

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: July 15, 2016
To: ABAG Executive Board
From: Miriam Chion
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Subject: **ABAG's Role in Regional Economic Development**

Introduction

After a decisive economic recovery, the Bay Area economy is continuing to expand rapidly, adding jobs at an annual rate of 3.6 percent in the first quarter of 2016. The unemployment rate is below 5% for 8 of the region's 9 counties, and our population growth has accelerated. Yet the region is also known for its fluctuations in employment, for a long period when people left the region as opportunities shrank, and as a place of growing inequality—bifurcated wages, limited opportunities for those without a college education, and ever-escalating home prices and rents.

Plan Bay Area 2013 provided a forum for focusing on regional land use and transportation issues and goals, but also highlighted the need for a comprehensive understanding of the economic implications of development and transportation policies. ABAG has historically provided data, background analysis, and projections of the region's economic growth. Staff is now embarking on a more proactive engagement in efforts related to the health of the region's economy.

In 2015, staff presented a *draft Regional Economic Development Framework* to both the Executive Board and Regional Planning Committee. The framework outlined existing agency efforts to address the economic challenges and opportunities identified in the first Plan Bay Area from a regional perspective, covering business, transportation, workforce and equity perspectives. The Board directed staff to engage in the process to address the region's challenges and identify potential collaborative solutions, building on the many existing efforts in this area. In 2016, this has led to ABAG staff coordinating the next step in establishing regional economic development cooperation through partnering with local partners and the US Economic Development Administration (USEDA) to begin the process of establishing an Economic Development District (EDD) for the region.

Overview of the Economic Development District

This effort builds from a broad set of economic development efforts in the Bay Area. Business, workforce, and education based organizations in the region have engaged in several regional efforts to define paths towards economic resilience in the region. Some of the most

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recent include the *Roadmap for Economic Resilience*, the *Economic Prosperity Strategy*, and the Community College Consortium's recent planning efforts to better align workforce skills with business needs. Important subregional efforts are identify strategies and plan actions across jurisdictions to strengthen business and workforce capacity. Keeping these efforts in regional perspective has the potential to strengthen their effectiveness. The USEDPA offers a framework for enhancing economic and workforce development efforts at a multijurisdictional level through establishing an Economic Development District (EDD) with a Comprehensive Economic Development Strategy (CEDS) report. The CEDS report will:

- Describe the range of conditions in the region's economy, over time and across geographies, sectors, and populations
- Identify key strengths, weaknesses, opportunities and threats to regional economic conditions
- Develop a set of actions and strategies to enhance strengths, temper weaknesses, take advantage of opportunities and respond to problems
- Create a framework for tracking progress.

Establishing a Bay Area Economic Development District (attachment 1) provides an overview of the steps to establish an EDD, the benefits involved, and next steps. The document also describes the Strategy Committee that would guide the process, which is made up of members of the RPC Economic Prosperity Subcommittee as well as additional subregional representatives. The *Draft Scope of Work* (attachment 2) summarizes the specific tasks and timing to establish a regional EDD and complete the required CEDS report.

Recommended Action

The Executive Board is requested to adopt Resolution No. 09-16 and to instruct ABAG staff to partner with the USEDPA and regional and local organizations in the development of a *Comprehensive Economic Development Strategy* and establishment of a Bay Area Economic Development District.

Attachments

1. Establishing a Bay Area Economic Development District
2. Process to Establish a Regional Economic Development District (EDD) & Comprehensive Economic Development Strategy (CEDS) report
3. Resolution No. 09-16