



COUNTY OF MENDOCINO

Executive Office

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MEMORANDUM

DATE: October 8th, 2024

TO: HONORABLE BOARD OF SUPERVISORS

FROM: EXECUTIVE OFFICE

SUBJECT: ECONOMIC DEVELOPMENT DIVISION UPDATES

SUMMARY

The purpose of this report is to provide:

- (1) Awareness of national, regional and economic conditions, along with local population demographics and economic indicators. This data will continually inform priorities and direction in coordination with the County's Strategic Plan.
- (2) Updated information as to the projects and assignments of the Economic Development Division from our previous board report on May 21st, 2024.

ECONOMIC UPDATES

Federal Reserve - Effective Federal Funds Rate – Prior Year Comparison

The Federal Reserve announced Wednesday Sept 18th, 2024, they will lower interest rates by .5%. This is the first time the Federal Reserve has lowered the interest rate since 2020. It is expected there will be an increase in mortgage demand and consumer lending due to the decrease in rates.

Date	Effective Federal Funds Rate
September 19 th , 2024	4.83%
September 19 th , 2023	5.33%

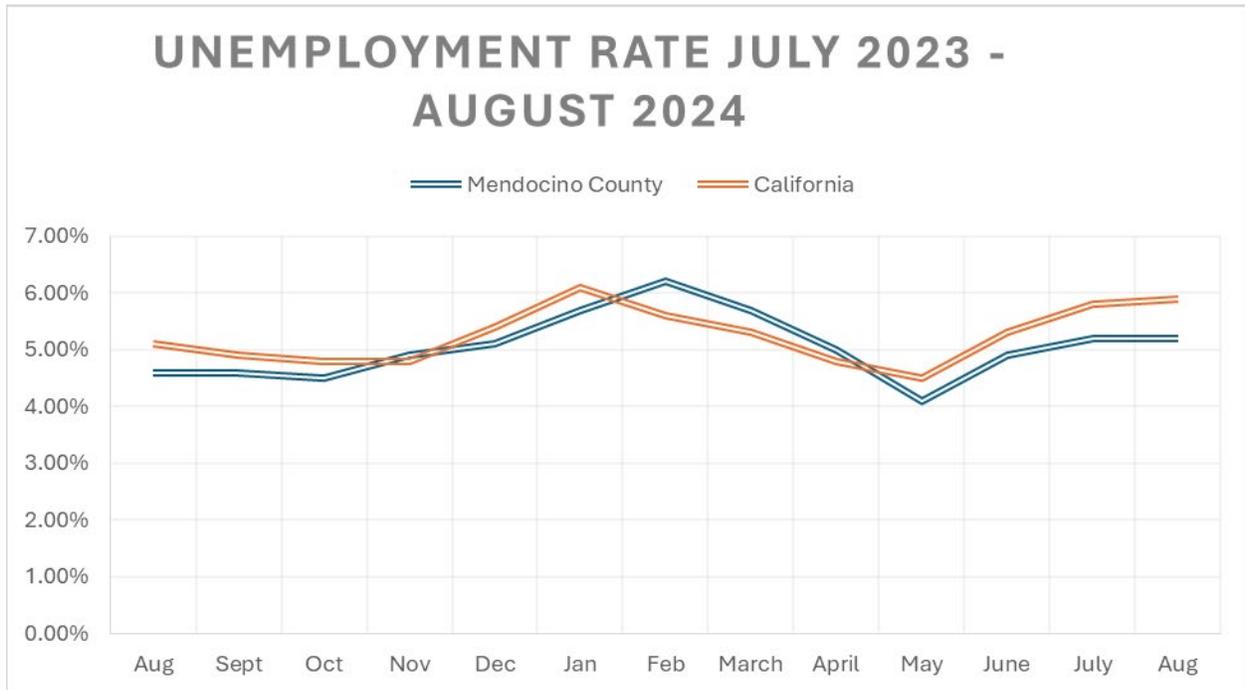
* via <https://www.newyorkfed.org/markets/reference-rates/effr>

National Employment Data

Date	August 2024
National Unemployment Rate	4.2%
Civilian Labor Force Participation Rate	62.7%
Employment-Population Ratio	60.0%

* via <https://www.bls.gov/cps/>

July 2023 – July 2024 Mendocino County and California Unemployment Rates



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug
California	4.6%	5.1%	4.9%	4.8%	4.9%	5.1%	6.1%	5.6%	5.3%	4.8%	4.5%	5.3%	5.8%	5.9%
Mendocino County	4.3%	4.6%	4.6%	4.5%	4.8%	5.4%	5.7%	6.2%	5.7%	5%	4.1%	4.9%	5.2%	5.2%

*EDD

Mendocino County Total Jobs as of August 2024

	Aug 2023	June 2024	July 2024	August 2024	% Change Month	% Change Year
Total Civilian Labor Force	37,910	37,690	38,030	38,420	1.0%	1.3%
Total Jobs	33,620	34,200	34,020	34,420	1.2%	2.4%
Total Farm	1,800	2,000	1,920	1,177	-7.8%	-1.7%
Total Goods Producing	4,370	4,400	4,460	4,480	0.4%	-2.5%
Service-Providing (Gov't and Private)	27,450	27,810	27,640	28,170	1.9%	2.6%

*EDD

2023 POPULATION - 91,486 Mendocino County Total Population 2023 (*Lightcast)

2021 MEDIAN INCOME - \$56,378 (*Lightcast)

Median Sold Price of Existing Single-Family Homes in Mendocino County

	August 2024	July 2024	August 2023	Price MTM % Change	Price YTY % Change
Median Sold Price SFH	\$567,500	\$549,900	\$560,000	3.3%	1.3%

*CA Association of Realtors <https://www.car.org/marketdata/data/countysalesactivity>

OVERVIEW

	Population 2023	Labor Force(Sept 2023)	Jobs (2023)	Cost of Living	GRP	Imports	Exports
Mendocino County	91,486	37,072	37,639	130.6	\$4.48B	\$5.97B	\$4.77B
California	38,913,701	19,458,871	20,494,638	134.9	\$3.54T	\$1.80T	\$2.54T

*Lightcast

SUMMARY – The Federal Reserve has lowered interest rates by .5%. While interest rates are still relatively high when looking at the last 10 years, .5% is a sharp decrease and should begin to stimulate consumer borrowing. We have seen a rise in unemployment in Mendocino County, however based on historical data this may in part be a seasonal fluctuation.

Housing prices remain high, especially when compared to median household income at \$56k/year. The median household income (\$56k) qualifies for a mortgage amount less than half as much as the median price of single-family homes, making home ownership unattainable to the majority of renting households. Consumer goods remain relatively high compared to wages, and most households spend most of their income on essentials with little discretionary spending or travel.

DIVISION UPDATES

Economic Development Division priorities remain workforce development and business retention and attraction, infrastructure development and resiliency, creation of new housing. The following are updates on current projects.

Recreation Economy for Rural Communities

Division staff is pursuing an application for [EPA RERC \(Recreation Economy for Rural Communities\)](#) planning technical assistance grant for the northern region of District 3 - Covelo, Laytonville, Leggett/Piercy; to create strategies and an action plan to grow local outdoor recreation economy, stewardship and local place making. Economic Development Division staff is engaging local community members to participate, and grant writers to facilitate the process.

From the [EPA Recreation Economies for Rural Communities website](#):

With [Recreation Economy for Rural Communities](#) assistance, a planning team will help communities bring together local residents and other stakeholders to decide on strategies and an action plan to grow the local outdoor recreation economy. The planning assistance process will take place over 8 to 12 months, with a focal point being

a facilitated community workshop. At the workshop, participants will work together to identify a vision, goals, and specific actions to realize the locally set goals.

Partner communities are encouraged to pursue activities that foster environmentally friendly community development and Main Street revitalization through the conservation and sustainable use of public or private forests or other natural resources.

EDA PWEAA Funding and Fire-Safe Housing Construction and Home Hardening

Mendocino County faces several challenges regarding the housing market: costly or unattainable fire insurance, limited housing inventory, prohibitive cost of new construction, traditional construction materials that are not fire-safe or resilient.

In collaboration with Mendocino College staff and instructors, staff is exploring [EDA PWEAA funding](#) for expanding the construction trade certificate program. The grant funding would provide for a two-phased approach to creating a skilled labor force and potentially helping address housing market demand.

First, it would allow for research and market study/report creation in two areas (1) market demand and regulatory requirements for home hardening. (2) Market demand for new home construction, and constraint/barrier identification to new home construction.

Second, it would provide funding for the development, implementation and training for expanded construction training program in home hardening that meets the requirements of regulatory and governmental agencies and instruction in construction materials and methodologies that are fire-safe, durable, and climate resilient. From natural methods like hempcrete, to insulated concrete forms or shipping container construction, there are several tested, financially viable materials and constructions methods available which are far more resilient than wood construction. One of the constraints is these materials require entirely different methods beginning with the engineering. Training and knowledge of these materials is relatively limited, making them less accessible to both the individual owner/builder, or large developers of single-family home or multifamily residential complexes.

The potential result of the grant would be two-fold. First, a skilled workforce that is ready to meet consumer demand of new emerging markets in home hardening and fire safe construction. Secondly, it would potentially help stimulate new home construction in the region by providing access to cost-effective, fire-safe housing.

BUSINESS RETENTION, RECRUITMENT, AND SUPPORT

Hosting Economic Roundtable Quarterly

Originally organized by the Community Foundation and facilitated by EDFC, the quarterly economic roundtable in-person meeting brings government and nonprofit organizations together (county and city's staff, non-profit and other agencies in the economic development sector in a group discussion and networking) to facilitate collaboration and resource sharing. Starting in the Spring, the Economic Development is now hosting the roundtable meetings onsite. EDFC continues to coordinate the meeting.

Industrial and Commercial Real Estate Market Awareness - Business Recruitment Efforts

The division is working to create easily accessible resources to share with businesses interested in moving to the County. We will be attending the local realtors meeting in Ukiah Chambers to request up to date information on commercial and industrial property.

Staff is in the process of creating a business survey to understand local businesses unmet needs, challenges and strengths of region.

Construction/Contractor Workshop/Training

Division staff is creating a training for contractors interested in bidding on contracts for/with the County. The workshop will cover the RFP process, and regulatory requirements needed to contract for a governmental agency.

Notable Meetings:

- Sheba Pearson-Whitley – Regional Director, EDA- introduction and informational session with Sheba, sharing information with her on projects that have applied for EDA funding (Noyo Science Center, Noyo Harbor Collective)
- Chris Horton – District Director, SBA – introduction and informational session as to services and support of SBA for County services.
- [Mavericks Microgrids](#) represented by Bill Shelvin, and City of Ukiah Sewer & Water – meeting regarding use of solid waste as biomass fuel for energy and sustainable fuel creation.

MICRO-ENTERPRISE BUSINESS ASSISTANCE

CDBG Micro-Enterprise TA Grant- Econ Dev Division continues to manage the Micro-enterprise grant contracted with West Business Development Center.

From January to June 30th 2024, West provided the following services under the Micro-Enterprise TA Grant:

- I:1 Business Consulting 97 hours to 49 unique clients
- Ascertain Readiness 39.75 hours to 30 unique clients
- Service Plan 30 Service Plans created for 30 unique clients

SMEDD (SONOMA MENDOCINO ECONOMIC DEVELOPMENT DISTRICT)

The division is working on strategy for next round of planning grant. SMEDD will be working on a small operating budget in next grant cycle, and we are looking to maximize impact on a small budget. SMEDD staff will be analyzing the feasibility of a strategy session for the SMEDD board members in early 2025.

The current SMEDD board members representing Mendocino County are Paul Garza, Tim Karas, Anna Shaw and Craig Schlatter.

CALIFORNIA JOBS FIRST (formerly CERF)

California Jobs First formerly CERF (Community Economic Resiliency Fund) is a state-wide initiative designed to promote sustainable and equitable recovery from the economic distress of COVID-19. Funding is allocated by region. Mendocino County is part of Redwood Region RISE, comprised of Del Norte, Humboldt, Lake, Mendocino Counties, and Tribal Lands.

County of Mendocino Economic Development Division sits on the voting block our regional cohort, Redwood Region RISE, for CA Jobs First. The initiative is close to releasing the RFP for the first phase of the funding, called the catalyst funding which is \$9 million. This funding is for pre-planning and planning of projects. Staff is participating in the voting block ad hoc to develop a scoring rubric for grading projects and awarding funds.

Mendocino County still has open seats in the Voting Block for Tribal representation and a priority community-based organization. Interested parties can email division staff at econdev@mendocinocounty.gov. The voting block has the responsibility to score and approve projects which will have the most equitable economic impact on our communities.