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Governor Newsom Proposes \$750 Million to Build Economic Resilience in the Face of Climate Change

Sacramento, Calif. – As part of his \$100 billion California Comeback Plan, Governor Gavin Newsom today proposed a \$750 million investment to help Californians seize the opportunities that come with a changing economy. With the **Community Economic Resilience Fund**, the Governor is proposing a robust investment program to provide direct support to regions across the state as they build strategies not only to recover from the economic hit of the COVID-19 pandemic but also lean into the transition to a carbon neutral economy.

The Fund will provide direct planning grants to every region of the state to build collaboratives including business, labor, local and regional government, and community, to allow these stakeholders to work together to map regional strengths and opportunities and design Regional High Road Transition Strategies. Building toward the High Road includes investing in industries that will thrive in a carbon-neutral future, while creating high-quality jobs and clear pathways into those jobs, including for those often left out of traditional economic development strategies. The bulk of Fund dollars will focus on providing competitive grants for implementation of key elements of these strategies.

This major investment supports California's diverse regions to succeed in the global transition to carbon neutrality and leverages infrastructure and workforce investments across the Governor's proposed budget. These include not only investments in clean energy technologies and systems, but also in climate resilience projects that recognize that the state's increasing impacts from climate events like wildfires and drought must be part of any sustainable economic strategy.

“Built on principles of job quality and sustainability, the Fund will address regional and economic inequality,” said Julie Su, Secretary for the Labor and Workforce Development Agency. “The Governor’s proposed \$750 million investment in the Community Economic Resilience Fund is a high road transition strategy that pays close attention to the needs and interests of workers and communities affected by the economic shock of the pandemic, globalization, automation, and climate change.”

The Fund will harness American Rescue Plan Act (ARPA) dollars to equip the state’s diverse regions with the tools and financial support to ensure that COVID-19 recovery moves California toward a more sustainable, resilient, and inclusive future.

“California’s diverse and distinct regions and its entrepreneurial spirit have always been the foundation of our economic vitality and resilience,” said Dee Dee Myers, Director of the Governor’s Office of Business and Economic Development. “This investment in our regional planning will set the table to further California’s competitiveness and ensure all our regions drive business and quality job growth for decades to come.”

The Fund will support two major programs:

High Road Transition Collaboratives - Grants to each of California’s diverse regions to bring labor, business, and community together with local government, philanthropy, and education stakeholders to design the region’s inclusive and sustainable economic future.

High Road Transition Implementation Grants – Competitive grants awarded to regions on a rolling basis as their transition planning results in clear implementation strategies.

“Transitioning regional economies to meet a climate-resilient, carbon neutral, and equitable economic future requires bottom-up planning and implementation of high road economic growth strategies,” said Kate Gordon, Director of the Governor’s Office of Planning and Research and the Governor’s Senior Policy Advisor on Climate. “This Fund responds to that need in a way that

recognizes and builds on existing industries, regional diversity, and current and emerging workforce.”

The California Comeback Plan outlines a comprehensive recovery package tackling the most persistent challenges facing California, including [immediate relief for Californians](#) recovering from the pandemic, which includes the largest state tax rebate in American history in the form of direct checks to Californians and the [largest small business relief program](#) in the nation; a \$12 billion plan to tackle the [homelessness crisis](#), the largest investment of its kind in California history; \$20 billion in proposed investments to [transform public schools](#) into gateways for opportunity; and a \$5.1 billion package supporting the state's [drought response and water infrastructure](#), improving the state's resilience to climate change. Under Governor Newsom's \$100 billion plan, California will come roaring back from the Covid-19 pandemic.