

## APPENDIX B: DRAFT ECONOMIC ACTION PLAN

### **In a region with much to envy—**

The Bay Area economy has had an expansion stronger than most would have anticipated since recovery from the Great Recession began. Recent economic growth has ridden on a wave of new communications tools, new ways of doing business, and new and redesigned business locations. This growth has built on proactive city policy and business leadership and has brought new opportunities for struggling infill areas throughout the urban core and its linked transportation corridors, including places in San Francisco, Oakland, San Jose, Redwood City, San Leandro, Vallejo, and many other Bay Area cities. The source of much of the growth is from innovations in the region's strongest sectors.

### **There are still many challenges—**

- A housing market that displaces lower income renters, encourages existing residents to consider relocating to other regions, and discourages potential new residents from moving into the region.
- An economy where agglomeration costs (#1 for housing and workspace) may outweigh the agglomeration benefits of locating or expanding in the Bay Area
- A stratified workforce where even highly paid workers are paying high shares of income of housing, where middle wage workers must trade off high housing prices for long and costly commutes, and where lower wage workers double up or move beyond the region, as wages lag costs of living in the area.
- An employer/workforce mismatch, with local educational institutions producing only a fraction of the labor force skills needed by employers, and local labor struggling to find the training needed to match employer demands.
- 19<sup>th</sup> and 20<sup>th</sup> century infrastructure handicapping the growth of 21<sup>st</sup> century ideas and products.

## THE VISION

***A dynamic and resilient economy, spurred by a culture of innovation and inclusion, providing opportunities, shared prosperity, and a sustainable quality of life for all residents and workers.***

## THE BAY AREA ECONOMIC ACTION PLAN

Built on a vision and set of goals from a collaborative regional effort among economic stakeholders, the Economic Action Plan describes the steps regional actors, with their local public and private, state and federal partners, can take to maintain the resilience of the Bay Area economy while extending its benefits to a wider range of workers and residents.

## TWENTY ACTIONS TOWARDS MEETING BAY AREA ECONOMIC GOALS

### Goal One: Business Climate

1. Identify the business, economic, workforce and community organizations within the region and establish a communication framework among them.
2. Share organization best practices and knowledge of the most effective ways to protect and improve the economy.
3. Prioritize programs to expand entrepreneurship and business ownership opportunities particularly in distressed communities.
4. Support clusters and related industries that drive innovation and serve our communities.
5. Enhance the Bay Area's innovation and entrepreneurship ecosystem.
6. Document the changing structure of employment and its implications

### Goal Two: Workforce

7. Improve the primary, secondary and higher education systems to create a globally competitive workforce.
8. Focus improvement efforts on middle, high school and community college education and training opportunities for disadvantaged students and districts to improve the home-grown workforce.
9. Expand economic opportunity and upward mobility in employment and wages at all life stages.
10. Enhance apprenticeship opportunities throughout the region.
11. Expand sector-specific paid internship programs for high school, and community college students.

### Goal Three: Housing and Work Places

12. Identify and implement best practices to support housing production, preservation and affordability.
13. Encourage employment growth around transit, transportation improvements near employment centers, and employment growth adjacent to workforce housing.
14. Support and strengthen the Production, Goods Movement and Repair Cluster.

## Goal Four: Infrastructure

15. Identify existing and develop new infrastructure funding resources and ways of augmenting availability at the regional level.
16. Improve and coordinate transportation systems and regional mobility.
17. Improve travel access to economic opportunity for low income workers.
18. Enhance and strengthen communications, energy and water systems.
19. Reduce vulnerability to climate change and natural hazards.
20. Recognize the region's agricultural land, bay lands and open space as an economic asset.

## GOAL ONE: BUSINESS CLIMATE

### 1. Identify the business, economic, workforce and community organizations within the region and establish a communication framework among them.

#### 1.1. Inventory

- key business organizations
- sector working groups
- economic development programs
- workforce agencies
- labor organizations
- community based organizations
- community colleges

Timeline: Year 1 start and ongoing

Actor: Association of Bay Area Governments (ABAG)/Metropolitan Transportation Commission (MTC) in partnership with major regional/subregional economic development and business organizations

#### 1.2. Enhance the ability to take shared action towards specific goals that benefit both local areas and the region as a whole, through, for example:

- Regularly scheduled meetings and workshops associated with the regional Economic Development District (EDD)
- Postings of grant opportunities
- Forums to plan cooperative ventures

Timeline: Year 1 start and ongoing

Actor: Communication and collaboration may be initiated by the regional EDD through ABAG/MTC or through any of the partner organizations. One approach may be to schedule regular meetings hosted by different business or economic development partners, to which participants throughout the region are invited.

**2. Share organization best practices and knowledge of the most effective ways to protect and improve the economy.**

**2.1.** Inventory support programs, efforts and initiatives throughout the region so jurisdictions and organizations can learn from each other and identify gaps and opportunities for collaboration.

Timeline: Year 1-2 start and ongoing

Actor: ABAG/MTC and EDD partners, universities, sector working groups and business organizations

**2.2.** Create an easily accessible web-based clearinghouse of best practices tailored to local conditions.

Timeline: Year 1-2 start and ongoing

Actor: ABAG/MTC and EDD partners, universities, sector working groups and business organizations

**2.3.** Outreach to other regions to identify case examples of actions that could also be implemented locally or at the regional level. Add results to the clearing house.

Timeline: Year 1-2 start and ongoing

Actor: ABAG/MTC and EDD partners, universities, sector working groups and business organizations

**3. Prioritize programs to expand entrepreneurship and business ownership opportunities particularly in distressed communities.**

**3.1.** Improve business access to capital for emerging growth companies and small businesses; identify existing efforts of organizations and groups including:

- Types of programs
- Sources of funds
- Entities involved

Timeline: Year 1

Actor: US Small Business Administration (US SBA), local banks, existing incubator programs, economic development and business organizations, ABAG/MTC or universities

**3.2.** Develop and expand mentor programs where successful entrepreneurs and business owners work with potential and new entrepreneurs to advise them on how to enter into the Bay Area business realm:

- Identify existing programs
- Advise on business and financial management
- Create prototypes and case examples
- Develop targeted efforts to generate business ownership or location in distressed areas

Timeline: Year 2

Actor: Local jurisdictions, US SBA SCORE program, community colleges

**3.3.** Identify underserved locations and business sectors where incubator programs could improve success in business establishment and expansion.

Timeline: Year 2-5

Actor: US SBA, local banks, existing incubator programs, economic development and business organizations. ABAG/MTC or universities could provide research on program types and underserved locations

#### **4. Support clusters and related industries that drive innovation and serve our communities.**

**4.1.** Identify key cluster organizations, particularly those that represent companies and investors who are committed to investing and hiring within the region.

Timeline: Year 1

Actor: Business organizations and leadership councils, supported by research groups such as ABAG/MTC, Bay Area Council Economic Institute (BACEI), Joint Venture Silicon Valley (JVSV), universities

**4.2.** Identify sectors and firms that contribute to the regional supply chain for existing clusters and collaborate with cluster organizations and firms to expand operations, or attract suppliers.

Timeline: Year 2-3

Actor: Business organizations and leadership councils, supported by research groups such as ABAG/MTC, BACEI, JVSU, Bay Area Urban Manufacturing Initiative (SFMade/BAUMI), universities

**4.3.** Improve outreach about existing funding mechanisms and develop new financing or funding mechanisms for cluster expansion and new cluster development.

Timeline: Year 2-3

Actor: Business organizations and leadership councils, supported by research groups such as ABAG/MTC, BACEI, JVSU, universities

## **5. Enhance the Bay Area's innovation and entrepreneurship ecosystem.**

**5.1.** Identify existing cross-silo collaboration programs that build a relationship between business, community, education and research institutions and economic stakeholder groups such as workforce training and equity groups.

Timeline: Year 2-3

Actor: National Labs, universities, economic development non-profits

**5.2.** Support local technology commercialization by linking research institutions to mission-oriented incubators in high-value manufacturing sectors.

Timeline: Year 2-3

Actor: National Labs, universities, economic development non-profits

**5.3.** Create a program to provide support to entrepreneurs ready to move new products to market.

Timeline: Year 2-3

Actor: National Labs, universities, economic development non-profits

## 6. Document the changing structure of employment and its implications

**6.1.** Define and track trends in contract labor in the Bay Area including gig workers, older displaced workers and retirees; and analyze and describe the implications for business structure

Timeline: Year 1

Actors: ABAG/MTC, BACEI

**6.2.** Identify programs and support that may be needed for contract workers (e.g. Establishing trade organizations that can access retirement plans and benefits across occupations and sectors or expand access to existing programs of this type)

Timeline: Year 2, 3

Actors: US SBA, community colleges, BACEI, labor unions, cluster trade organizations

**6.3.** Develop a plan for meeting support needs for a workforce not integrated into the employer resource system.

Timeline: Years 2-4

Actors: TBD

NOTE: this action overlaps with Goal 2.

## GOAL TWO: WORKFORCE

### **7. Improve the primary, secondary and higher education systems to create a globally competitive workforce.**

**7.1.** Advance collaboration and strengthen alignment throughout the entire education system from pre-K, K-12, higher education and adult education. Expand educational reach/resources.

- Establish an advisory group to oversee the effort
- Support universal access to preschool as a stepping stone to improved education outcomes
- Develop collaborative settings between high schools and colleges to provide resources for expanding high school achievement

Timeline: Ongoing

Actor: Bay Area Community College Consortium (BACCC), individual school districts and workforce boards, educational training institutions, labor representatives, employers

**7.2.** Coordinate regional job training resources with business needs in growing key industries.

Timeline: Ongoing

Actor: BACCC, individual school districts and workforce boards, educational training institutions, labor representatives, employers

### **8. Focus improvement efforts on middle, high school and community college education and training opportunities for disadvantaged students and districts to improve the home-grown workforce.**

**8.1.** Identify best-practices for programs to upgrade the quality of education in poorly performing school districts, toward the goal of creating college or work-ready graduates.

Timeline: Ongoing

Actor: BACCC, individual school districts, labor representatives, sector working groups

**8.2.** Provide curriculum design and teacher training to strengthen the outcomes for students in low performing parts of the region.

Timeline: Ongoing

Actor: BACCC, individual school districts, labor representatives, sector working groups

**8.3.** Develop case studies of successful programs that can be implemented in local districts.

Timeline: Ongoing

Actor: BACCC, individual school districts, sector working groups

**8.4.** Seek financial support for regional school district efforts to expand existing career exposure programs in public middle and high schools.

Timeline: Ongoing

Actor: BACCC, SFMade/BAUMI, individual school districts, sector working groups

**8.5.** Develop prototype programs to guide jurisdictions, organizations and companies toward developing new programs.

Timeline: Ongoing

Actor: BACCC, individual school districts, sector working groups

**8.6.** Explore ways to lower overall education costs for low income students, including childcare costs, housing cost, cost per credit.

Timeline: Ongoing

Actor: BACCC, local governments, state partners, foundations, affordable housing developers, Community Development Financial Institutions (CDFIs)

**9. Expand economic opportunity and upward mobility in employment and wages at all life stages.**

**9.1.** Build on earlier analyses by BACCC, SPUR, and Center for Continuing Study of the California Economy (CCSCE) to identify sectors with large job growth and waves of upcoming retirements that offer opportunities for upward job mobility.

Timeline: Year 1-2, ongoing case studies

Actor: BACCC, local Centers of Excellence, sector working groups

**9.2.** Identify or develop case studies of successful programs partnering businesses with training initiatives.

Timeline: Year 1-2, ongoing case studies

Actor: BACCC, local Centers of Excellence, sector working groups, labor organizations

**9.3.** Identify skill gaps and strengthen capacity of training programs that bridge the gap for low-income workers to middle-wage jobs, for veterans into the civilian workforce, and for older workers transitioning to new careers.

Timeline: Year 1-5 and ongoing

Actor: BACCC, local Centers of Excellence, sector working groups, labor organizations

**9.4.** Expand job-focused basic skills training including English language proficiency, basic and digital literacy, and soft skills.

Timeline: Year 1-5 and ongoing

Actor: BACCC, local Centers of Excellence, sector working groups, labor organizations, community based organizations

**9.5.** Identify and develop work-based learning programs such as paid internships and subsidized wage programs for college students, experienced workers seeking career advancement, and workers transitioning due to factors such as job displacement, veteran status or age.

Timeline: Year 1-5 and ongoing

Actor: Workforce boards, BACCC, local Centers of Excellence, sector working groups, labor organizations

**9.6.** Provide flexible employment arrangements and options for older workers.

Timeline: Ongoing

Actor: Sector working groups, employers, labor organizations

**10. Enhance apprenticeship opportunities throughout the region.**

**10.1.** Coordinate programs and applications regionally

Timeline: Year 1-3?

Actor: Workforce organizations, BACCC, labor organizations, employers

**10.2.** Expand apprenticeship opportunities in public agencies and nontraditional sectors

Timeline: Year 1-3?

Actor: BACCC, local governments, health sector employers, labor organizations

**10.3.** Expand apprenticeship programs in occupations such as construction and manufacturing trades facing acute shortages of trained workers.

Timeline: Year 1-2

Actor: Labor unions, SFMade/BAUMI, community colleges, employers

**10.4.** Develop pooled liability and workers compensation programs

Timeline: Year 1-3?

Actor: Labor organizations, business organizations

**11. Expand sector-specific paid internship programs for high school, and community college students.**

**11.1.** Identify examples where internships targeted to high school and community college students provide wider perspective on employment possibilities

Timeline: Year 1-2

Actor: High schools, community colleges, workforce boards, labor unions, employers, research institutions

**11.2.** Evaluate success and area applicability (transferability to other communities, occupations)

Timeline: Year 2

Actor: High schools, community colleges, workforce boards, labor unions, employers, research institutions

**11.3.** Develop program guidelines and identify partner companies and schools.

Timeline: Year 3

Actor: High schools, community colleges, workforce boards, labor unions, employers

**11.4.** Link internships to career planning and contextualized basic skills. Also, address payment and liability for interns

Timeline: Year 3-5

Actor: High schools, community colleges, workforce boards, employers, labor unions,  
SFMade/BAUMI

## GOAL THREE: HOUSING AND WORK PLACES

### **12. Identify and implement best practices to support housing production, preservation and affordability.**

**12.1.** Work closely with the CASA initiative to support programs to improve the supply and affordability of housing, especially for the region's workforce.

Timeline: Year 2-5

Actor: Business organizations, employers, local governments, foundations, regional agencies, state partners

**12.2.** Identify strategies to involve major employers in expanding housing stock near their employment concentrations.

Timeline: Year 2-5

Actor: Business organizations, employers, local governments, foundations, regional agencies, state partners

**12.3.** Develop funding mechanisms to produce additional employer sponsored housing that accommodates a large and diverse workforce including farmworkers.

Timeline: Year 2-5

Actor: Business organizations, employers, local governments, foundations, regional agencies, financial institutions, state partners

**12.4.** Support local building code updates that adapt to innovations in construction technology that lower costs.

Timeline: Year 1-5 and ongoing

Actor: Regional agencies resilience team, local governments, state partners, Federal partners, foundations

**12.5.** Develop strategies and financing mechanisms to encourage property owners to retrofit fragile housing in seismic hazard areas, especially affordable rental units.

Timeline: Year 1-5 and ongoing

Actor: Regional agencies resilience team, local governments, state partners, Federal partners, foundations, financial institutions

**12.6.** Develop anticipatory measures to replace affordable housing lost during a natural disaster.

Timeline: Year 1-5 and ongoing

Actor: Regional agencies resilience team, local governments, state partners, Federal partners, foundations

**13. Encourage employment growth around transit, transportation improvements near employment centers, and employment growth adjacent to workforce housing.**

- 13.1.** Broaden core capacity transit study partnership to cover a larger geography to plan for major transportation capital investments.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, California Department of Transportation (CalTrans), Congestion Management Agencies (CMAs), California Air Resources Board (CARB), universities.

- 13.2.** Identify and support new sources for transportation funding to improve maintenance and expand capital resources, including public-private partnership opportunities and local revenue measures

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, universities.

- 13.3.** Evaluate ways for transportation investments and operations to foster transit connectivity between employment centers and housing.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, universities.

- 13.4.** Continue to refine PBA to facilitate the co-location of housing and jobs. Evaluate expanded support for local transit systems that address first-mile and last-mile problems.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, employers, developers, universities.

- 13.5.** Identify situations where transportation investments can be an effective element supporting middle-wage employment growth near workforce housing (e.g. Supporting new cluster development around industries centered closer to lower cost suburban housing).

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, sector cluster organizations, universities.

- 13.6.** Coordinate transportation funding with areas engaged in broader economic development.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, universities.

- 13.7.** Inventory potential sites and infrastructure needs for business startup and expansion outside major job centers close to workforce housing

Timeline: Ongoing

Actor: Local governments, regional agencies, economic development organizations, real estate brokers

#### **14. Support and strengthen the Production, Goods Movement and Repair Cluster.**

- 14.1.** Identify target clusters on industrially zoned land dependent on investment for Goods Movement and related Production, Distribution and Repair activities.

Timeline: Year 1-3

Actor: Regional agencies, CalTrans, CARB, jurisdictions, major logistics employers, SFMade/BAUMI

- 14.2.** Develop criteria and sample ordinances for a Priority Production Area feature in Plan Bay Area to enable local jurisdictions to plan for and invest in areas needed for manufacturing, distribution and repair while assessing ways of meeting other critical needs such as housing

Timeline: Year 1-3

Actor: Regional agencies, CalTrans, CARB, jurisdictions, major logistics employers, SFMade/BAUMI

**14.3.** Identify workforce gaps and support workforce development for the targeted clusters

Timeline: Year 1-3

Actor: Regional agencies, major logistics employers, BACCC, labor unions, community based organizations, SFMade/BAUMI

## GOAL FOUR: INFRASTRUCTURE

### **15. Develop a funding “warehouse” for infrastructure projects**

**15.1.** Identify and track state and federal programs that provide funding for infrastructure, and new funding mechanisms that can be applied regionally

Timeline: Years 1 and 2

Actor: Regional EDD, subregional economic development organizations, US Economic Development Administration (USEDA), major infrastructure providers, university researchers

**15.2.** Provide technical assistance for funding applications

Timing: Years 1-5

Actor: Regional EDD, subregional economic development organizations, USED A

**15.3.** Develop programs to enhance resources by coordinating efforts across geographic areas, or coordinating different types of infrastructure investments to minimize costs.

Timeline: Years 2-5

Actor: California infrastructure bank, major business organizations, regional EDD, US EDA

### **16. Improve and coordinate transportation systems and regional mobility.**

**16.1.** Evaluate how tolls, congestion pricing, or other new revenue sources can be used to improve travel along key corridors and access to jobs for middle and lower wage workers.

Timeline: Year 1-5

Actor: MTC, CalTrans, port authorities, CMAs, and transit providers

**16.2.** Prioritize improvements to port, rail, airport, roads and other critical Goods Movement infrastructure.

- Preserve and strengthen multi-modal systems that support freight movement.
- Coordinate Good Movement infrastructure with passenger transportation systems and local land use decisions.

Timeline: Year 1-5

Actor: MTC, CalTrans, port authorities, CMAs, and transit providers

## **17. Improve travel access to economic opportunity for low income workers.**

**17.1.** Develop regional means-based pricing for transit, tolls and other pricing mechanisms to take into account costs of new sources to low-income commuters.

Timeline: Year 1-2

Actor: MTC, CMAs

**17.2.** Go-Pass Subsidies from higher wage to lower wage employers to improve viability of support services

Timeline: Year 1-2

Actor: MTC, CMAs, employers

**17.3.** Priority Development Area Specific Plans, zoning codes and other regulating language to increase opportunities for affordable and workforce housing near transit.

Timeline: Ongoing

Actor: MTC, CMAs.