



# COUNTY OF MENDOCINO

## Executive Office

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### MEMORANDUM

DATE: February 27<sup>th</sup>, 2023

TO: HONORABLE BOARD OF SUPERVISORS

FROM: EXECUTIVE OFFICE

SUBJECT: ECONOMIC DEVELOPMENT DIVISION UPDATES

#### SUMMARY

This report is structured in three sections, the California and national economic climate, an economic overview of Mendocino County, and work being done by the Economic Development Division to support Mendocino's economy.

Awareness of regional and economic conditions, along with local population demographics and economic indicators, will continually inform our decisions and direction in coordination with the County's Strategic Plan.

#### NATIONAL ECONOMY

##### Federal Reserve - Effective Federal Funds Rate – Prior Year Comparison

| Date                          | Effective Federal Funds Rate |
|-------------------------------|------------------------------|
| February 8 <sup>th</sup> 2024 | 5.33%                        |
| February 8 <sup>th</sup> 2023 | 4.58%                        |

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

##### National Unemployment Rate – Prior Year Comparison

| Date         | National Unemployment Rate |
|--------------|----------------------------|
| January 2024 | 3.7%                       |
| January 2023 | 3.4%                       |

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

#### MENDOCINO DEMOGRAPHICS & ECONOMY

##### 2023 Aug – Dec Unemployment Rates

|                  | August | September | October | November | December |
|------------------|--------|-----------|---------|----------|----------|
| California       | 5.1%   | 4.9%      | 4.8%    | 4.9%     | 5.1%     |
| Mendocino County | 4.6%   | 4.6%      | 4.5%    | 4.8%     | 5.4%     |

\*EDD

### Mendocino County Total Jobs as of December 2023

|                                       | September 2023 | December 2023 | Change |
|---------------------------------------|----------------|---------------|--------|
| Total Jobs                            | 33,020         | 32,860        | -160   |
| Total Farm                            | 2,320          | 1,950         | -370   |
| Total Goods Producing                 | 4,490          | 4,230         | -260   |
| Service-Providing (Gov't and Private) | 26,210         | 26,680        | +470   |

\*EDD

2023 POPULATION – 91,486 Mendocino County Total Population 2023 (\*Lightcast)  
2021 MEDIAN INCOME - \$56,378 (\*Lightcast – 2021 is the most current data available)

### HOUSING PRICES – Prior Year Comparison

|                             | December 2022 | December 2023 |
|-----------------------------|---------------|---------------|
| Median Price of Houses Sold | \$537,500     | \$599,00      |

\*Association of Realtors

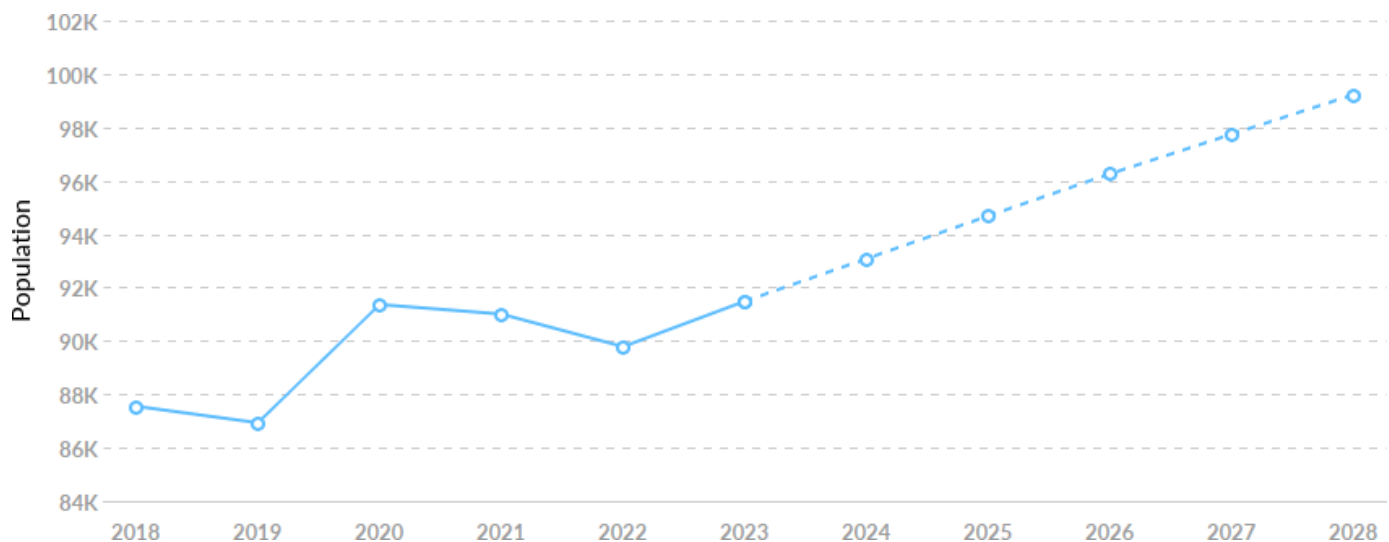
### OVERVIEW

|                  | 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 |
| State            | 38,913,701      | 19,458,871             | 20,494,638  | 134.9          | \$3.54T | \$1.80T | \$2.54T |

\*Lightcast

The following data set our provided by Lightcast and intended to give an overview of the population, labor force and job market.

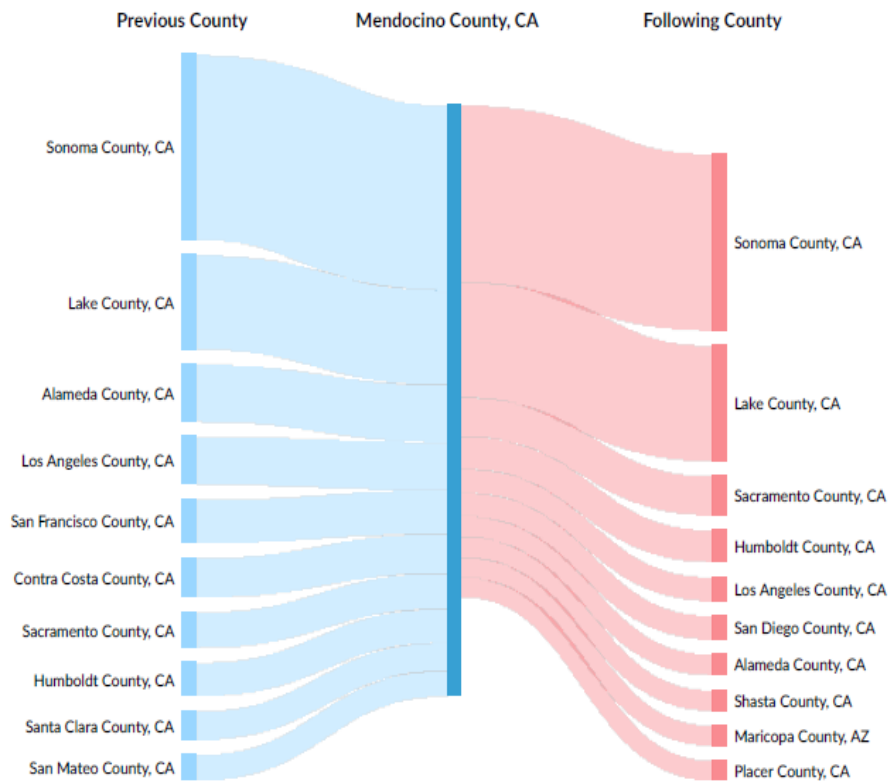
**Mendocino County Historic & Projected Trends - Population Trends**As of 2023 the region's population increased by 4.5% since 2018, growing by 3,937. Population is expected to increase by 8.5% between 2023 and 2028, adding 7,739.



## Inbound and Outbound Migration

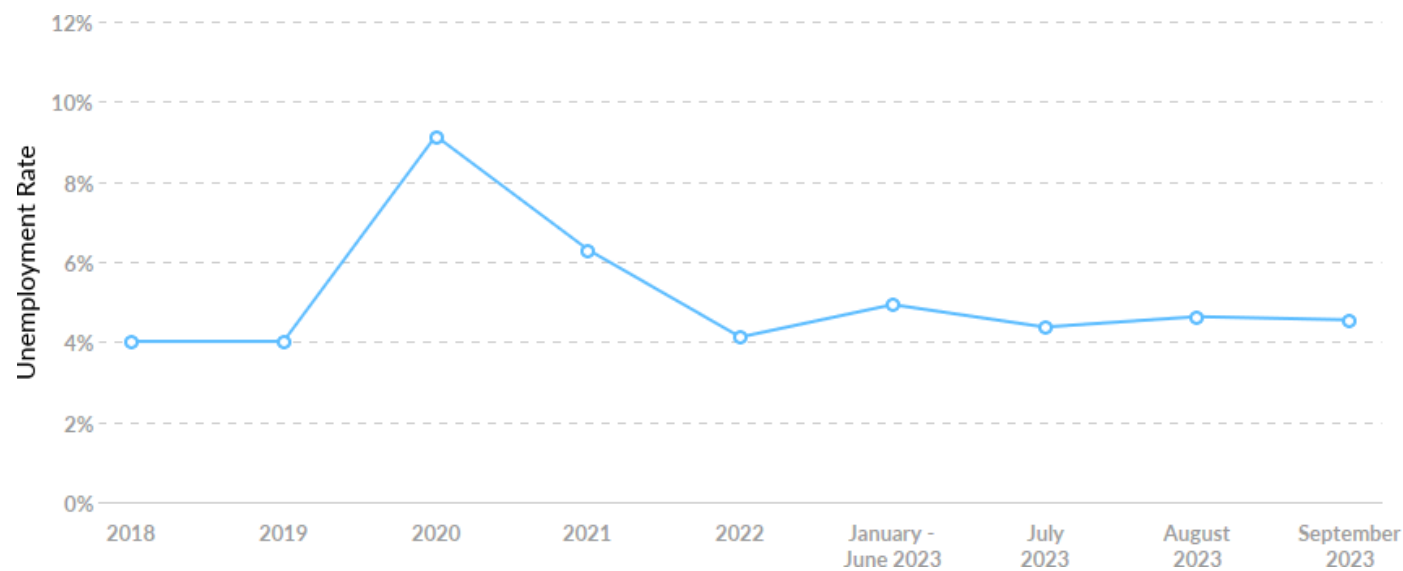
The table below analyzes past and current residents of Mendocino County, CA. The left column shows residents of other counties migrating to Mendocino County, CA. The right column shows residents migrating from Mendocino County, CA to other counties.

As of 2021, 395 people have migrated from Sonoma County, CA to Mendocino County, CA. In the same year, 376 people left Mendocino County, CA migrating to Sonoma County, CA. The total Net Migration for Mendocino County, CA in 2021 was 86.



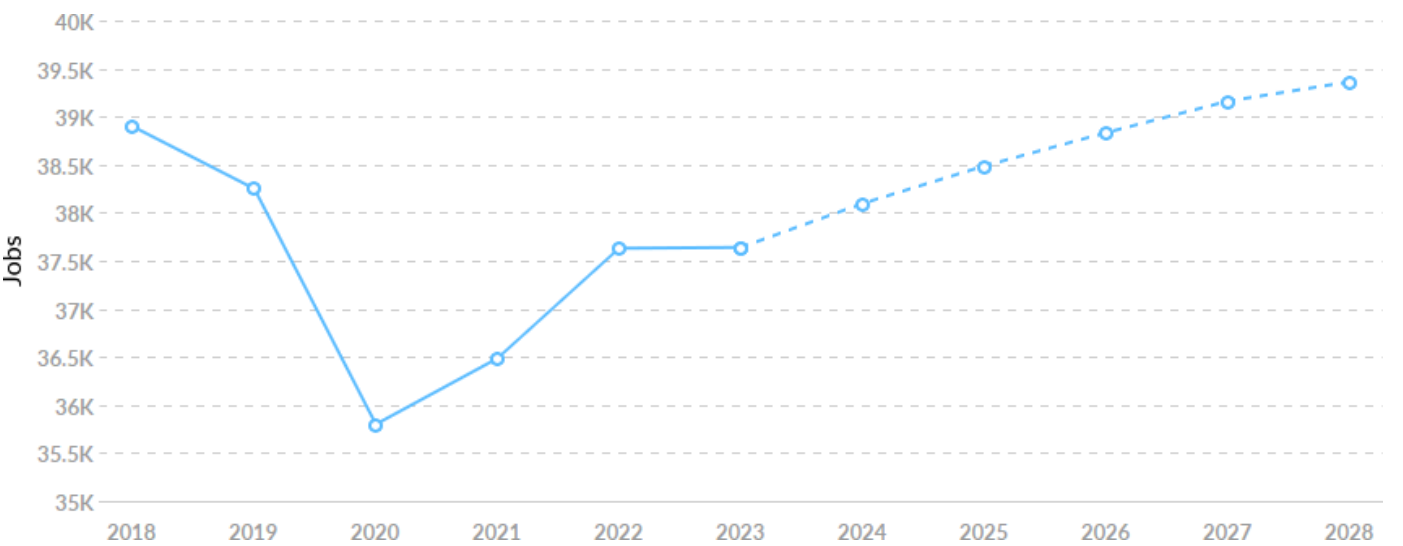
## Mendocino County Unemployment Rate Trends – via Lightcast

Mendocino County, CA had a September 2023 unemployment rate of 4.55%, increasing from 4.01% 5 years before.

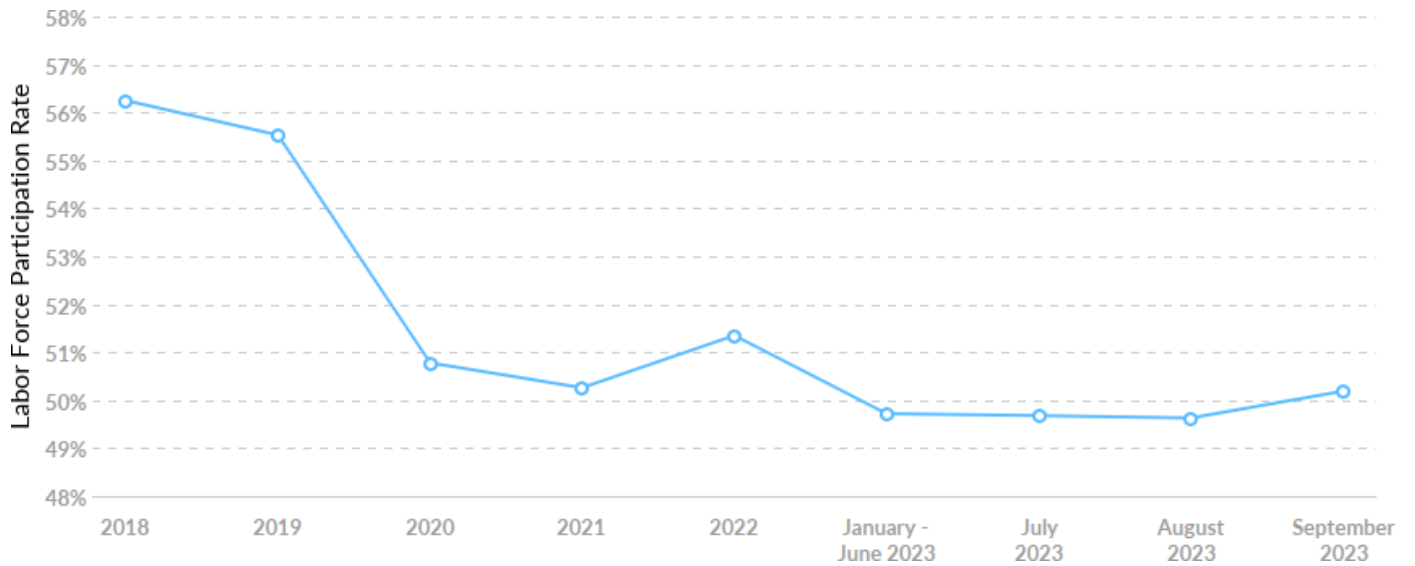


## Mendocino County Job Trends – via Lightcast

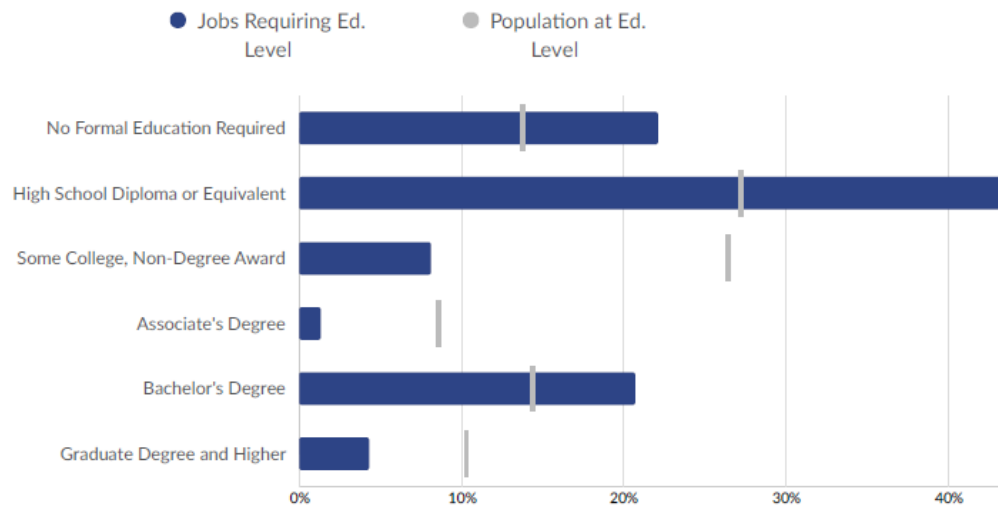
From 2018 to 2023, jobs declined by 3.2% in Mendocino County, CA from 38,901 to 37,639. This change fell short of the national growth rate of 3.6% by 6.8%.



## Mendocino County Labor Force Participation Rate Trends








## Underemployment



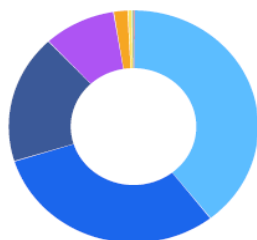
## Educational Pipeline

In 2022, there were 646 graduates in Mendocino County, CA. This pipeline has grown by 56% over the last 5 years. The highest share of these graduates come from "Health/Medical Preparatory Programs, Other" (Associate's), "Liberal Arts and Sciences/Liberal Studies" (Certificate), and "Business Administration and Management, General" (Associate's).

| School                           | Total Graduates (2022)   | Graduate Trend (2018 - 2022)  |
|----------------------------------|--|---|
| Mendocino College                | 636  |  |
| Dharma Realm Buddhist University | 10    |  |
| Ukiah Adult School               | 0  |  |

● Certificate
 ● Associate's
 ● Bachelor's
 ● Master's or Higher

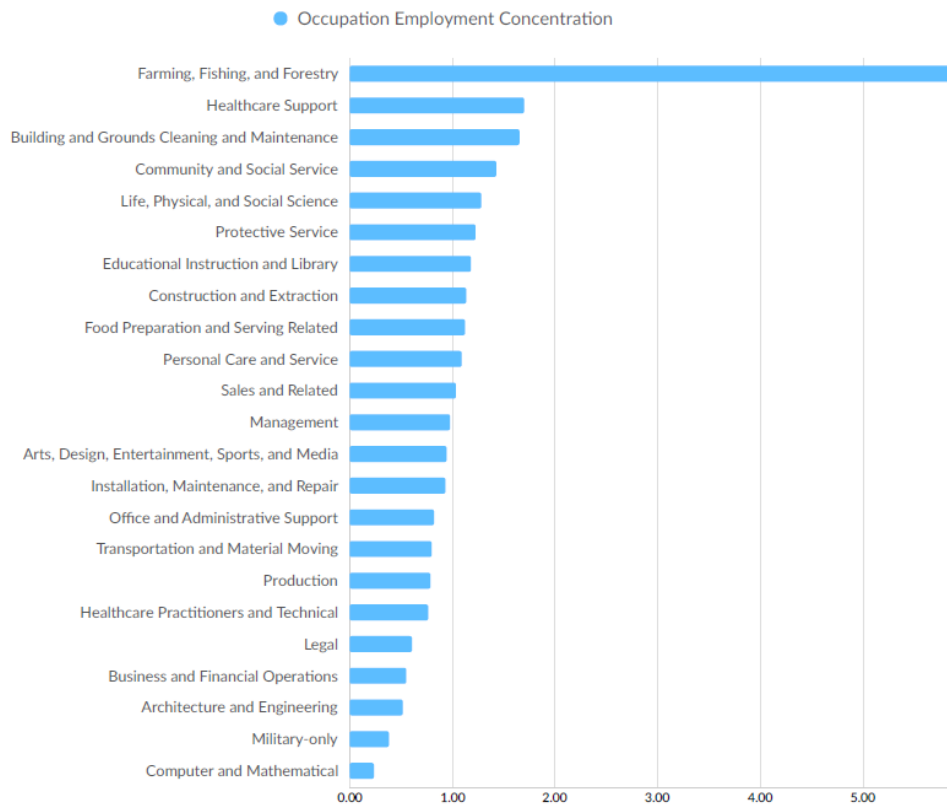
## Business Size



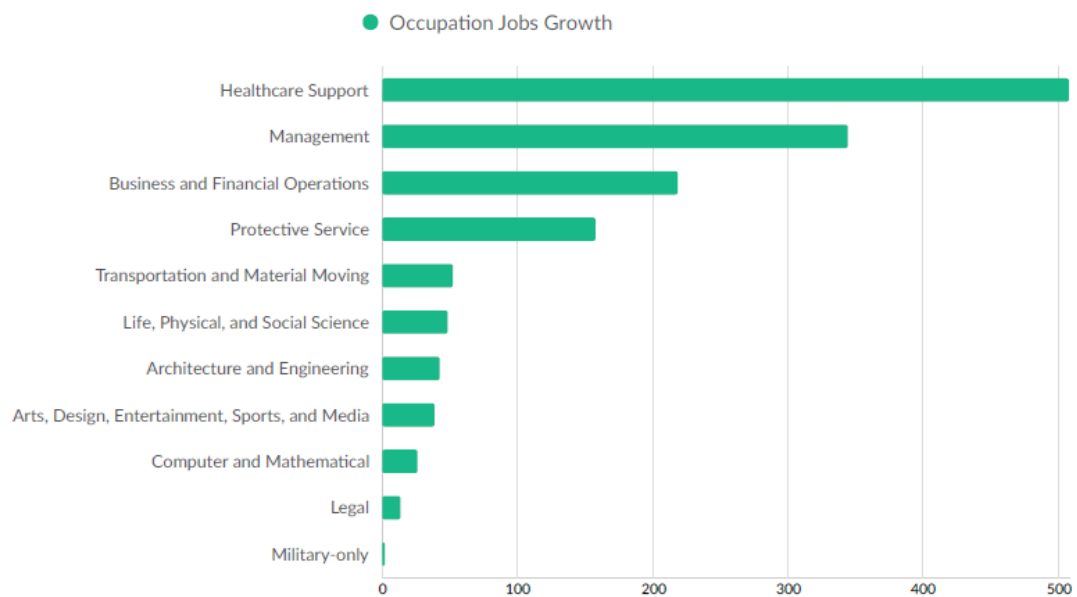
|  | Percentage | Business Count |
|--|------------|----------------|
| <span style="color: blue;">●</span> 1 to 4 employees       | 39.4%      | 1,625          |
| <span style="color: blue;">●</span> 5 to 9 employees       | 30.7%      | 1,269          |
| <span style="color: blue;">●</span> 10 to 19 employees     | 17.9%      | 739            |
| <span style="color: purple;">●</span> 20 to 49 employees   | 9.4%       | 386            |
| <span style="color: orange;">●</span> 50 to 99 employees   | 1.8%       | 76             |
| <span style="color: yellow;">●</span> 100 to 249 employees | 0.5%       | 21             |
| <span style="color: green;">●</span> 250 to 499 employees  | 0.2%       | 10             |
| <span style="color: red;">●</span> 500+ employees          | 0.0%       | 2              |

*\*Business Data by DatabaseUSA.com is third-party data provided by Lightcast to its customers as a convenience, and Lightcast does not endorse or warrant its accuracy or consistency with other published Lightcast data. In most cases, the Business Count will not match total companies with profiles on the summary tab.*

## Top Occupation Employment Concentration



## Top Growing Occupations



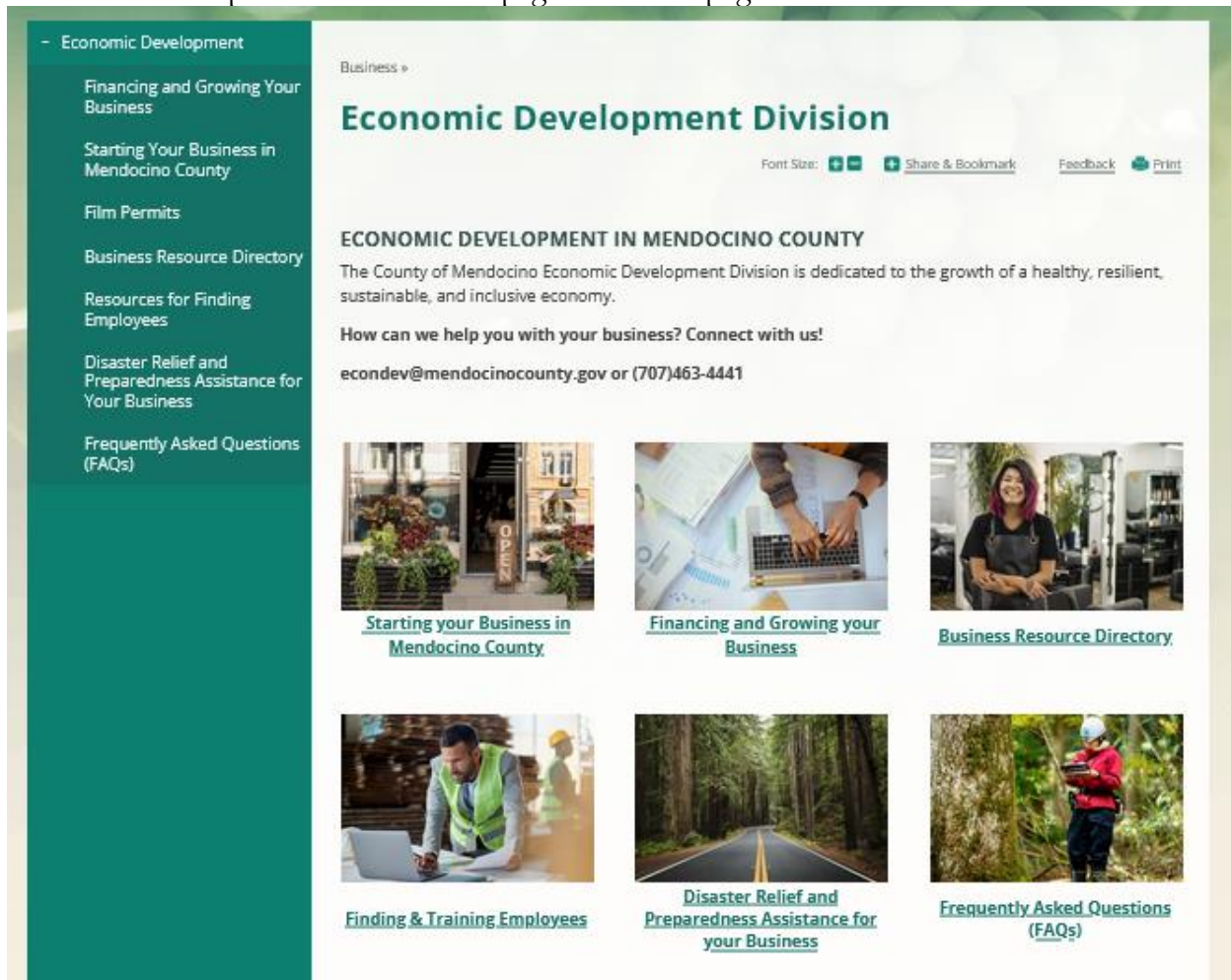
## DIVISION UPDATES

Economic Development Division priorities are creation of new housing, workforce development and business retention and attraction, infrastructure development and resiliency, all with the climate and equitable opportunities to all residents. The following are updates and areas of exploration in each priority.

### UPDATED WEB PRESENCE

We have redesigned and expanded the Economic Development Division web presence. Before the redesign, the economic development page was a single-page with limited information. The economic development division now has several pages that have specific resources and information, such as starting your business, finding financing, and resources for finding employees.

The goal is for this site to be an active online resource for current information and events relating to economic development in Mendocino County. Included below is an image of the Economic Development Division homepage. The other pages can be viewed on the website.



## TECHNICAL ASSISTANCE

The Economic Development Division is providing technical assistance to potential and current local business owners. We are assisting with the permitting process, access to funding, and business planning. For January, we provided 6 hours of technical assistance. Our goal is to grow this to about 50% of our analyst's time

## MICRO-ENTERPRISE BUSINESS ASSISTANCE



Since October of 2023, the Economic Development Division has been managing the CDBG grant contract with West Business Center for Micro-Enterprise Business Technical assistance. Through this grant, they have provided the following to our local business community in 2023:

- 250 Hours of 1:1 business consulting, serving 89 unique clients
- 57 Hours of first-time (ascertain readiness meetings), serving 45 unique clients
- Created 45 service plans for 43 unique clients

## WORK FORCE DEVELOPMENT

### INTERNSHIP PROGRAM

We working to expand the internship program at the county. This is a collaborative effort with HR, and WorkForce Alliance of the North Bay, and Mendocino Community College. The Mendocino College expressed a need for placing interns. The Work Force Alliance of the North Bay has a program that will pay wages and workers comp to eligible individuals. This allows the county, or any other employer, to take on interns at no cost. Once we have developed, implemented, and refined this program we plan to promote it to local employers in our community.

#### Internship Program Logistics/ Internship Program Structure

- Program is open to youth and young adults ages 17-24, they do not have to be a students, however Mendocino College will be our primary partner in the promotion of the program
- Internship length can be up to 280 hours or 16 weeks maximum, can be designed to meet departmental needs
- Interns can work up to 40hrs a week for students not in session, up to 20hrs a week for students concurrently attending classes
- The position cannot replace a regular paid position, and must have a research-based component to the work, Econ Dev Division can help draft the description of duties, or we can list as a departmental position, which allows for more flexibility in duties
- Program will begin this summer, the college will be promoting it during the spring, however we can take on interns as soon as departments are ready
- When candidates apply, our department will review resumes and forward eligible candidates to departments for interviewing
- If you do take an intern, their supervisor will be required to sign off on their timesheet and complete a review midway through the internship
- If termination is required, we will work with the Work Force Alliance to do this, as they will be the employer of record

### WORK TRAINING EXPERIENCE PROGRAM

WorkForce Alliance offers reimbursement of wages up to \$10k per employee for on-the-job training for candidates that meet some but not all the requirements or experience of the advertised position. We are developing ways to promote this program to local employers.

### OTHER WORKFORCE DEVELOPMENT ACTIVITIES

Our team has visited the Mendocino Community College for a tour of their construction trades certification program.

We attended Senator McGuire's announcement of \$1 million investment into construction trade workforce development in partnership with North Coast Builders Exchange for their North Bay Construction Corps program, an 8-week construction skills and career exploration program for high school seniors.

### HOUSING

#### ADU Program Expansion

We have a large stock of single-family homes, which means an opportunity to engage homeowners to consider ADU construction on existing single-family residence lots. To do so will require engaging local community residents and city governments.

In response to the fires, Planning and Building offered a free ADU plan set for county residences. This plan set is still available. It may be used as is or taken and modified by an architect or engineer to suit the needs of a specific lot. The engineering signature is out of date, in collaboration with Planning and Building, we are working to update this plan set.

We are also exploring ways to create shared ADU sets throughout jurisdictions and possibly create new plan sets available to residences. Our goal is to create a larger database of free plan sets permittable in all jurisdictions throughout the county.

We are aware of the current economic challenges: high materials costs, strict building codes mandated by the state, and the historically high interest rates limiting access to, and driving up the cost of financing.

#### Affordable Housing

Kelly Hansen, Grants Division and I are looking for grant opportunities for affordable housing development and land purchase, as well as potential land/parcels for affordable housing development.

Our team has met with CDC local stakeholder to gain knowledge of the affordable housing planning and construction process. We have also attended trainings on affordable housing, to understand what the county can do to provide opportunities for more affordable housing opportunities. We attended the Housing Developers Conference in Ukiah – joined by members of the tribal community, cities and towns of Mendocino, Fort Bragg, and Eureka, as well as Humboldt, and Lake County.

#### OTHER UPDATES

Our team has met with local farmers, farm program leaders and UC Davis extension in Hopland to discuss land access, and collaborative efforts for local farmers. This is an ongoing discussion with the community. We have identified two county property locations that are potential locations for farmers to use leases as incubator projects. The UC Extension has also offered a 5 acre area on the property in Hopland for lease to farmers as an incubator farm as well.

ACP(Affordable Connectivity Program) is a program that offers reduced-cost internet service to qualifying residents. We are working with Tony Rakes to help promote the ACP program to our greater Mendocino County community.

Solar/electrification – We have met with Sonoma Clean Power and connected them with General Services to explore a feasibility study for charging stations at the Avila Ft Bragg.

#### CURRENT INITIATIVES

##### **SMEDD (Sonoma Mendocino Economic Development District):**

Part of the role of the Administrative Analyst for Economic Development is to provide administrative support to SMEDD (Sonoma Mendocino Economic Development Division), our regional Joint Powers Authority with Sonoma County as designated by the EDA. SMEDD board members representing Mendocino County are Tim Karas, Jim Mayfield, Mary Anne Petrillo, and Paul Garza. The primary objectives of SMEDD are to support economic resilience in the region and become more responsive and nimbler in the face of an uncertain future.

Our current task for SMEDD is to conduct the CEDS Annual Project updates for projects within Mendocino County. We are meeting with project stakeholders to get updates on and become aware of the needs for their projects. The final product will be a comprehensive update of all Mendocino CEDS projects delivered to the EDA by May 2024.

Some of the current projects in Mendocino County:

- Mendocino Coast Blue Economy
- Noyo Ocean Science Center
- Seawater Intake Project
- UC Davis Hopland Research Center Facilities & Infrastructure Project
- Broadband Infrastructure

- Ukiah Transit Center

### CA JOBS FIRST (formerly CERF) & BROADBAND UPDATES:

California Jobs First formerly CERF (Community Economic Resiliency Fund) is a \$600 million 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, as designated by CA Jobs First. The Economic Development Division participates in the monthly meetings for their Collaborative which includes the planning tables, equity council, and voting members.

Redwood Region RISE aims to:

1. Create **thriving-wage opportunities** for workers in our Region.
2. Pursue **sustainable economic growth** (diversifying economies).
3. Get us closer to California's goals for a **carbon-neutral future**.

We are part of the voting member block, which will participate in the selection of projects submitted for investment and development in our region. Also, we are a part of the Finance Working Group, whose goal is to bring forward other funding opportunities to project stakeholders.

CA Jobs First has begun collecting project proposals for funding consideration. In collaboration with Tony Rakes, we have submitted a portion of the county's broadband project (Broadband Planning – Low-Level Design) in consideration for funding.