

# *The Prosperity Partnership*

January 28, 2022

## **Public Comment: CERF Draft Planning Phase Guidelines**

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**The Prosperity Partnership and the Sacramento Municipal Utility District (SMUD) express their collective support of the ongoing Community Economic Resilience Fund (CERF) efforts.**

The Prosperity Strategy, our federally-recognized Comprehensive Economic Development Strategy (CEDS), is a strategic framework for the six-county Greater Sacramento Region that prioritizes our core economic initiatives and will result in a more prosperous, equitable and resilient region.

It is the collective work of the **Prosperity Partnership** – the Greater Sacramento Economic Council (GSEC), the Sacramento Metropolitan Chamber of Commerce (SMCC), the Sacramento Asian-Pacific Chamber of Commerce (SACC), the Sacramento Area Council of Governments (SACOG), and Valley Vision – and made possible with the support and collaboration of **SMUD**, a community-owned electric utility serving Sacramento County and parts of Placer County, and recognized for its innovative energy efficiency programs and renewable power technologies.

We appreciate the Administration seeking input on the Draft Planning Phase Guidelines (“Guidelines”). We submit the comments below for your consideration.

### **I. Fiscal Management and Restrictions on Funding**

1. The CERF is a transformative investment in California’s regions — \$600 million distributed throughout the state over the course of four years. The Prosperity Partnership recognizes the complexity involved in managing the disbursement and expenditure of these dollars, and the need for robust accountability measures. As early as possible in this process, we want to ensure that we have a full understanding of the

fiscal parameters and management of the grant, to better prepare for and execute our Planning Phase application. Thus, **we seek guidance on:**

- a. The **Fiscal Agent’s responsibilities** under the grant, such as fully defined reporting requirements and other accountability measures;
  - b. Any **unmovable federal prescriptions**, such as spending restrictions on CERF funds received.
2. Community engagement best practices reflect that there must be flexibility in the use of funds, in order to meaningfully engage with the communities that the CERF program seeks to prioritize. We hope the state’s CERF leadership team will provide us with a toolkit and sufficiently flexible funding that is responsive to this, and is clear in the guidance it provides.

## II. **Regional Coordination and Planning Phase Roles**

1. The Prosperity Partnership supports the CERF’s regional approach to economic recovery and just transition, and the call for a lead applicant who will serve as both the Convener and Fiscal Agent (or partner with a Convener or Fiscal Agent, as needed). We appreciate that the characteristics sought in a Convener have been outlined in the Guidelines. Recognizing, however, the complexity of the role that the Convener must play in the Planning Phase, **we seek more specific guidance on criteria that will be used to designate each region’s Convener.** We believe that an entity with a track record of facilitating inclusive, regional-scale economic development processes — one that can successfully leverage existing plans (e.g., Comprehensive Economic Development Strategies) will be most suited to play the Convener role, and we request that the state’s CERF leadership team take this into account in determining their criteria for designating the region’s Convener.
2. **We likewise seek clarification on how this role will transition as we move into the Implementation Phase of the grant,** and what the expectation is of the Convener role with respect to the Lead Applicant. For example, will the Convener continue to be the Lead Applicant in the Implementation Phase — and, consequently, all projects seeking funding will need to apply through the Lead Applicant — or will lead applicants in the Implementation Phase be the various leads on funded projects?

3. Additionally, **we seek clarification on the intersection between the role of the Convener and the role of the Coordinator**, as set out in the Guidelines. The Coordinator is charged with “facilitating the regional planning table” and “bringing together diverse partners to facilitate dialogue and consensus.” We recognize that this Coordinator role is critical to the success of the Planning Phase; however, we note that some aspects of this role are already embedded in the Convener’s role and function. Must the Coordinator role be fully fulfilled by a separate, designated entity who contracts with the Lead Applicant, or may the Coordinator role be embedded in the Convener role?
4. Finally, **we seek clarification on the role that external entities (i.e., entities from outside the region, such as statewide and other organizations) are expected to play in regional efforts**. We believe that the success of the Planning Phase is dependent on meeting regions where they are, and giving them the flexibility to determine unique solutions and chart a course that is responsive to their particular economic, environmental, and social landscape. Any guidance provided with respect to the role of external entities should emphasize this need for a regional and sub-regional approach.

### III. Bridging the Planning and Implementation Phases

1. We recognize the need for both a recovery and just transition strategy, and support the CERF’s emphasis on the creation of high-quality jobs and equitable access to them and the development of sustainable and resilient industries. We believe that, in order to facilitate the transformative effect intended by the CERF investment, our region must advance projects with near-term recovery returns, as well as projects that require a longer runway with outcomes that may be realized even beyond the timeframe of the CERF grant. In line with this, **we seek a results-based framework, to be included in the Guidelines, that reflects the need for both near-term and long-term projects as part of each region’s recovery and transition strategy**.
2. We support the CERF’s emphasis on leveraging existing regional and local economic development plans, and we appreciate the inclusion of “early implementation” pilot projects in the Guidelines. In order to ensure equal opportunity for funding throughout the Implementation Phase, **we submit that the state’s CERF leadership team consider carrying out the Implementation Phase application in tranches, with the first tranche**

dedicated to early implementation projects, and latter tranches dedicated to projects elevated in the regional Collaboratives.

**IV. Technical Assistance**

1. We seek further guidance on the “team of teams” that is to be embodied in each regional Collaborative, as well as technical assistance in setting up the engagement and governance structures needed to build our inclusive planning tables.

Thank you for your leadership and for the opportunity to provide feedback. We look forward to continuing to engage with your team.

Sincerely,



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