

AMENDED IN ASSEMBLY MAY 4, 2020

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 3205

**Introduced by Assembly Member Salas
(Coauthors: Assembly Members Arambula, Ramos, and Rodriguez)**

February 21, 2020

An act to add Article 8 (commencing with Section 12100.70) to Chapter 1.6 of Part 2 or Division 3 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 3205, as amended, Salas. Regions Rise Grant Program.

Existing law, the Economic Revitalization Act, establishes the Governor's Office of Business and Economic Development, also known as "GO-Biz," in state government within the Governor's office under the control of a director. The act requires GO-Biz to serve as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth.

This bill would establish the Regions Rise Grant Program within the Governor's Office of Business and Economic Development for the purpose of enabling regions to collaborate and create interdisciplinary and cross-sector regional strategies to address key regional ~~issues and challenges~~ *barriers to prosperity for all*. The bill would define "region" for these purposes as a group consisting of at least one government agency, one local business, *one educational or workforce entity*, and one nonprofit organization, that ~~spans a geographic area that includes an area in at least 2 different counties, and is comprised of an a~~

geographic area that experiences common community issues and challenges.

This bill would require the office to develop an application for regions to apply for ~~program grants~~: *competitive grants that can be spent over a period of 3 years*. The bill would require the office, upon appropriation of funds by the Legislature, to issue grants to qualified regions as specified. The bill would require the office to act as an informal advisor to regions receiving grants under the program by providing best practices and informing regions of the state’s initiatives. The bill would require each *selected* region to submit a final report to the office detailing the issues analyzed, priorities identified, ~~and the strategies developed to address the key issues of the region~~: *regional issues, and plans to implement priority efforts*.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California’s regional economies compete in an increasingly
- 4 connected and complex global market driven by changes in
- 5 technologies, demographics, and geopolitics.
- 6 (b) Growing inequality and the erosion of upward mobility in
- 7 California that call for state policy to be intensely focused on
- 8 increasing economic opportunity and security for all Californians.
- 9 (c) Public policy plays a critical role in creating the conditions
- 10 that attract private capital investment, while encouraging equitable
- 11 and sustainable economic growth.
- 12 (d) Yet California lacks a process to help inform the future
- 13 creation of a coherent strategy that explicitly links state and
- 14 regional priorities with goals and metrics, investments, and
- 15 programs. A process should integrate the values of equity,
- 16 resiliency and collaboration around issues of shared importance
- 17 including transportation, housing, homelessness, workforce,
- 18 sustainability, and governance.
- 19 (e) California policy to advance triple-bottom-line goals should
- 20 motivate, create capacity for, and invest in regionally driven
- 21 strategies. This approach will empower and align behind regions,
- 22 leverage business and civic contributions, and ensure that funds

1 follow strategic decisions rather than decisions being made to
2 chase funds.

3 (f) Regional triple-bottom-line prosperity strategies should be
4 predicated on partnerships among state and local governments,
5 and among public, private, and civic organizations, through which
6 projects can integrate legal authorities, financial resources, ~~and~~
7 ~~organizational expertise and create longevity.~~ *and organizational*
8 *expertise, create longevity, and generate prosperity for all.*

9 (g) The philanthropy community, both in and outside of
10 California, are seeking avenues to invest in communities across
11 California in a strategic, yet transformative manner that includes
12 opportunities to leverage or pool additional dollars to deepen
13 impact.

14 (h) There is a need to create a state program that provides
15 competitive grants for multijurisdictional organizations that involve
16 local governments, and private and civic organizations covering
17 locally defined economic regions to adopt a comprehensive shared
18 prosperity strategy focused on the priority challenges of the
19 respective region.

20 ~~(i) There is a need to provide increased technical assistance~~
21 ~~through GO-Biz for better planning and coordination in priority~~
22 ~~regions.~~

23 (j)
24 (i) There is a need to create pathways for private business,
25 philanthropy, and others to financially support inclusive planning
26 and decisionmaking processes reflective of a shared vision of a
27 California for all, across the state's ~~priority~~ *underserved* regions
28 for investment.

29 SEC. 2. Article 8 (commencing with Section 12100.70) is
30 added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the
31 Government Code, to read:

32
33 Article 8. Regions Rise Grant Program

34
35 12100.70. For purposes of this article:

36 (a) "Director" means the Director of the Governor's Office of
37 Business and Economic Development.

38 (b) "Office" means the Governor's Office of Business and
39 Economic Development.

1 (c) “Program” means the Regions Rise Grant Program created
2 pursuant to Section 12100.71 and administered in accordance with
3 this article.

4 (d) “Region” means a collective of counties, cities, local
5 agencies, private businesses, *educational entities*, and nonprofit
6 organizations *that organize themselves around a functional*
7 *economy* established pursuant to Section 12100.72.

8 12100.71. (a) There is hereby created, in the Office of Business
9 and Economic Development, the Regions Rise Grant Program.

10 (b) The purpose of the program is to achieve the following:

11 (1) To enable local governments, community-based nonprofit
12 organizations, ~~and local businesses to~~ *businesses, and other key*
13 *local stakeholders to* establish regional groups tasked with
14 identifying and developing strategies to address key regional ~~issues:~~
15 *barriers to prosperity for all.*

16 (2) To build the capacity at the local level for inclusive
17 collaboration and ~~planning:~~ *planning with the active engagement*
18 *of representatives from disenfranchised or disadvantaged*
19 *communities.*

20 (3) To create interdisciplinary and cross-sector regional
21 strategies for addressing key regional challenges.

22 (4) To establish pathways to implement strategies developed
23 by the regional groups established pursuant to this part.

24 12100.72. (a) Before submitting an application pursuant to
25 Section 12100.73, a region shall be established that meets *both of*
26 *the following requirements:*

27 (1) Consists of at least one government agency, one local
28 business, *one educational or workforce entity*, and one nonprofit
29 organization.

30 ~~(2) Spans a geographic area that includes an area in at least two~~
31 ~~different counties:~~

32 ~~(3)~~

33 (2) ~~Comprises an~~ *a geographic area that experiences common*
34 *regional issues and challenges that are larger than a single*
35 *community, including, but not limited to, workforce development,*
36 *educational pathways, land use, climate planning, transportation,*
37 *housing, homelessness, economic mobility, equity gaps, and*
38 *economic development.*

1 (b) A geographic location's delineation by a metropolitan
2 statistical area, as established by the United States Office of
3 Management and Budget, may be utilized to define a region.

4 (b)

5 (c) (1) Each region shall designate a lead principal agency or
6 organization. The principal agency or organization shall be the
7 main point of contact with the office and be identified in the
8 application submitted pursuant to Section 12100.73.

9 (2) Each member of the proposed region shall submit a letter
10 of support to the principal agency or organization, which shall be
11 included in an application submitted pursuant to Section 12100.73.

12 (e)

13 (d) A region that receives funding pursuant to Section 12100.73
14 shall establish a steering committee that is representative of the
15 membership of the region to achieve the goals and purposes of the
16 program.

17 12100.73. (a) The office shall develop an application for
18 regions to apply for *competitive grants that can be spent over a*
19 *period of three years* under this article.

20 (b) The office shall give priority when awarding grants to
21 regions that can demonstrate all of the following:

22 (1) The partners of the region are representatives of the region's
23 demographic make-up, key industries, city and county
24 governments, private businesses, educational and workforce
25 partners, and nonprofit and philanthropic organizations.

26 (2) The need for cross-sectoral, multipartnership solutions to
27 key regional challenges.

28 (3) ~~Readiness~~ *The readiness* and capacity to support ~~small, rural,~~
29 ~~or lower resourced rural or disadvantaged~~ *rural or disadvantaged* areas.

30 (4) *The assessment of key deliverables and the potential of the*
31 *initiative* to make system changes that can be operationalized based
32 on success stories and best practices.

33 (5) A commitment to match nonstate funds.

34 (6) Letters of support from local government agencies, nonprofit
35 organizations, private businesses, education partners, ethnic
36 communities, and philanthropic organizations that indicate a
37 significant threshold of community involvement.

38 (7) A commitment to collect and share data, as required by the
39 office, that can help inform the effectiveness of the grant dollars
40 in building strategies for regional prosperity and to hold partners

1 accountable for progress through the use of tools, including the
2 California Dream Index.

3 (c) The office shall act as an informal advisor to regions that
4 receive funding pursuant to this article by providing best practices
5 and informing regional organizations of the state's initiatives in
6 areas including workforce development, educational pathways,
7 land use, climate planning, and the other regional issues identified
8 by regions.

9 12100.74. Upon appropriation of funds by the Legislature for
10 the purpose of implementing this article, the office shall make
11 grants to qualified regions, consistent with Section 12100.73.

12 12100.75. (a) Each *selected* region receiving funding pursuant
13 to this article shall submit a final report to the office detailing the
14 regional issues analyzed, priorities identified, ~~and the strategies~~
15 developed to address regional ~~issues~~. *issues, and plans to*
16 *implement priority efforts.*

17 (b) The office shall create a process for regional priorities to be
18 brought forward to the Governor, the Legislature, and any other
19 relevant ~~agency~~ *agency, including the Office of Planning and*
20 *Research*, to serve as a guide for the development and
21 recommended action of related state functional ~~plans and strategies~~.
22 *plans, strategies, and investments.*