high-growth jobs in major industry sectors
- Prioritize workforce-training resources to support major regional industry sectors
- Create partnerships between local workforce investment boards (WIBs), community colleges, economic development organizations, businesses, and labor

KEY ACCOMPLISHMENTS TO DATE

The 2012 Workforce Action Team made important progress in more closely aligning workforce needs with community college programs.

- Key legislation promoting regional industry partnerships and sector strategies (SB1070 and SB 1402) was passed and signed by the Governor in September 2012.
- The California Community College Chancellor's Office funded eight industry-driven regional collaboratives.
- The California State Board Regional Industry Clusters of Opportunity (RICO) initiative launched in the spring of 2013, seeding new regional partnerships across California.

In total, over 100 commitments were made to implement the priorities of the Workforce Action Team.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Expand Regional Sector Partnerships to Meet High-Priority Workforce Needs Prioritize regional and local workforce development funding to prepare people for high-growth jobs and careers in major sectors of California's regional economies. Expand the use of regionally-specific "sector partnerships"⁴ across the State as the preferred approach for focusing workforce development funding on high-priority jobs and careers.	- Adopt specific policies and make targeted investments in education and training that prepare people for high-priority jobs and careers in major sectors of California's regional economies. - Launch new and expand existing regional sector partnerships across the State. - Establish written "sector compacts" for every partnership, with public and private sector partners committing to specific investments and other actions. Sector compacts should not only define commitments of regional partners, but also those of state agency partners, "braiding" multiple funding streams.	24 individuals from regions across California—including Los Angeles, Ventura, Fresno, and the Bay Area—made commitments to launch or strengthen regional sector partnerships to meet high-priority workforce needs. 18 individuals committed to documenting and sharing regional promising practices that showcase effective sector collaborations - At the Summit, Assemblymember Al Muratsuchi committed to carry legislation to advance a shared investment approach to CTE funding. Several Action Team members committed to supporting the proposal. 14 individuals made commitments to recruit business leaders, local elected officials, and community organizations to help implement the Workforce Action Plan.	- Over 15 individuals made commitments as part of the Advancing Manufacturing Action Team to build or strengthen sector partnerships focused on manufacturing. These partnerships will help improve alignment among workforce training and manufacturing employers. - There is also potential alignment with Infrastructure investment.
Increase State Support for Regional Sector Partnerships Coordinate state systems to jointly support the expansion of regional sector partnerships across California. Coordinate and expand current support for sector partnerships among the community college, workforce investment, K-12, and university systems, as well as the Employment Training Panel, GO-Biz, and others. Remove state-level barriers to the expansion of regional sector partnerships. State agencies and systems should review their policies and processes to identify and remove any disincentives to the expansion of regional sector partnerships across California.	- Provide a focal point for coordinating agency investments in sector partnerships, collecting and promoting promising practices and helpful tools, facilitating peer-to-peer exchange and mutual support, and providing training and coaching on how to convene and maintain effective sector partnerships. This joint effort would be coordinated through the California Workforce Investment Board (CWIB) State Working Group, involving leaders in several state systems and agencies. - Qualify community colleges on the Employment Training Provider list so they can become natural workforce training providers in the public workforce system; - Publish wage data mapped to community college, CSU, and UC programs to increase transparency for consumers (and their families) and partners.	⁴ Regionally specific sector partnerships are collaborations among multiple employers within a sector along with multiple community partners (e.g., K-12 systems, community colleges, CSUs, UCs, private education and training institutions, workforce investment boards, community-based organizations, and others that can contribute to an effective sector partnership).	

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Grow Career Technical Education in High-Priority Fields Critical to California's Regional Economies Adopt a “shared investment” approach to expanding CTE in high-priority fields that (1) reverses the decade-long decline in State CTE investment while (2) encouraging much higher levels of regional public-private investment. Encourage greater local and regional commitment to CTE by increasing incentives for business to contribute, students to participate, and communities to make it a priority.	• Create a California CTE Shared Investment Fund to make matching resources available to regions. With enabling legislation, the Fund would provide incentive funding for CTE that is well-aligned with regional workforce demand, encourages regional collaboration, and rewards commitments from business and community partners. • Encourage greater local and regional commitment to CTE by expanding tax incentives for equipment and materials donations, targeting student financial aid to incent enrollment and completion in high-priority fields, and launching a statewide campaign to promote the importance of CTE to California's economic future.	See previous page for commitments made to support these actions.	

INFRASTRUCTURE

Action Team Co-Leads

Mark Pisano, USC Senior Fellow

Sean Randolph, Bay Area Council Economic Institute

Kim Walesh, City of San Jose

For a full list of Action Team members, [see the Summit Playbook](#).

PROBLEM STATEMENT

- California's infrastructure is not adequate to meet the needs of a 21st Century economy and promote global competitiveness, environmental sustainability, and equal opportunity.
- With growing fiscal challenges, the State will have fewer resources to pay for infrastructure and finance long-term debt, yet California's highly-centralized system for building infrastructure relies on large capital investments by state government.
- The state only has the resources to pay for about half of the estimated \$765 billion in infrastructure investments it must make over the next decade.

GOAL STATEMENT

- Adopt a comprehensive approach to infrastructure planning, development, resource conservation and finance that is focused on economic growth, environmental sustainability, and equal opportunities for all.
- Ensure that all levels of government have sufficient financing and project delivery authority to facilitate investment in support of state, regional and local economies.

KEY ACCOMPLISHMENTS TO DATE

As a result of the 2012 Summit:

- Private financing options for infrastructure are being pursued.
- Progress towards modernization of California's water system is accelerating, with the Summit continuing to push for a comprehensive, integrated state water plan.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Focus on Results Public agencies should integrate infrastructure project planning, development and financing at the earliest stage to make them more transparent, to encourage use of technology, and to improve return on investment.	• Strengthen design-build authority by encouraging alternative procurement methods that yield measurable value. • Promote the integration of planning, design, delivery including life cycle costs. • Ensure that there is a measurable benefit from infrastructure investment in under-served communities.	REGIONAL ACTIVITY • Performance measures: Regional and city leaders committed to developing metrics for measuring infrastructure performance—how many jobs the infrastructure creates, for example, as well as other quality-of life metrics (including how many people stopped using cars as a result of a project) STATE POLICY • State reforms: Commitments were made to push for state reforms so government delivers value and results • Procurement: One commitment was made to develop a procurement strategy that addresses demand-risk	• Several regional leaders committed to implementing county-scale modeling as part of the Working Landscapes Action Team to document scenarios using a multi-sector approach (water, climate, agriculture, natural resources, zoning, etc.) to address emissions and SB 375 goals. • One legislative staffer committed to work with the Regulations Action Team to establish a public tracking system for inter and intra coordination of CEQA
Build Public Confidence The public needs to understand the benefits to themselves and their communities of smart infrastructure investments , and public agencies need to clearly report progress.	• A regional and local communications effort should make the case for infrastructure investment, highlighting the cost of doing nothing and promoting performance metrics and tracking results to build public confidence.	REGIONAL ACTIVITY • Educational campaign: Nearly a dozen regional leaders from north and south, the public and private sectors, committed to supporting an educational effort to raise awareness about the importance of infrastructure and the cost of doing nothing—as well as alternative financing methods—in order to build public confidence and buy-in. • Making the case: A commitment was made to build a public utility model for infrastructure, linking public revenue to private return on investment.	• As part of the Working Landscapes Team, commitments were made to develop more success stories showing the public the positive impacts of infrastructure projects.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Ensure Adequate Revenue A. Tap into appropriate revenue sources Expand the pool of resources: New dedicated revenue sources including private capital are needed to meet the state, regional and local infrastructure needs. Increase use of user fees and assessments when there is an identifiable beneficiary of the investment. B. Grant local governments more authority The State should consider reducing the vote requirement for taxes and general obligation bonds that are dedicated to infrastructure and clarifying conditions under which assessments tied to benefits can be raised with a majority vote. C. Find a new way to finance community economic development The State should enact a new method— one that combines the authority to use assessments tied to benefits and tax increment growth—to allow communities to finance local economic development projects in the absence of redevelopment.	A. Examples include: For transportation: - Raising gas taxes - Raising vehicle related taxes (e.g. VMT, VLF) - Broader use of assessments related to benefits received from infrastructure investment For water-related infrastructure: - Maintain the user based system for water related infrastructure - Develop statewide or region-based method for financing related ecosystem improvements B. Revise the vote requirement for special taxes and general-obligation bonds dedicated to infrastructure. C. Four major approaches include: - Expand use of Infrastructure Financing Districts (SB 33, Wolk); recreate IFDs as jobs/ed financing districts (AB 690, Campos) - Focus broad “revitalization” authority in high-poverty, high-crime areas (AB 1080, Alejo) - Create “sustainable communities” financing in transit priority areas (SB 1, Steinberg) - Capture rise in land value created by infrastructure (An alternative approach)	REGIONAL ACTIVITY Benefit assessments: One Southern California leader committed to acting as a broker for a benefit increment finance strategy for the region. Another committed to a joint USC/UC-Riverside convening to flesh out financing district options and to generate projects Private investment: A rural economic development leader committed to increase by 20 percent the number of projects that include private investment Local planning: A State Senate staff consultant committed to supporting long-term local infrastructure planning efforts STATE POLICY Legislative briefing: A member of the State Assembly committed to having a briefing to hear recommendations regarding infrastructure Vote thresholds: Several city leaders and statewide groups committed to pushing for lowering the local vote threshold for infrastructure bonds to 55 percent Redevelopment: Commitments were made to support and advocate for the redevelopment-replacement bills, including AB 690, Assemblymember Nora Campos’s tax-increment legislation.	- Within the Housing Action Team, sustainable development leaders committed to advocating for state, regional, and local financing tools for affordable housing, including lowering vote threshold for local and regional housing finance measures. - Business leaders committed to advocating for CEQA exemptions for housing and infrastructure.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Provide New Tools to Drive Private Investment A. Strengthen the role of the state Infrastructure and Economic Development Bank (I-Bank) Position the I-Bank to facilitate private sector investment through public-private partnerships. B. Encourage new local governance models Consider new institutional models such as Public Benefit Corporations to tap into public and private resources for infrastructure investment. C. Expand authority for projects seeking private investment The State should clarify existing Infrastructure Financing Act rules to expand public-private project financing. D. Integrate risk assessment To ensure the financial risks taken on by state and local entities are understood, a responsibility for risk assessment should be applicable at all levels of government.	A. I-Bank should revise criteria to enhance the bank's ability to attract private capital. B. Review existing governance models to determine if current models are sufficient. C. Proposals could include: • Provide flexibility in selection of partners • Encourage alternative deal types • Extend time frame of public-private deals D. Integrate risk assessment into state, regional, and local infrastructure investment systems.	REGIONAL ACTIVITY • Build a project pipeline: A half dozen participants committed to helping bring forward actionable projects that could benefit from private financing. Representatives from the I-Bank and Summit committed to exploring a convening that would bring together public project proponents with private investors. One participant committed to developing standards for P3 projects, certifying projects that meet them. • Procurement training: One regional leader committed to holding trainings for public sector procurement officials to build capacity to structure deals; another promised to develop a strategy to build P3 expertise in the public sector. • Foreign investment: A business leader committed to exploring foreign investment in infrastructure projects. STATE POLICY • I-Bank: A member of the I-Bank board committed to "ensuring the I-Bank does everything it can to embrace all of these ideas and concepts with the I-Bank's authorizing legislation." Another participant committed to developing a business model for the I-Bank that would expand its role to engage more capital.	• As part of the Housing Action Team, commitments were made to explore bringing private capital to bear on housing most vulnerable populations. • In the Capital Action Team, a member of the Treasurer's Office committed to improving regional knowledge of state small business lending programs like tax-exempt bonds.

REGULATIONS

Action Team Co-Leads

Paul Martin, Deputy Director, Governor's Office of Business & Economic Development (GO-Biz)

Quay Hays, GROW Holdings, LLC

For a full list of Action Team members, see [the Summit Playbook](#).

PROBLEM STATEMENT

- While the Action Team embraces the core values of environmental quality, workplace safety and consumer protection, complex, costly, unpredictable and difficult-to-navigate regulations impose unnecessary costs on businesses, taxpayers, and consumers in California.
- Regulatory processes are excessively prescriptive and process-oriented. Over time many have departed significantly from their original legislative intent although there are regulatory processes that demonstrate high levels of customer service.
- While the California Environmental Quality Act (CEQA) has strong benefits to ecosystems, public health, and environmental quality, the CEQA process has been misused, often substantially increasing costs of projects and delaying both private sector job-creating investments and critical public-works projects important to competitiveness and public safety.

GOAL STATEMENT

- Strengthen California's high environmental, worker-protection and public-standards safety and, where possible, turn regulations into a competitive advantage, and improve the regulatory systems' efficiency, costs, and service.
- Create a predictable, responsive, fair and equitable project-based regulatory system that is focused on "getting to YES."
- Modify selected regulatory processes to improve accountability, transparency, consistency of process, and timeliness by providing pro-bono assistance that focuses on process improvement including use of technology.
- Create incentives for "good actors" – companies and industries that have voluntarily adopted best practices and higher environmental standards than required by law.
- Measure customer satisfaction using an independently developed online system.

KEY ACCOMPLISHMENTS TO DATE

Improving California's regulatory processes while retaining high environmental standards and other protections has been a consistent priority of all of California's regions since the beginning of the Summit process. In 2012 the major focus was on modernization of the California Environmental Quality Act (CEQA); it remained a priority in 2013. In addition, the 2013 Regulations Action Team focused on other efforts that could improve the regulatory process, most notably the creation of SOAR Teams (Streamline Our Agency Regulations) that would assist receptive agencies in improving specific regulatory processes, and in the development of an external "customer satisfaction" website that would provide valuable input to agencies about their regulatory processes and to applicants about how to submit responsive applications.

There was also a discussion about an area not initially addressed by the Action Team – Open Data – where in 2014 the Action Team may be able to flesh out specific recommendations for state and local government or identify tools that will help government agencies at all levels to be more transparent.

In all, 47 commitments were made at the Summit to advancing these initiatives, and several "allies" for expanding the support for Action Team recommendations were identified.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Identify two to four candidate regulations for streamlining by SOAR (Streamline Our Agency Regulations) Teams Many regulations are well-intended and deliver good outcomes but the processes are opaque, difficult to navigate and lengthy. Mapping the process with both management and those responsible for implementing the regulation can result in better predictability, faster processes, and better outcomes.	• Work with the Governor's Office of Business and Economic Development (GO-Biz) to identify specific regulations for streamlining. Assemble a team that will work, pro-bono, with agency management and rank-and-file employees on the regulation streamlining initiative. • Assemble a team of experts with appropriate skill sets who will meet with the agency, become familiar with the steps in the process for the specific regulation, and make recommendations for improvements, including expanded use of technology.	• Five people with relevant experience committed to work on streamlining existing regulations. • Five people also committed to help to identify the candidate regulations for streamlining, including one commitment to asking the question in San Gabriel Valley focus groups and another who will focus on issue of the aerospace industry.	• Housing and Infrastructure Action Teams may be interested in identifying specific regulations and in participating on a joint team.
Develop a regulations tracking system to identify where, and with whom, a regulation sits in the process. Applicants are concerned that, once an application is submitted, it falls into a "black hole" and it is impossible to determine where it is in the process.	• Work with GO-Biz on their plans for a pilot tracking system to ensure that it meets both agency and applicant needs. • This effort may be tied to the above, where a tracking system can be implemented concurrently with a streamlining project.	• Five people with relevant experience committed to work on developing a pilot tracking system.	• Housing and Infrastructure Action Teams may be interested in developing a tracking system and in participating on a joint team. • In addition, workforce-training programs may benefit.
Launch a "customer satisfaction" website. Today there is no easy way for applicants or even agency management to know what works well or what is problematic in a permitting process. There is no feedback loop to tell management how regulatory processes can be improved.	• Outside of government, but with government assistance in its development, launch a web-based informational and "customer satisfaction" survey that will be viewed as fair and objective and provide useful information to both applicants and agency management. • Identify the expertise and potential in-kind help for the development of the website. • Raise private or foundation money to fund its development and operation for at least two years.	• Five Action Team members committed to helping with a customer satisfaction website, which may necessitate raising private or foundation funds.	• Housing and Infrastructure Action Teams may be interested in participating on a joint team.

2013 ACTION PLAN AND COMMITMENTS

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Continue push for CEQA modernization that provides certainty and fairness without reducing protection of the environment.	• Look at non-legislative improvements, such as a single CEQA application to promote consistency • Examine other administrative, legislative and regulatory means to improve the CEQA process • Determine if some or all portions of CEQA are candidates for SOAR Team work as outlined in the above.	• Eleven people committed to continuing work on CEQA modernization.	• Housing and Working Landscapes Action Teams also identified CEQA modernization as a priority and may be interested in participating on a team.
Open Data: Explore the use of technology to open up government processes. A commitment to transparency as a priority and the availability of technology and its expanded use in government should provide citizens with greater transparency in how government works.	• Create better linkages between state and local government when both are involved in the same regulatory process • Look at an open-data project in one state agency, such as Fish & Wildlife • Review best practices in California and elsewhere with an eye to scaling those that work and greater sharing of proven software programs. • GO-Biz will add open data to their Streamlining Superstars program.	• Thirteen people want to further explore how data can improve government transparency for some of the implementation actions. • In addition, 2014 Regional Forums can help to identify opportunities and best practices.	• Housing and Infrastructure Action Teams may be interested in identifying specific regulations and in participating on a team.

ADVANCING MANUFACTURING



Action Team Co-Leads

Chris Harrington, Toshiba America Information Systems and
Orange County Business Council

Louis Stewart, Governor's Office of Business and Economic Development

For a full list of Action Team members, see the Summit Playbook.

PROBLEM STATEMENT

- California is a leader in manufacturing but lacks an advanced-manufacturing strategy that will successfully connect large and small manufacturers as well as state, federal and regional partners, to develop and implement industry-driven partnerships.
- California is the 8th-largest economy in the world but does not have a comprehensive global economic strategy for promoting manufacturing exports and investments.

GOAL STATEMENT

- Ensure that manufacturing remains a viable, long-term component of California's economy that creates jobs and opportunities for California residents
- Improve business competitiveness and job creation through greater connectivity to global markets that increases exports and attracts investment

KEY ACCOMPLISHMENTS TO DATE

While manufacturing was not a 2012 Summit initiative, it was recognized as a high priority at Regional Forums. In 2013, action was taken at the federal, state and regional level to promote manufacturing in California. The state legislature enacted legislation authorizing the expansion of iHubs, a priority from the 2012 Summit, and the California Network for Manufacturing Innovation was designated as a statewide manufacturing iHub. Three Investing-in-Manufacturing-Communities Partnership grants were awarded by the federal government to regions of California. In addition, the legislature enacted the Governor's Economic Development Initiative which included a manufacturing sales tax exemption. 2014 Summit participants made 64 commitments to advance manufacturing by communicating its value through a Campaign for Manufacturing, making regulations a competitive advantage, supporting manufacturing skills, promoting exports, and creating a statewide strategy that links regional manufacturing communities partnerships.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Create a California Campaign for Manufacturing California needs to communicate the value of the manufacturing sector and its assets, including markets, workforce, suppliers and technology base.	• Organize and launch a California Campaign for Manufacturing – a communications strategy for both external and internal audiences that shares the message of the importance of manufacturing to the state's economy and the opportunities for manufacturers in California. Tell the story of what manufacturers can do for communities and what communities can do for manufacturers. • Develop case studies of manufacturing excellence and develop a clearinghouse to communicate those case studies. • Highlight investment-ready communities that have promoted manufacturing excellence.	Over 20 individuals committed to developing and promoting a campaign for California manufacturing: • Developing case studies of California manufacturers engaging in local sourcing, innovating partnerships, or exports • Encouraging cities and counties to participate in developing and promoting the campaign	
Make California Regulations a Competitive Advantage California has some of the strongest laws and regulations for environmental goals in the nation. These regulations can become a competitive advantage if they support California manufacturers in developing stronger supply chains that meet internationally recognized standards, and increase the manufacturer's rating on industry and especially customer scorecards. This requires working with manufacturers to promote flexibility and innovation through the rulemaking process, and to align with criteria set by customers, industry and standards bodies. By doing so, California can offer an advantage through a healthier ecosystem that fosters manufacturing growth, attraction and retention.	• Align with and support development of common International standards that establish recognized methods for evaluating environmental influences of manufacturing systems, e.g., energy/resource consumption and pollution. • Work with industry and industry groups to identify regulations that could be modified to increase flexibility for compliance. Select representative customer criteria in select industries to benchmark customer scorecard against appropriate California legal requirements. • Educate regulators on the most effective ways to work with manufacturers to promote innovation in meeting regulatory standards. Reward manufacturers for voluntary action to exceed state environmental standards—promoting the triple bottom line of industry.	Seven individuals made commitments to make California regulations a competitive advantage by: • Analyzing how California regulations align with industry standards such as LEED. • Developing communications campaign to increase flexibility in rulemaking process.	• The Regulations Action Team focused on improving regulatory coordination and streamlining; Regulations Action Team members may be interested in joining an effort to promote flexibility and innovation through the rulemaking process to make California regulations a competitive advantage. • The Regulations Action Team is interested in exploring incentives for companies and industries that voluntarily exceed regulatory standards.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Promote Innovative Manufacturing Partnerships Based on California's diversity of regions and technology assets, create industry-led regional partnerships focused on manufacturing clusters involving manufacturers, universities and community colleges and training organizations	• Promote technology transfer from universities and national labs to medium- and small-sized manufacturers • Create a statewide network of regional manufacturing partnerships in cooperation with the federal and state governments and educational institutions	Over 15 individuals made commitments to build and strengthen industry-led regional partnership to promote manufacturing by: • Joining or convening regional industry manufacturing partnership. • Facilitating connections among industry associations, community colleges, WIBs and other partners. • Sharing best practices across partnerships. • Connecting to national manufacturing partnership networks.	24 individuals on the Workforce Action Team committed to launch or strengthen industry-led regional sector partnerships, some of which will focus on manufacturing. These partnerships align business, workforce trainers, economic development organizations and others to increase the strength of regional industry clusters.
Support Manufacturing Skills In every region of the state, and promote training programs for manufacturing in community colleges and universities that meet the skills requirements of industry	• Create Regional Manufacturing Partnership Communities made up of all levels of education, economic and workforce development organizations and manufacturers to create more effective training programs. Complete an Advanced Manufacturing Resource Map to help make connects between manufacturers and resource providers. • Work with Regional Manufacturing Partnership Communities to increase the number of students earning degrees and certificates that lead to in-demand jobs. Use educational and workforce funds as well as Employment Training Panel (ETP) funds to support manufacturing training program. • Promote science, technology, engineering and math (STEM) career awareness at all levels of education.	Twelve individuals made commitments to support the development of manufacturing skills by: • Creating and supporting industry partnerships to prepare a workforce that meets the skill requirements of industry. • Exposing high school students and adult jobseekers to careers in manufacturing.	The Workforce Action Team focused on creating stronger regional partnerships to prepare a workforce for high-demand fields including manufacturing.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Promote Exports and Direct Investment California has the opportunity to be a leader in manufacturing exports and foreign direct investment in California manufacturing.	• Create manufacturing export-assistance programs for small and medium-sized businesses by connecting and focusing existing efforts. • Promote foreign direct investment, especially from Asia.	Thirteen individuals made commitments to support exports among manufacturers in California by: • Mapping global trade resources. • Aligning export assistance resources to support small-and medium-sized manufacturers.	

WORKING LANDSCAPES



Action Team Co-Leads

James Gore, former USDA

Glenda Humiston, USDA Rural Development
A.G. Kawamura, Solutions from the Land Dialogue

For a full list of Action Team members, see [the Summit Playbook](#).

WHAT ARE WORKING LANDSCAPES?

California's economy, people and environment are hugely dependent on working landscapes, which include farmland, ranches, forests, wetlands, mines, water bodies and other natural resource lands, both private and public.

PROBLEM STATEMENT

Working landscapes are undergoing major changes and there are not adequate tools or processes to address these changes. Lack of good data, smart policy, civic stewardship, access to capital, poor regulatory alignment and effective collaboration threaten to inhibit the state's ability to make effective management and regulatory decisions about working landscapes.

GOAL STATEMENT

Design and implement policy and programs that balance all potential values of working landscapes – reflecting true costs and benefits provided to both urban and rural communities – today and for future generations. Ensure that recommended policy and actions build upon the work of earlier initiatives and that all stakeholders are engaged.

KEY ACCOMPLISHMENTS TO DATE

Working Landscapes is a new initiative in 2013.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Data-Based Modeling Develop statewide data and spatial modeling capacity to provide a range of economic and environmental indicators and metrics to assess strategies that protect and enhance working landscapes. This essential tool will provide policy makers, public agencies and the private sector new information and enable better decisions.	• Fund the expansion of open-source software and resources planning efforts – such as Urban Footprint and the Sacramento Area Council of Government's Rural-Urban Connections Strategy (RUCS) project – to provide working lands modeling and planning that enhances both environmental services analysis and resource-based industries. • Ensure that this toolkit is available throughout California; and ensure that users can easily customize it to suit their needs and that enhancements can be readily shared with other users. • Utilize this analysis capacity to bring an array of stakeholders to the table and facilitate meaningful conversations and better decision making about working landscapes. Coordinate data already collected by local, regional and state agencies.	STATE POLICY • Expand use of open-source software: 11 regional, state and federal leaders committed to support efforts to take RUCS statewide, to write case studies and develop data analysis for rural clusters. Commitments were also made to provide sector-based labor market reports and economic data, and to create and scale models and impacts to illustrate benefits and possibilities of coexistence. One Action Team lead committed to convene a meeting to organize data sharing and better target investments in data collection.	
Policy Integration Integrate desired outcomes of various policy frameworks – including but not limited to AB 32, SB 375, farmland protection and watershed management – to define cohesive and realistic goals for balancing the needs to accommodate urban growth with the needs to conserve and enhance working landscapes. <i>(continued on the next page)</i>	• Develop regional objectives for land and water management and enlist appropriate stakeholders to take responsibility for each objective; this should also facilitate responsible stewardship of leased lands and mixed ownership. • Seek balanced solutions to urban and rural land use planning that are economically efficient in providing services, infrastructure and quality of life amenities.	REGIONAL ACTIVITY • Seek balanced solutions: Representatives of Sonoma, Santa Cruz and Santa Clara counties will document the value of working lands and natural areas and share this information with the community, funders and decision makers to enhance investment in conservation. • Six regional leaders committed to work together to share lessons learned and outcomes of local projects.	Regulations Action Team members may be interested in working together to take lessons learned from the oak carbon sequestration project to regulatory agencies and get/give feedback on how to improve programs, protocols, layering of policy. • Coordinate/expedite regulatory review for restoration.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Many policies are implemented in uncoordinated and inconsistent fashion, burdening land managers without producing a corresponding benefit. An integrated policy framework – with flexibility for regional variance in climate, watershed function, species mix, and economic activities – would change this dynamic and enhance the economic and ecological bounty of California’s working landscapes while helping to provide a high quality of life in urban areas.	• Remove barriers that limit participation in programs, including but not limited to availability of relevant science and/or methodology, policy analysis, cost barriers, and conflict between overlapping regulatory regimes. • Coordinate the goals and objectives of OPR, Strategic Growth Council, LAFCO, DOC, CDFA and other agencies; encourage inclusion of environmental and economic metrics • Link SB 375 (Sustainable Community Strategy and Metropolitan Transportation Plans) goals, funding and implementation to actions supporting working landscapes, goods movement and city-centered growth.	STATE POLICY • Convene partners: One Action Team lead committed to convene meeting to strategize how to move implementation of recommendations • Remove barriers: One state leader committed to coordinate/expedite regulatory review for restoration	• Infrastructure and Housing Action Teams may be interested in leading a partnership with water district to increase future investment in natural infrastructure (green) on working lands (water resources/flood risk benefits)
Market-Based Incentives Develop and test market-based incentives to reward land stewardship that enhances ecosystem services and demonstrates societal benefits of resource management. Establish verification measures that provide confidence to landowners, investors and policy makers. <i>(continued on the next page)</i>	• Implement recommendations from the California Roundtable on Agriculture and the Environment report (“Guidelines for Creating Effective Ecosystem Services Incentive Programs and Policy” 2012). • Support initiatives to quantify and document the value of ecosystem services – an integral step towards developing future markets – such as AB 32 Carbon Credits and the California Department of Food and Agriculture’s Ecosystem Services Database. Document “cost avoided” for development choices. • Seek upper-watershed improvements that increase water supply and quality, improve habitat and reduce forest fire damage. • Develop a new program for upstream watershed management in conjunction with the 2014 California Water Bond, Bay-Delta Conservation Plan, Central Valley Flood Protection Plan, and other efforts.	REGIONAL ACTIVITY • Utilize Safe Harbor Agreements: One regional leader committed to groundbreak NOAA’s first Safe Harbor Agreement with the Redwood Forest Foundation STATE POLICY • Quantify and document value: Eleven regional and state leaders, including Action Team leads and Summit co-chair, committed to document the economic value of working lands, inventory success stories, and determine effective strategies to reward land stewardship practices that enhance ecosystem services and conserve high priority agricultural lands.	• The Infrastructure Action Team prioritized targeting resources in coordination with partners to increase investments in water quality and supply • Infrastructure Action Team members may be interested in collaborating to help engage/organize/activate Summit participants in the water bond to quantify and document value of services and advance policies • Manufacturing Action Team members may wish to explore opportunities for bio-based products to qualify for CA carbon credits. • Work from AgInnovations on Regulations Affecting Agriculture could be integrated into the Regulations Action Team efforts.

2013 ACTION PLAN AND COMMITMENTS

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
	• Replicate innovative ratepayer-based, upstream water management opportunities to support water quality and quantity for all towns and cities. • Advance policies, programs and regulations that provide regulatory certainty and predictability for land owners/managers to incentivize proactive management that enhances water quality and quantity, soil conservation, threatened and endangered species, marketable resources and other environmental services. • Utilize safe-harbor agreements in more instances, and fully implement the so-far unused state SHA program created by SB 448. • Collaborate with efforts to reform CEQA that offer positive support for working landscapes and explore options to reduce frivolous litigation. • Expand grant and loan programs for projects that enhance environmental services, including but not limited to directing state cap-and-trade revenues to working landscapes and developing land-banking programs.		

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Capital Investments Align public and private investments to create a competitive advantage in markets and industries connected to working landscapes and rural communities; target capital to viable natural-resource-dependent enterprises.	• Reorient economic development and workforce programs to support regional industry clusters – emphasizing rural and urban collaboration; develop data and analysis to identify clusters, target policy, and track performance. • Establish a grants program to address gaps in cluster performance. • Pursue industry-based partnerships and leverage private and public resources. • Support and expand entrepreneur-training programs, apprentice opportunities and business services. • Improve support and services to businesses interested in local, national, and international markets. • Increase investment in rural and natural resource-based economies. • Link capital to entrepreneurs, well-managed businesses, infrastructure and clusters. Create regional investment funds and innovations like crowdfunding and microloans. • Increase investment in key infrastructure (roads, bridges, flood control, water storage/conveyance, broadband, etc.). • Utilize restoration of natural resources and enhanced experiences on publicly accessible lands to provide jobs and develop vibrant resource-based economies. • Develop state and regional goods-movement strategies; ensure rural needs are met. • Organize collaboration of state's technology clusters, academic and research resources. • Improve transfer of research to commercialized technology and implementation tools. • Establish vibrant intercommunity information and innovation dissemination methods. Foster an entrepreneurial culture and “eco-system” including for the agriculture cluster. • Explore interconnections with Capital and Advancing Manufacturing teams	REGIONAL ACTIVITY • Increase investment: Seven regional and federal leaders committed to promote and attract investment to local working lands initiatives, to document those efforts, and to develop effective regional collaboratives to encourage increased investment STATE POLICY • Partnerships: Two Action Team leads committed to work with Manufacturing and Capital Action Teams to identify opportunities for greater collective impact. • Develop Community Capital Collaborative and host regional roundtables: Two regional and federal leaders committed to investing time and money in convening regional partners to bridge the urban-rural divide.	• The Capital Action Team has prioritized connecting community capital to triple-bottom-line investments. • Advancing Manufacturing Action Team may want to collaborate • The Workforce Action Team could work collaboratively to expand student experiences in working landscapes economy as part of career pathway development and document that effort.



Action Team Co-Leads

Greg Wendt, Stakeholders Capital

Carol Pranka, Next Generation

For a full list of Action Team members, see the [Summit Playbook](#).

PROBLEM STATEMENT

- Existing firms and potential entrepreneurs require access to capital and a strong network of business services—both are currently inadequate.
- More connection between various investors and investment opportunities need to be coordinated, region by region. There are gaps in the financial ecosystem and more intermediaries are needed throughout the financial continuum for all types of investments and all types of capital.
- Impact investors and local residents interested in targeting specific regions, industries or firms lack effective intermediaries.

GOAL STATEMENT

- Identify gaps, eliminate barriers, and establish appropriate intermediaries to increase access to capital.
- Target investments that generate economic as well as social and environmental returns to California communities.

KEY ACCOMPLISHMENTS TO DATE

The 2012 Capital Action Team worked with the California Financial Opportunities Roundtable (CalFOR) to develop an “Access to Capital Guidebook,” a one-stop shop resource for anyone seeking capital in a straightforward, easy-to-use format. This year, the Action Team is focused on implementing recommendations outlined in the guidebook.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Create inventory of capital intermediaries in regions throughout California Assess capabilities and shortcomings of existing intermediaries and identify gaps in access to capital Map needs for new intermediaries which can be formed and deploy capital in the next 12-24 months	Identify the intermediaries currently operating in each region and identify gaps in capital needed and/or new intermediaries, Investment categories for discussion include (see descriptions below) • Early stage entrepreneurs • Later stage equity and private equity investing. • Working capital and mezzanine loans. • Revenue bonds, Credit Enhancements, Infrastructure financing • Convene or join regional team to conduct comprehensive regional assessment of operating intermediaries and gaps • Develop working network of intermediaries that meet needs of businesses and industry clusters in regions across California	Fourteen individuals made commitments to support or launch mapping efforts, aimed at identifying existing financial intermediaries as well as gaps in access to capital in regions across California: • Regional mapping efforts will move forward in the Inland Empire, Los Angeles, Ventura, Bay Area and Sierra Nevada • A consistent template will be developed to record information on intermediaries including markets served and financial services provided Augmenting mapping efforts, several individuals committed to raising awareness of sources of capital in California by: • Hosting webinars and workshops on various capital sources • Improving regional knowledge of state programs to assist with small business lending Several individuals made commitments to increase new sources of capital by: • Supporting the potential California Community Investing Initiative (AB 495) to direct triple -bottom-line investments to low-income communities • Connecting international impact investing efforts with California needs	• The Working Landscapes Action Team prioritized increasing capital investments in natural-resource dependent enterprises. The Team could collaborate to expand loan programs for projects that enhance environmental services. • The Infrastructure Action Team focused on providing new tools to drive private investment. • The Advancing Manufacturing Action Team is focused on promoting direct foreign investment, especially from Asia. • The Housing Action Team is working to create and invest in financing tools for housing.

HOUSING



Action Team Co-Leads

David Smith, DMB Pacific Ventures
Cathy Creswell, CA Department of Housing and
Community Development (former)
Lucy Dunn, Orange County Business Council

For a full list of Action Team members, see the Summit Playbook.

PROBLEM STATEMENT

- There is an undersupply of housing in California, contributing to significant price escalation and worsening affordability across the state.
- California lacks an adequate supply and mix of housing, in the right location, affordable to families, the workforce and special needs communities.
- High regulatory costs associated with housing production contribute to the housing shortage.
- California's housing shortage and negatively impacts the triple bottom line, constraining business access to a workforce and customer base, worsening affordability for low- and middle-income families, and worsening air quality and traffic congestion.

GOAL STATEMENT

- Adequate supply of housing that aligns with current and future population demand, including affordable housing for low-income workers and families as well as for vulnerable populations (e.g. disabled, homeless, and seniors).
- Diverse supply of housing with broad array of housing products available to residents from single-family detached homes to high-rise condominiums, to own or to rent.
- Access to public transportation that allows people in all neighborhoods freedom of movement to access good jobs, healthcare, and healthy food without owning a car.

KEY ACCOMPLISHMENTS TO DATE

Housing is a new initiative in 2013.

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Innovate • Encourage public-private partnerships to provide affordable housing and the infrastructure needed to support it. Leverage non-traditional funding resources including but not limited to pension-fund investments, state credit enhancements, and new types of bond financing, • Promote economic development and business competitiveness. Housing projects must provide for a net increase in the workforce housing supply to meet the current and future workforce housing demands of California employers. • Encourage development of new housing models and designs to respond to changing demographics and market demand • Identify/facilitate the funding of research to support the triple-bottom-line benefits of housing and identify barriers to a healthy housing supply and market.	• Encourage local governments to incentivize housing located near current or projected job centers with permit streamlining, expedited environmental reviews and other measurable economic incentives. • Incentivize and support employer-assisted housing strategies, including creating a clearinghouse of successful models. • Identify and promote development of sites eligible for SB 375 CEQA Streamlining. • Educate communities about potential benefits of infill, compact development and transit-oriented development while identifying strategies to mitigate impacts • Identify new housing models and evaluate the potential to accommodate changing market demands.	REGIONAL ACTIVITY • Clearinghouse: Regional leader committed to developing input for a clearinghouse of best practices STATE POLICY • Advocacy: State association representative committed to advocate for the need for affordable housing, two commitments to raise housing issues in other discussions, e.g. capital, infrastructure, regulations	

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
Create and Invest in Financing Tools • Create new funding resources to support development of housing affordable to low-income seniors, families and workers. • Modernize California's tax system at the local level, rewarding cities for developing housing rather than retail and office space. • Support new funding models for housing such as the \$50 million Bay Area Transit-Oriented Affordable-Housing Fund (TOAH) which provides financing for the development of affordable housing and other vital community services near transit lines throughout the Bay Area.	• Create a "permanent source" of funding to develop, rehabilitate and preserve housing affordable to low-income households. • Identify and support funding alternatives to redevelopment	STATE POLICY • Permanent funding source: Ten regional and state leaders committed to build support for a permanent source of funding through legislation such as SB 391 (DeSaulnier), lowering the vote threshold for local/regional housing finance measures and cap & trade • Partnerships: One regional leader committed to engage California Association of Realtors • New funding resources: A federal representative committed to work with banks and non-bank lenders in providing funds for construction & take-out financing for housing	• Potential to collaborate with the Infrastructure Action Team to further investigate redevelopment funding alternatives. • The Capital Action Team is working to create an inventory of financial intermediaries and to connect global impact investing to California investment opportunities
Reform and Incentivize • Update General Plans and zoning to establish consistent, transparent standards that promote development certainty for housing. • Increase incentives for more robust implementation of SB 375 and leverage the potential of Sustainable Communities Strategies (SCS). Local jurisdictions can and should incent development of housing consistent with the region's Sustainable Communities Strategy (SCS) adopted pursuant to SB 375. Develop strategies to help local governments reduce permitting fees for housing development, speed up the time it takes to get permits, and reduce regulatory barriers to housing development. <i>(continued on next page)</i>	• Identify funding options for local governments to comprehensively update general plans and zoning requirements. Link funding to updates and zoning revisions that will promote infill, transit-oriented development, and that will streamline and expedite development approval and certainty. • Encourage MPOs to link transportation funding (including transit resources, infrastructure, vehicles and operating expense) and other incentives to housing production and preservation goals. For example, SANDAG and MTC reward jurisdictions with compliant housing elements.	REGIONAL ACTIVITY • Expand market incentives: A city housing commissioner committed to work with developers community to expand market incentives. • Develop strategies to help local governments: A building association representative committed to work directly with local agencies to update general plans and streamline approval processes such that SB 375 incentives are realized.	• Potential to collaborate with the Infrastructure Action Team to provide case studies to advance legislation on infill, transit oriented development and affordable housing. • Potential to collaborate with the Regulations Action Team to research the effects of CEQA on housing and to support real, on-the-ground incentives for SB 375

WHAT Recommendations	HOW Implementation Actions	COMMITMENTS	
		Summary of Commitments to Date	Potential Links to Other Teams
• Reform the California Environmental Quality Act, particularly as it relates to residential development, by streamlining the process to make it faster, less costly and more predictable. • Support rural housing development to adequately house workers and maintain the rural landscape and agricultural industry.	• Identify appropriate State funds to reward local governments for housing production and preservation consistent with certified housing elements and SCSS. • Encourage and incentivize local governments to review existing development regulations to identify areas to update to streamline approval process and revise outdated development standards. Develop model ordinances and standards for easy use and adoption by local governments. • Consider strategies to expand use of CEQA exemptions including for residential uses in specific plans and infill.	STATE POLICY • Increase incentives : 11 regional and state leaders committed to engage policy makers to address barriers to affordability through regulatory reform and support real on-the-ground incentives for SB 375. • Reform CEQA: One commitment to research the effects of CEQA on housing and coordinate funding for the study. • Education: Two commitments to improve knowledge about conditions and cost of housing market	
Support Inclusion and Social Equity • Promote a wide range of housing options. Help local governments meet their Regional Housing Needs allocation and housing for special-needs populations. Support new development projects, “for sale” housing as well as rental housing, multi-family or detached, and any creative combination. Support projects offering a full spectrum of price ranges and affordability for the workforce. • Develop strategies to protect existing neighborhoods and housing while revitalizing communities and increasing housing supply. • Support community involvement and local planning. Support projects consistent with the local jurisdiction’s long-range planning to accommodate future population and jobs growth.	• Promote housing types and designs that accommodate the full life cycle such as universal design Granny Flats. • Promote revisions of local standards to incentivize development of full range of housing types and choices including multifamily, manufactured housing, Single Room Occupancy units, supportive housing, duplexes and four-plexes. • Target infrastructure improvements and community amenities to existing neighborhoods impacted by redevelopment and new transportation systems. • Develop strategies to discourage displacement of existing residents in impacted neighborhoods. • Identify mechanisms to marshal business and industry support for projects that meet specified standards.	STATE POLICY • Partnerships: One state leader committed to continue to build partnerships to advance inclusion and social equity. Inclusion and social equity were implicit commitments in other sections.	

THE PATH FORWARD

Outlining next steps

Efforts are already underway to advance the Summit agenda, from the proposals outlined in the Action Plans to the commitments made at the Summit. This report is a resource for Summit participants who want to stay connected to the Summit's work —and to see where their own commitments may connect with other Action Teams.

Staying involved and tracking progress

What can Summit participants who want to stay involved do next? The best way to stay connected is through one of the Summit's Action Teams. That's where the action will be in the first few months of 2014, as Teams work together to move from Action Plans to implementation. Summit participants will be receiving regular updates about opportunities to get involved via email, social media, and through the Summit's website (caeconomy.org), which will feature success stories and profiles of Summit initiatives as they progress. Not on the Summit list yet? Sign up at caeconomy.org/signup.

Stay involved:



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With input from every region in the state, the Summit has set lofty goals for itself. How can you tell if the Summit's seven initiatives are succeeding? The progress of each Action Team will be regularly updated on the 2013 Progress Tracker (caeconomy.org/progress). As each team moves from Action Plan to implementation, that Team's arrow will move forward another step. Click on an Action Team to read more about what they've accomplished recently.

Invitation to contribute time or talent

The Summit doesn't begin and end with a meeting in November. The complex work of laying an economic foundation that will allow California to thrive in this young century requires long-term commitment from regional leaders from every part of the state. Any time or talent Summit participants have to contribute will make the Summit stronger. Let us know how you'd like to assist in the Summit's efforts in 2014 today: info@caeconomy.org.

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