

2024

# RESILIENCE ROADMAP

A Comprehensive Economic Development Strategy  
for the Counties of San Luis Obispo and Santa Barbara

## REACH

Ideas + Action for a Thriving Central Coast

WITH FUNDING SUPPORT FROM



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## CEDS Administrator

# REACH

Ideas + Action for a Thriving Central Coast

REACH is a Regional Economic Action Coalition uniting public, private and civic leaders on the Central Coast of California. REACH's goal is to transform the quality of life on the Central Coast, a region of about 700,000 people in dozens of cities and towns in the Counties of San Luis Obispo and Santa Barbara. The mission of the private sector-led coalition is to increase economic prosperity through big thinking, bold action, and regional collaboration.

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# OVERVIEW

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# INTRODUCTION

World-class universities. Innovative industries. The nation's western space launch complex. Notable energy assets. Abundant agricultural and natural resources. A strong community spirit.

The Counties of San Luis Obispo and Santa Barbara, on California's Central Coast, are flush with the assets and opportunities to build a more resilient and inclusive economy, providing all residents the opportunity to live, work, and thrive.

The *Resilience Roadmap* lays the course to this future, charting strategies the region can take over the next five years to navigate significant economic barriers, connect resources, and leverage unique regional assets to advance equitable prosperity.

Guided by extensive community input, a multi-stakeholder strategy committee, robust data analysis, and experienced specialists, this plan represents a first for the region: a united and comprehensive economic development strategy aligned with federal standards that can unlock and harness new public and private collaboration and investment.

With sustained focus, vigorous cross-sector collaboration, and this roadmap as a guide, Central Coast communities can join together to foster a bright and sustainable future.

## REGIONAL OUTLOOK

The Central Coast holds many advantages—a broad industry base, dynamic employers, diverse populations, and scenic landscapes—but also faces long-standing economic challenges. One of the region's largest private employers, Diablo Canyon Power Plant, is expected to close in the coming years amid an energy transition that's having an outsized impact on the region. Low wages and high housing costs are squeezing out the workforce. Climate change is shifting the landscape for the region's agricultural and ranching operations, including its renowned wine industry.

While the abundance of agricultural resources and regional commitment to preserving open space lend a rural character to much of the Central Coast, its communities face challenges more aligned with urban areas. The region has seen steady growth over the past 40 years due to its high quality of life and amenities that appeal to a range of interests.

Growth has leveled in recent years, in part because a lack of housing and an extraordinarily high cost of living make it difficult for employers to attract and retain talent, for graduating students to stay, and for families to thrive. This pressure is intensified by the disproportionate number of workers in lower-wage jobs that make up the Central Coast's substantial agriculture and tourism sectors. This disparity, combined with rapidly escalating housing prices, is impacting the region's already-underserved communities the most.

Along with its legacy industries, the Central Coast is an emerging innovation hub. The region is home to industry leaders, such as AppFolio and Amazon, as well as startups in cutting edge fields, like artificial intelligence, agtech, and clean tech. Vandenberg Space Force Base (VSFB) and its prominent role in the rapidly expanding commercial space sector has spurred a growing cluster of aerospace, defense, and precision manufacturing companies that attract world-class talent.

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The growing tech and innovation ecosystem is supported by two leading universities and a trio of top-tier community colleges. California Polytechnic State University, San Luis Obispo (Cal Poly), and the University of California, Santa Barbara (UC Santa Barbara), drive innovation through multiple avenues. Their contributions include developing technologies that have been commercialized by Central Coast companies and now support critical missions in areas such as climate, space exploration, and national security. Allan Hancock College, Cuesta College, and Santa Barbara City College play pivotal roles in building the region’s workforce and collaborating with industry to develop notable technical and training programs.

This network is central to the region’s ability to grow from within and develop the talented and agile workforce needed for cutting-edge industries to take root and flourish. Skilled laborers at all levels, from entry-level technicians to doctoral engineers, are needed for companies to continue to innovate and grow. To meet this need, continued investment in workforce development, incumbent worker training, and talent retention and attraction will be paramount. Ensuring that foundational systems, such as an adequate housing supply and access to high-quality childcare and early education, are in place to support the workforce must also be a priority. Ultimately, the goal is for all residents to be able to achieve economic mobility and access careers in living-wage jobs to support their families.

## **ABOUT THE *RESILIENCE ROADMAP***

The objective of the *Resilience Roadmap* is to advance equitable economic prosperity for the Counties of San Luis Obispo and Santa Barbara. Unlike an organizational plan or a community comprehensive plan, the roadmap is designed to be implemented by multiple organizations and multiple partnerships across the two-county region. Regional, county, and city economic development practitioners, as well as stakeholders implementing workforce and economic development programs and philanthropy, will play a role in moving the recommendations forward. Centralizing economic development goals into one plan also helps identify regional funding priorities and opportunities. The comprehensive economic development strategy (CEDS) is designed to be a dynamic and evergreen plan that can be updated to capitalize on emerging opportunities and address new challenges. The CEDS Strategy Committee will continue to meet on a regular basis to respond to changing conditions and track implementation. Furthermore, sustained regional collaboration and coordination will be needed to implement the goals and strategies laid out here.

The *Resilience Roadmap* was developed as the two-county region’s first-ever CEDS under the guidelines of the US Economic Development Administration (EDA). A CEDS is a strategy-driven plan for regional economic development designed to build capacity, guide prosperity, and strengthen economic resilience over a five-year horizon. The EDA considers a CEDS an integral component in establishing and maintaining a robust economic ecosystem, an important vehicle for regional coordination, and a prerequisite for many types of funding.

The EDA awarded REACH a grant to develop the CEDS under its Nuclear Closure Communities program. Generous funding from both counties and Bank of America provided the required community match. As the CEDS administrator, REACH coordinated the planning process that launched in March 2022. The work was carried out under the leadership of the CEDS Strategy Committee, composed of 30 members from the public, private, and nonprofit sectors throughout the two-county region, and included extensive stakeholder engagement and economic data analysis. The process was facilitated by Austin-based TIP Strategies, Inc., (TIP) using its three-phase planning model—discovery, opportunity, and implementation.

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# DISCOVERY: STAKEHOLDER ENGAGEMENT

The project launched with the discovery phase. This first phase consisted of data collection and analysis and extensive stakeholder outreach to identify the region’s economic development challenges and assets. Over 400 community leaders representing public agencies, private businesses, and nonprofit organizations participated in focus groups, meetings, and interviews to provide feedback and set region-wide economic priorities. Throughout the planning process, four industry groups also convened on a regular basis to provide input on specific needs for the region’s target industries. These targets include aerospace, defense, and precision manufacturing; agtech; clean tech and renewable energy; and technology. An overview of the stakeholder engagement process is provided in Figure 1 (page 4).

Stakeholders were asked a combination of topic-specific and general questions to better understand the conditions and factors shaping the regional economy. The general economic questions allowed for comparisons across the two counties and jurisdictions, as well as between the public and private sectors. Topic-specific questions gleaned more nuanced information on different aspects of the regional economy. Examples of general economic questions include the following:

- + What have been the region’s largest economic successes over the past 10 years? What have been its biggest losses?
- + Are there capacity issues that prevent the region from realizing its full potential?
- + How is the region building a more diverse, equitable, and inclusive economy?
- + What are the region’s assets and opportunities that will help drive the economy?
- + What threatens the region’s economic resilience? What are the region’s weaknesses as it relates to economic development?

Findings from these roundtable discussions were summarized as part of an analysis of the region’s strengths, weaknesses, opportunities, and threats (SWOT) and ultimately informed the strategies and actions outlined in the CEDS Strategic Action Plan. The complete SWOT analysis can be found in the Summary Background section, starting on page 33.

FIGURE 1. STAKEHOLDER INPUT



Source(s): TIP Strategies, Inc.




# OPPORTUNITY: PLAN FRAMEWORK

The second phase of the project, the opportunity phase, aligned the CEDS vision, guiding principles, and plan structure with the economic priorities and opportunities that emerged from the initial data-gathering phase. At the end of this phase, a workshop was held with the CEDS Strategy Committee to solidify the plan goals: people, innovation, and place. Strategies and action items were then built out for each goal area. Aligning the *Resilience Roadmap* goals, strategies, and action items with other regional planning efforts for greater coordination, collaboration, and impact was a primary consideration.

FIGURE 2. RESILIENCE ROADMAP FRAMEWORK

## REGIONAL ECONOMIC VISION STATEMENT



*The Central Coast is a dynamic region where current and future generations thrive, and businesses innovate and excel.*

## GUIDING PRINCIPLES

**FUTURE-FOCUSED**

The Central Coast is forward-looking and strives to be competitive in growing, retaining, and attracting businesses and talent.

**INCLUSIVE AND EQUITABLE GROWTH**

The Central Coast is committed to ensuring all residents thrive by addressing the root causes of outcome disparity and removing barriers to participation in the region's economy.

**SUSTAINABILITY AND RESILIENCE**

The Central Coast invests in the systems and tools needed to avoid, withstand, and recover from the impacts of economic shocks and natural disasters.

**REGIONAL COLLABORATION**


The Central Coast embraces the importance of coordinated efforts to advance economic opportunity for all and build partnerships across the region.

## CEDS STRUCTURE

**GOAL: PEOPLE**

**STRATEGIES**


- + Pathways
- + Youth
- + Partner coordination
- + Talent attraction and retention
- + Wraparound services



**GOAL: INNOVATION**

**STRATEGIES**


- + Business retention and expansion
- + Business attraction
- + Entrepreneurship
- + Target industry focus



**GOAL: PLACE**

**STRATEGIES**

- + Housing
- + Site identification and readiness
- + Infrastructure
- + Quality of life
- + Regional collaboration



Source(s): TIP Strategies, Inc.

## VISION

A strong vision statement is the cornerstone of the CEDS, providing the basis for capitalizing on regional opportunities and addressing vulnerabilities. The vision statement is written in the present tense yet describes where the region hopes to be. The strategies and actions outlined in the CEDS move the Central Coast toward this vision. The regional economic vision statement shown in Figure 2 (page 5) was developed with input from community leaders and stakeholders on the Central Coast and synthesized by the CEDS Strategy Committee.



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## GUIDING PRINCIPLES

Building on the CEDS vision, the CEDS Strategy Committee established four guiding principles that embody the goals and objectives identified during the planning process. The guiding principles shaped the CEDS strategies and the concepts they represent are woven throughout the action items.

- + **Future-Focused.** The Central Coast is forward-looking and strives to be competitive in growing, retaining, and attracting businesses and talent.
- + **Inclusive and Equitable Growth.** The Central Coast is committed to ensuring all residents thrive by addressing the root causes of outcome disparity and removing barriers to participation in the region's economy.
- + **Sustainability and Resilience.** The Central Coast invests in the systems and tools needed to avoid, withstand, and recover from the impacts of economic shocks and natural disasters.
- + **Regional Collaboration.** The Central Coast embraces the importance of coordinated efforts to advance economic opportunity for all and build partnerships across the region.

## IMPLEMENTATION: CONSENSUS BUILDING

With the plan framework in place, the third and final phase of the planning process, implementation, focused on co-creation of prioritized strategies, consensus building with identified partners, and shared execution of the plan. As part of this phase, the CEDS Strategy Committee looked at the desired outcomes from the CEDS and how best to move the plan forward. During these discussions, three regionwide initiatives were identified: building career pathways in innovative industries, developing a coordinated approach to bolster innovation networks, and establishing a housing and infrastructure coalition to increase the number of Central Coast housing units that are attainable to the workforce. These large-scale, collaborative efforts were selected based on their ability to create transformational change. Additional detail is provided in the Key Initiatives section, which starts on page 53. Understanding how progress on the Strategic Action Plan would be evaluated was also part of the implementation discussions. (See the Evaluation Framework, page 54.)

This CEDS is a dynamic plan and should be viewed as a living document that invites revisions and refinements as economic conditions in the Central Coast region change. Using the implementation matrix, provided as a separate deliverable, the regional CEDS Strategy Committee and other partners should meet regularly to track implementation progress and performance metrics and to adapt the CEDS as needed.

# SUMMARY BACKGROUND

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# ABOUT THIS SECTION

The Summary Background provides context and key findings, which form the basis of the CEDS Strategic Action Plan. It is a required element of the CEDS and presents a clear understanding of the current local economic situation. As part of the discovery phase of the planning process, the consulting team took a data-driven approach to analyzing the regional economy. Observations gleaned from meetings and roundtables with regional stakeholders, as well as an extensive review of prior regional planning documents and reports, formed the basis of the qualitative review. Additional information on the stakeholder engagement process is provided on page 4.

## REGIONAL OVERVIEW

This section provides an overview of characteristics of the Counties of San Luis Obispo and Santa Barbara pertaining to economic development, including geographic characteristics, cultural assets, and general economic conditions. Insights gained from this work provide an understanding of where the region has been, what its future opportunities are, and where potential barriers exist. For example, the Central Coast's temperate climate makes it well suited to the agricultural industry. However, wages in this industry are out of sync with the region's high cost of living and housing shortages. Opportunities in the agtech sector may be one pathway to elevate agricultural workers to good-paying jobs. Key findings from this overview are incorporated into the SWOT analysis at the end of this section (see Figure 23 and Figure 24) and helped shape the Strategic Action Plan.

## ENVIRONMENT, GEOGRAPHY, AND CLIMATE

The Counties of San Luis Obispo and Santa Barbara consist of approximately 6,000 square miles and 200 miles of coastline on California's Central Coast.<sup>1</sup> The region is larger than the state of Connecticut and includes 15 cities and multiple unincorporated areas. The Central Coast has unique topography, bordered by the Pacific Ocean to the west and inland hills to the east. In addition to recreational opportunities, the coastal location offers economic advantages, including the potential for offshore wind energy development and supporting the blue economy (sustainable use of ocean resources).

The Central Coast is known for its temperate climate, characterized by mild, sometimes wet winters and warm, dry summers. The average temperature in both counties ranges from the mid-50s °F in the winter to the mid-70s °F in the summer. Generally, the region's coastal areas experience cooler temperatures and more fog than the inland areas. Both counties experience occasional heat waves in the summer, as well as occasional cold snaps and frost in the winter. Rainfall is most common in the winter months, with an average of 18 to 22 inches (50 to 63 centimeters) of annual precipitation.<sup>2</sup> The agriculture industry, which encompasses operations including strawberry fields, vineyards, and cattle ranching, thrives in the coastal climate and rich soils.

Although the full impacts of a changing climate are uncertain, forecast modeling anticipates hotter, drier summers and increased rainfall in the winter. Unusual atmospheric rivers brought historic flooding events to the region during the winter of

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<sup>1</sup> Based on sum of land area in square miles (2020) for each county, as shown in [US Census Bureau, Quick Facts](#).

<sup>2</sup> County of Santa Barbara Public Works, "[Historical Rainfall & Reservoir Information](#)," and County of San Luis Obispo, "[Average Annual Rainfall](#)."

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2023. Hotter and drier conditions in the summer also increase the region’s risk of wildfires. In turn, land damaged by fires becomes more vulnerable to erosion and the impacts of heavy rainfall. The region’s topography makes the area more susceptible to landslides and coastal erosion, events which could impede the movement of people and freight across the region and severely impact agricultural operations.

## CULTURAL ASSETS

The Counties of San Luis Obispo and Santa Barbara are rich in cultural assets that play an important economic role. The region is home to one federally recognized Tribe, the Santa Ynez Band of Chumash Mission Indians (Tribe), who were the Indigenous inhabitants of much of the region, stretching south past Carpinteria (in the County of Santa Barbara) as far south as Malibu to Paso Robles in the north (in the northern portion of the County of San Luis Obispo). Chumash culture and their economy centered on the land and the sea, relying on activities such as hunting, gathering, agriculture, and boat building. With the arrival of Spanish and Anglo explorers from the mid-1700s through the late 1800s, the Chumash population was devastated by the introduction of foreign disease and by land occupation that stripped the Tribe of its economic self-sufficiency. The introduction of cattle, horses, and sheep also had profound impacts on the landscape, as grazing destroyed much of the native vegetation. Despite this adversity, the Tribe contributes significantly to economic development in the region, with over three million annual visits to its Chumash Casino Resort. Such economic development enabled the Tribe to establish the Chumash Foundation in 2005, which has contributed over \$25 million to local and regional charities to date. The Tribe had its own CEDS approved in 2020, with an annual update approved in 2022. The Tribe also leads in the protection of Chumash cultural assets. Many of the caves used for religious and ceremonial purposes still exist today and are protected by the national parks system. In addition to federally recognized Tribes like the Santa Ynez Band of Chumash Mission Indians, the California Native American Heritage Commission (NAHC) maintains a list of non-federally recognized Tribes that also have a presence in the region.

Both counties host a variety of art and music festivals throughout the year, including the California Mid-State Fair, the Santa Barbara International Film Festival, the San Luis Obispo International Film Festival, the Santa Barbara Summer Solstice Celebration, Festival Mozaic, and the Central Coast Renaissance Festival. These events attract visitors from around the world and generate significant economic activity for local businesses.

Furthermore, the region has a number of museums and historical sites that showcase the region’s rich history and culture. These include the Santa Barbara Museum of Art, the San Luis Obispo Museum of Art, the Santa Barbara Maritime Museum, and Hearst Castle. Both counties have several performing arts centers, including the Granada Theatre in Santa Barbara and the Performing Arts Center San Luis Obispo in partnership with Cal Poly. These venues host a wide range of events and help to support the local arts community.

Finally, the Central Coast is known for its stunning outdoor attractions, including beaches, mountains, and vineyards. These attractions include more than 20 state parks, the Los Padres National Forest, San Rafael Wilderness, and the Carrizo Plain National Monument. These assets not only provide recreational opportunities and support a high quality of life for residents, but they also contribute to the region’s overall economic vitality by supporting the tourism industry. The cultural assets of the Counties of San Luis Obispo and Santa Barbara are an important driver of economic development, supporting jobs, businesses, and tourism in the region.

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# INFRASTRUCTURE SYSTEMS

The Central Coast is composed of thriving and dynamic communities. While the geographic distribution of the region is part of what makes it desirable, it also poses particular challenges as it relates to economic development opportunities. Development is concentrated along coastal areas, near the main transportation corridors, and within larger communities. Inland rural regions lack some of the basic infrastructure, such as fiber internet networks, high-capacity roads, water, and wastewater systems, that would be needed to support significant commercial or residential development. These communities also have fewer financial resources to make proactive investments to support prospective development and are more reliant on county funding mechanisms. Although both counties utilize state and federal funding for infrastructure, they have different local models for funding investments. The County of Santa Barbara is one of 25 California counties considered a “self-help” county,<sup>3</sup> a status that allows transportation agencies to propose dedicated sales tax measures to fund transportation projects. Levies require approval by a two-thirds supermajority of voters to pass. The most recent ballot measure, Measure A, passed in 2008, is expected to bring in over \$1 billion by 2040 to support projects. Funding received through the dedicated sales tax can also be leveraged as a match for federal funding. The Measure A strategic plan, including a list of projects expected to be funded, can be found on the Measure A project website. In comparison, the County of San Luis Obispo relies on state and federal funding allocations for transportation projects.



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<sup>3</sup> For more information, visit the Self-Help Counties Coalition website.



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The Counties of San Luis Obispo and Santa Barbara have several infrastructure assets that support their local economies and communities. Both counties have airports that serve commercial and private aircraft. Santa Barbara Airport and San Luis Obispo County Regional Airport are the main airports in each county, respectively. The Santa Maria Public Airport in the northern part of the County of Santa Barbara also serves the general aviation industry. Combined, these airports connect the region to major markets across the US and around the globe. While the region is well-served for air travel, there are no prominent commercial or industrial ports, despite the region's long legacy in the commercial fishing industry. The region relies on harbors at Morro Bay, Port San Luis, and Santa Barbara for commercial and recreational marine-based activities and a boat dock at VSFB facilitates space-related activities. The Port of Hueneme, located in the County of Ventura, is an essential deepwater port that handles a variety of cargo, including automobiles, fresh produce, and liquid bulk, and that serves both Central Coast counties.

The Counties of San Luis Obispo and Santa Barbara are located between two of California's largest economies, San Francisco and Los Angeles. However, the main transportation corridor between the two metros, Interstate 5, is located east and inland of the Central Coast. As a result, the region is not well suited as a center for distribution and logistics. California US Route 101 (Highway 101 or Pacific Coast Highway) and State Route 1 serve as the primary corridors connecting the two counties. When Interstate 5 is closed due to inclement weather, Highway 101 is the most logical and direct alternate route. Improvements to the Highway 101 corridor are a priority for the region with several projects under construction, including portions of Santa Barbara's Highway 101 Multimodal Corridor project along the south coast. Additional transportation funding is needed to finish north-south connections. Regional transportation planning is coordinated through the [Santa Barbara County Association of Governments](#) (SBCAG) and the [San Luis Obispo Council of Governments](#) (SLOCOG), which are both designated as metropolitan planning organizations (MPO) and regional transportation planning agencies (RTPA). State-level transportation planning is led by the [California Department of Transportation](#) (Caltrans). Information about Caltrans [projects](#) on the Central Coast and [strategic planning](#) can be found on their website.

The Central Coast is served by Union Pacific Railroad (freight) and Amtrak's Pacific Surfliner and Coast Starlight trains (passengers). The shortest rail route between Los Angeles (Burbank) and the San Francisco Bay Area runs through the region. Known as the Coast Line, this multi-operator route roughly parallels the Pacific Coast. However, passenger rail service in the region can be impacted by weather-related events, as evident by the atmospheric river conditions of January through March 2023, which led to widespread flooding.<sup>4</sup>

A long-standing energy hub for the state, the Central Coast's power generation and transmission capabilities are notable and diverse and serve as a vital economic driver for the region. The Diablo Canyon Power Plant, located in the County of San Luis Obispo, is the only remaining nuclear power plant operating in California and one of the region's single largest employers, providing electricity to over three million homes and businesses in the state. Current plant operations are on track to be extended to 2030, followed by decommissioning. The region also hosts various onshore and offshore fossil fuel facilities and operations, including the Morro Bay Power Plant that closed in 2014 and the Phillips 66 Santa Maria Refinery that closed in early 2023.

Renewables have also taken hold across the region. Abundant sunlight makes the Central Coast conducive to large-scale solar energy projects, as well as residential and commercial rooftop solar installations. The Topaz Solar Farm on the Carrizo Plain is

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<sup>4</sup> Susan Carpenter. "[Pacific Surfliner Temporarily Suspends Service between LA, San Luis Obispo Amid Storm.](#)" Spectrum News1. January 10, 2023.

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one of the largest solar power plants in the world, with the capacity to generate 550 megawatts (MW). Also located on the Carrizo Plain, the California Valley Solar Ranch has a capacity of 250 MW. Combined, these two plants have the capacity to power over 200,000 homes. The region also has numerous smaller-scale solar farms, which generate between 20 MW and 40 MW per plant, and several proposed battery storage projects. The federal government held a landmark auction for three leases in the Morro Bay Wind Energy Area off the Central Coast in December 2022, which will set the stage for the first major offshore wind projects on the West Coast. Onshore projects, such as the Strauss Wind Energy Project in the County of Santa Barbara, are also in development. Although there are no large hydroelectric power plants in the two counties, the area benefits from hydroelectric power generated elsewhere in California. The region's extensive transmission infrastructure enables the import of hydroelectric power from sources such as the Central Valley Project and the State Water Project.

Both counties have extensive water infrastructure systems, including reservoirs, treatment plants, and pipelines, to provide clean drinking water to residents and businesses. Climate change and population growth continue to strain local water systems. This challenge will present an opportunity for the public sector to lead with innovative solutions to serve the region's future needs. Central Coast Blue—an initiative to develop a sustainable water supply and protect the Santa Maria Groundwater Basin by capturing and recycling water discharged by the Pismo Beach Wastewater Treatment Plant and the South San Luis Obispo County Sanitation District—is an example.

Telecommunications infrastructure, including broadband and cell networks, varies throughout the region. Although connectivity is generally available in urban and suburban areas, there are known areas without service on major transportation corridors and in rural areas. Over 10 percent of households in the Counties of San Luis Obispo (10.8 percent) and Santa Barbara (10.3 percent) do not have access to broadband services at home.<sup>5</sup> However, the data do not distinguish whether this is due to lack of infrastructure or if there are other factors preventing access, such as cost, access to a device, or personal preferences.

Both counties have initiatives underway to bolster fiber infrastructure, especially in rural and unserved areas. In August 2022, the Rural County Representatives of California received federal EDA funding from the American Rescue Plan to develop broadband strategic plans in 27 rural California counties, including the County of San Luis Obispo. The County of San Luis Obispo launched the planning process in March 2023 and is expected to be completed by the end of 2023.<sup>6</sup> The County of Santa Barbara and SBCAG completed their countywide broadband strategic planning process in 2022. The *Countywide Broadband Strategic Plan* was completed and adopted in December 2022 by SBCAG Board of Directors and by the Board of Supervisors in January 2023. Plan implementation is currently in process and includes securing funding from the California Public Utilities Commission for broadband connectivity preparation, developing related infrastructure,<sup>7</sup> and deploying digital literacy initiatives through the Santa Barbara countywide Digital Equity Coalition.

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<sup>5</sup> Broadband access based on TIP Strategies, Inc., analysis of American Community Survey data, which was presented as an interactive data visualization. See page 16 for details about the *Central Coast Economic Explorer* data visualization.

<sup>6</sup> See the San Luis Obispo Council of Governments website for [more information on the planning process](#).

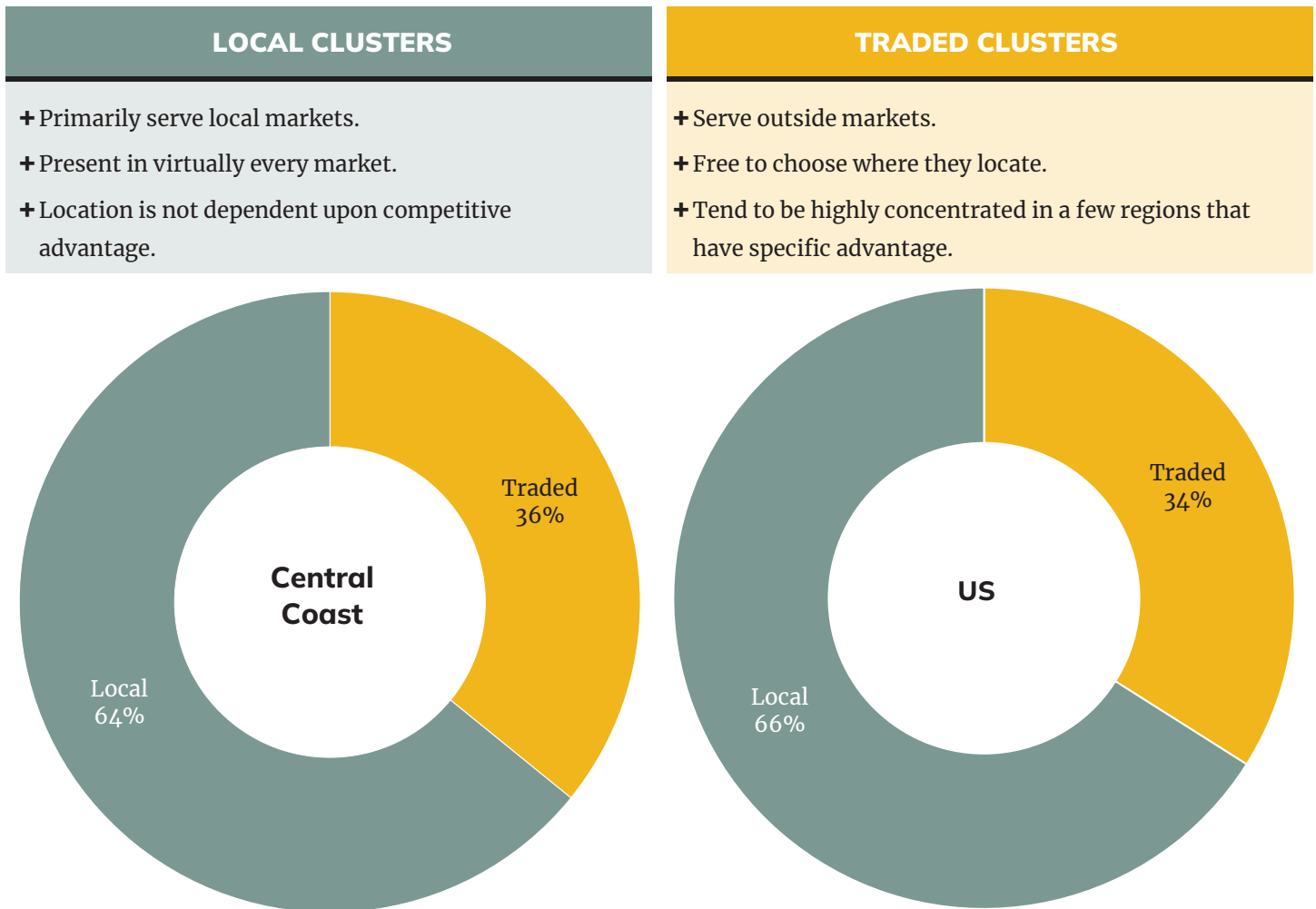
<sup>7</sup> California Public Utilities Commission. "[CPUC Advances Broadband Access and Equity in State](#)." April 27, 2023.



# REGIONAL ECONOMY

Increasing the ratio of traded-to-local clusters is a common strategy for enhancing economic prosperity. Traded clusters are emphasized by economic developers because they include industries and firms that typically produce goods and services for customers beyond the local region. These traded activities are thus more likely to produce externally generated revenues, which can, in turn, help boost local tax coffers. As an example, a dentist office might serve local customers exclusively, while a manufacturing plant, a data center, or a hotel would typically serve paying customers from outside the local area. The ability of traded clusters to serve larger markets also presents greater opportunity for employment growth, whereas a dentist office might face more finite geographic limits to expansion. As shown in Figure 3 (page 13), traded clusters comprise a similar share of Central Coast employment as they do nationally. However, the composition of traded sector employment in the region differs.

**FIGURE 3. TRADED VS. LOCAL EMPLOYMENT CLUSTERS**  
EMPLOYMENT IN 2021 BASED ON CLUSTER TYPE



Source(s): US Bureau of Labor Statistics (BLS); Lightcast 2022.3—Quarterly Census of Employment and Wages (QCEW) Employees, Non-QCEW Employees, and Self-Employed; US Economic Development Administration; Institute for Strategy and Competitiveness, Harvard Business School; TIP Strategies, Inc.

Note(s): The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies, Inc., to align with the 6-digit North American Industry Classification System (NAICS) classifications used by Lightcast.

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## TRADED SECTORS

Exporting and manufacturing are likely the first activities that come to mind when thinking of a traded sector—a sector that serves external markets rather than local ones. In most places, these two activities form the backbone of traded sector employment. The Central Coast is a bit different, as higher education is the largest employing traded sector industry in the Counties of San Luis Obispo and Santa Barbara. Cal Poly and UC Santa Barbara, as well as a strong community college presence, anchor a higher education economy that draws students (and tuition) from afar and supports about 20,000 jobs in the region.

Hotels—the *traded* component of the hospitality industry—and wineries are pivotal components of a lifestyle economy focused on affluent consumers. Tourism thrives on the Central Coast, with its abundance of cultural and natural resources and amenities. The same attractions that draw tourists are the factors that attract and retain talent in the region. Not only is tourism a substantial contributor to the local economy, but it also reflects the high quality of life that Central Coast residents value. Other traded sector employers outside the traditional manufacturing sector include the military, agriculture, commercial fishing, and business services, especially engineering services.

## LOCAL SECTORS

The local industries that underpin an economy tend to be fairly similar from one place to another. Restaurants—the *local* component of the hospitality industry—as well as supermarkets, hospitals, medical offices, and primary and secondary schools are major employers on the Central Coast just as they are anywhere else. The intensity of challenges these local industries face may vary from one place to another. The Central Coast’s healthcare sector, for example, was disproportionately affected by the COVID-19 pandemic, with providers throughout the region struggling to find skilled talent. Other local sectors have struggled as well, even before the pandemic. Twenty years ago, childcare services employed 2,100 workers in the Central Coast region, but those payrolls have most recently slipped to just 1,500 employed workers in the region. Single-family home builders employed just over 3,000 workers in the region two decades ago, but their payrolls too have slipped by one-third to just 2,000 workers.<sup>8</sup>

One aspect of the local economy that greatly differs from peers around the US is the indirect impact of the region’s affluent population. High concentrations of private household employment and landscaping services are particularly notable on the Central Coast—an attribute that is not the norm in many parts of the US.

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<sup>8</sup> Sector employment discussion in this paragraph is based on TIP Strategies, Inc., analysis of Lightcast data, which was presented as an interactive data visualization. See page 16 for details about the *Central Coast Economic Explorer* data visualization.

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## RELATIONSHIP TO STATE AND REGIONAL ECONOMIES

California's diverse economy is the nation's largest, and the state is known as a leader in innovation ranging from agriculture to technology. Nearly all the state's key industry sectors have a presence on the Central Coast.

- + Aerospace and defense
- + Agriculture and agtech
- + Biotech
- + Climate and clean energy
- + Film and television
- + High tech
- + Hydrogen
- + Manufacturing
- + Semiconductors and microelectronics
- + Tourism
- + Wood products and biomass
- + Zero emission vehicles

In addition to its ties to the state's major clusters, the region is a critical contributor to the California economy, especially in agriculture production and as a tourism destination. The Central Coast economy is also connected to considerable in-state markets, like Los Angeles and San Francisco, as well as economies around the world, through its corporate relationships. Examples of these connections include local businesses that are owned by holding companies or private equity firms outside the region or that are divisions of multinational corporations headquartered outside the state. Leading companies that have corporate headquarters in the two-county region yet maintain offices and serve customers globally (like ACI Jet, AppFolio, Hardy Diagnostics, Pearce Renewables, QAD, Sonos, and Yardi Systems), are another way in which the Central Coast is connected to economies well beyond its borders.



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# DEMOGRAPHIC AND SOCIOECONOMIC DATA

The Central Coast's demographic composition and its socioeconomic characteristics underscore the region's strengths but also its vulnerabilities. This section highlights relevant trends in population growth, demographics, educational attainment, income, veteran status, housing, and industries and workforce.

In addition to the findings presented in this section, detailed data were provided separately to the CEDS Strategy Committee. These analyses were delivered as interactive data visualizations with thousands of data points that regional organizations can use to target investments and deploy resources effectively. A description of these bodies of work is provided here.

- + The [Central Coast Economic Explorer](#) is a broad-based economic and demographic analysis designed to gauge the region's relative economic position and highlight its competitive advantages and disadvantages. Local competitive factors, such as housing characteristics, broadband access, and work-from-home metrics, were also reviewed. Where possible, demographic and labor data were disaggregated by ethnicity and race to understand any nuances in the data for historically underrepresented populations. Highlights from this economic analysis are presented in this section.
- + Following the economic context work, an industry analysis was conducted to better understand the region's target and emerging sectors. Potential growth areas and niches within the targets were validated and clarified by input from major employers, industry experts, and local and regional partners through industry council meetings. Four industry impact reports (delivered separately) were developed to gauge each sector's direct and ripple effects on the regional economy in terms of jobs and earnings.
- + Drawing on the findings from the economic context work and the industry trends analysis, the Central Coast [Workforce Analysis](#) explores how the regional talent pipeline aligns with the needs of current and potential employers. A variety of public and proprietary data sources were used to profile relevant characteristics of the regional workforce. Talent migration patterns were examined to understand the full picture of worker relocations into and out of the region, as well as a review of commuter patterns to understand the local talent pool. Last, an analysis of real-time job postings in key sectors provided insights about the skills and positions currently in demand by employers along with wages and certification requirements.

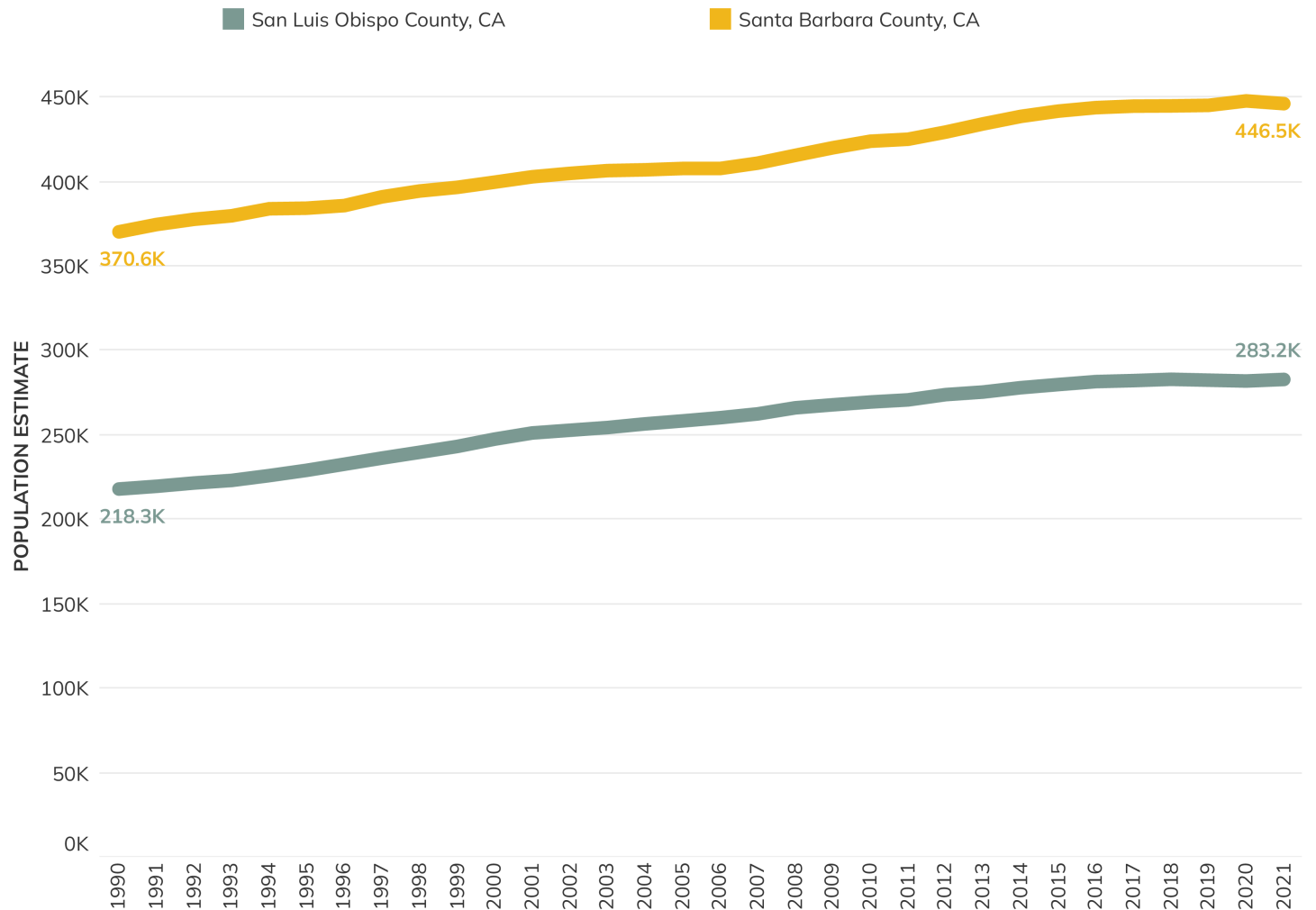
## POPULATION

The Central Coast is growing, but the pace of population growth is slowing. The reasons for the slowdown are a mix of both national and regional factors.

Total population of both the County of San Luis Obispo and the County of Santa Barbara has risen steadily for the past three decades, with the former adding roughly 75,000 net new residents since 1990 and the latter adding about 65,000. Yet a close examination of these upward trajectories indicates a gradual slowdown in the pace of growth since the 2010 US Census. This trend of slowing population growth can be detected in both counties. While the region's average combined population growth rate has approached 1 percent for much of the past three decades, rates have averaged just 0.1 percent over the past five years.



**FIGURE 4. CENTRAL COAST POPULATION SINCE 1990**



Source(s): US Census Bureau, Population Estimates Program; Moody’s Analytics; TIP Strategies, Inc.

Note(s): Population estimates prior to 2010 are sourced from Moody’s Analytics. Estimates from 2010 to 2021 are sourced from the US Census Bureau Population Estimates Program vintages 2020 and 2021.

While the headline trend of slowed growth may be the same in both counties, the underlying drivers of population growth are somewhat different. The US Census Bureau segments population growth into three distinct components. The first component, natural change, is straightforward. In simple terms, it can be thought of as the difference between the number of birth certificates a county registers in a given year minus the number of death certificates filed in the same county. The resulting “natural” change is what population growth would look like if no one ever moved. But, of course, people do move, and this mobility factor has to be considered. The US Census Bureau is able to capture this movement with two additional components: net domestic migration (those who move within the US) and international migration (those who move between the US and another country).

The net component called natural change (births minus deaths) has been narrowing at the national level for many years. The large numbers of Baby Boomers born between 1946 and 1964 are mostly in their 60s and 70s now. After the postwar baby boom ended, the nation’s fertility rate began to decline and currently rests near a historically low level. These are not regional trends. Rather, this is a national trend that is playing out to different degrees in every corner of the country. Over the past three decades, the County of San Luis Obispo’s natural population change flatlined, even before COVID-19

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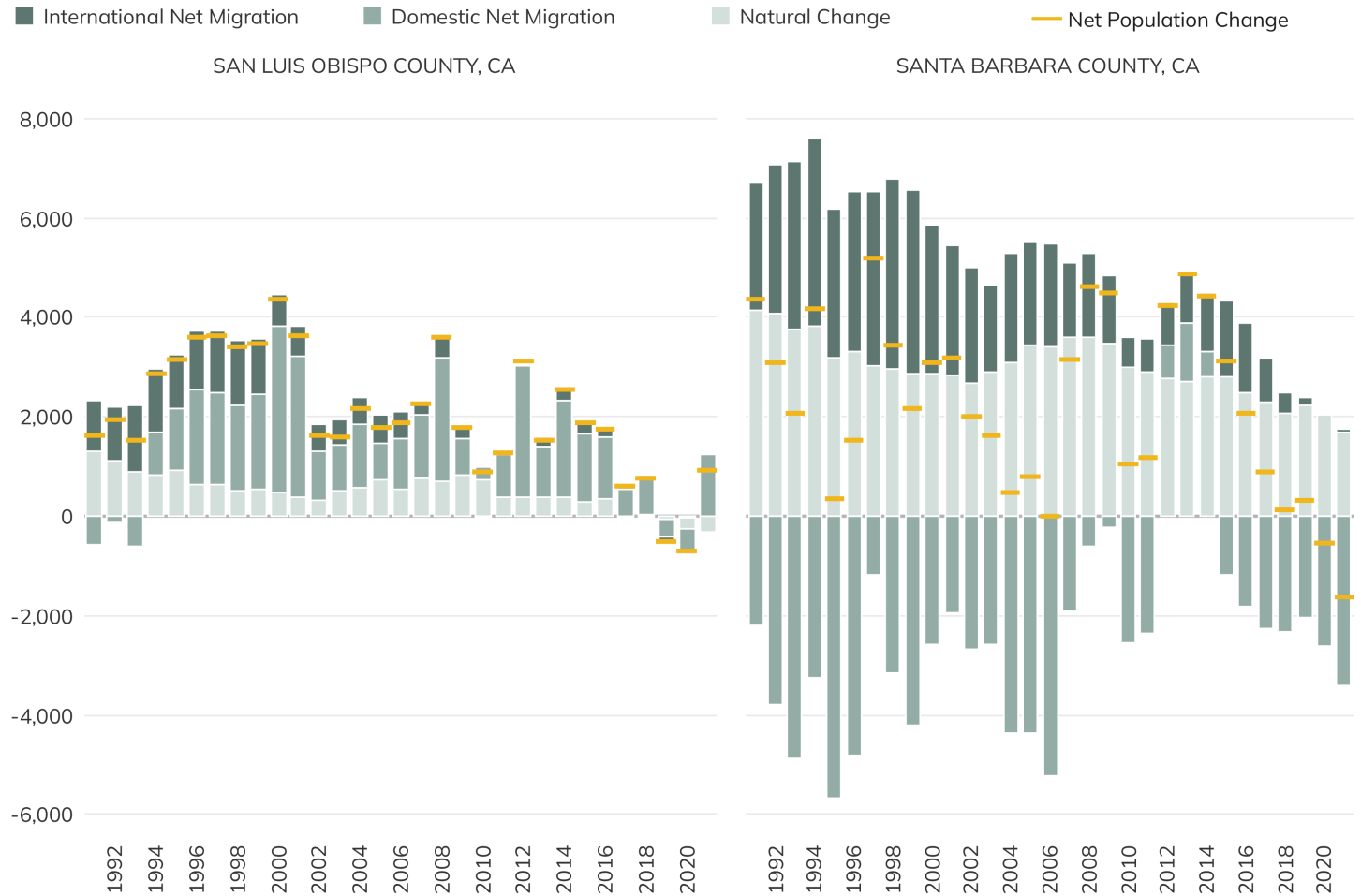
emerged. In other words, the number of birth certificates and death certificates issued by the County of San Luis Obispo had become roughly on par with each other. In the County of Santa Barbara, a brisk pace of net natural change in the 1990s had slowed to an anemic, though still positive, pace in 2021.

The second component of population change, domestic migration, is generally the most volatile of the three components. Domestic mobility of the population can be cyclical. Technology boomtowns like San Francisco and Austin can draw huge numbers of young job migrants during upswings, but those flows can quickly turn the other way during harder economic times. In some cases, domestic migration can change almost instantly. The mass exodus from New Orleans during Hurricane Katrina in 2005 is an example. Many of those displaced by the hurricane never returned to New Orleans. Fortunately for the Central Coast, domestic migration has not been unusually volatile, although there is certainly a degree of variability from one year to the next. And domestic migration patterns are quite different when comparing the two counties. In most years, the County of San Luis Obispo tends to attract a net positive number of domestic migrants whereas the County of Santa Barbara's flow tends to be a net negative.

International migration, the third component of population change, generally follows a long-term national pattern. Large volumes of immigration into the US in the 1980s and 1990s contributed to the nation's swelling population growth during that era. But federal policy and the national mood began to pivot after 9/11, and the contribution of net international migration to population growth has slowly waned. These national patterns can also be discerned in the counties located on the Central Coast.



**FIGURE 5. COMPONENTS OF POPULATION CHANGE**



Source(s): US Census Bureau, Population Estimates Program; Moody’s Analytics; TIP Strategies, Inc.  
 Note(s): Natural change is the difference between annual births and deaths. Total population change includes a residual (a change in population that cannot be attributed to any specific demographic component). Year 2010 and 2020 components are estimated based on a 12-month projection of the second quarter (the period between the US Census and the mid-year estimate) that is not seasonally adjusted.



# DEMOGRAPHICS

Every place is distinctive in its own way. Demographic characteristics, such as the distribution of the population by race and ethnicity or by age, are among the factors that contribute to a regional footprint. Nine out of ten Central Coast residents are either Hispanic or Latino or non-Hispanic White. The other 10 percent are a mix of racial backgrounds, including Asian or Pacific Islander, Black or of African Descent, and multiracial, among others. The primary demographic difference between the Central Coast counties is the split between Hispanic or Latino and non-Hispanic residents. In the County of Santa Barbara, the two groups are roughly the same size, but in the County of San Luis Obispo, there are more White residents than Hispanic or Latino residents by a roughly three-to-one ratio.

**FIGURE 6. DISTRIBUTION OF THE CENTRAL COAST POPULATION BY RACE AND ETHNICITY, 2020**

	SAN LUIS OBISPO COUNTY	SANTA BARBARA COUNTY
White	68.3%	43.9%
Hispanic or Latino	22.8%	45.7%
Black or of African Descent	1.6%	1.8%
Asian or Pacific Islander	3.5%	5.3%
Multiracial	3.1%	2.6%
Other Race or Ethnicity	0.7%	0.7%

Source(s): US Census Bureau, American Community Survey 2020 5-year aggregate sample; TIP Strategies, Inc.

Age structures vary from one community to another. The age structure of Tampa Bay, with its large numbers of retirees, is skewed toward seniors more than most places, while a city like Austin swells with large numbers of young adults. The age composition of the Central Coast is more in line with national patterns, though like Austin, the Central Coast’s young adult cohort (age 20 to 34) is slightly larger than the national average. This may be due in part to the student presence at major universities like Cal Poly and UC Santa Barbara.

**FIGURE 7. DISTRIBUTION OF THE CENTRAL COAST POPULATION BY AGE COHORT, 2020**

	SAN LUIS OBISPO COUNTY	SANTA BARBARA COUNTY
Youth (0–19)	22.5%	27.2%
Young Adults (20 to 34)	21.8%	24.2%
Experienced Working Age (35 to 64)	35.6%	33.3%
Seniors (65+)	20.1%	15.3%

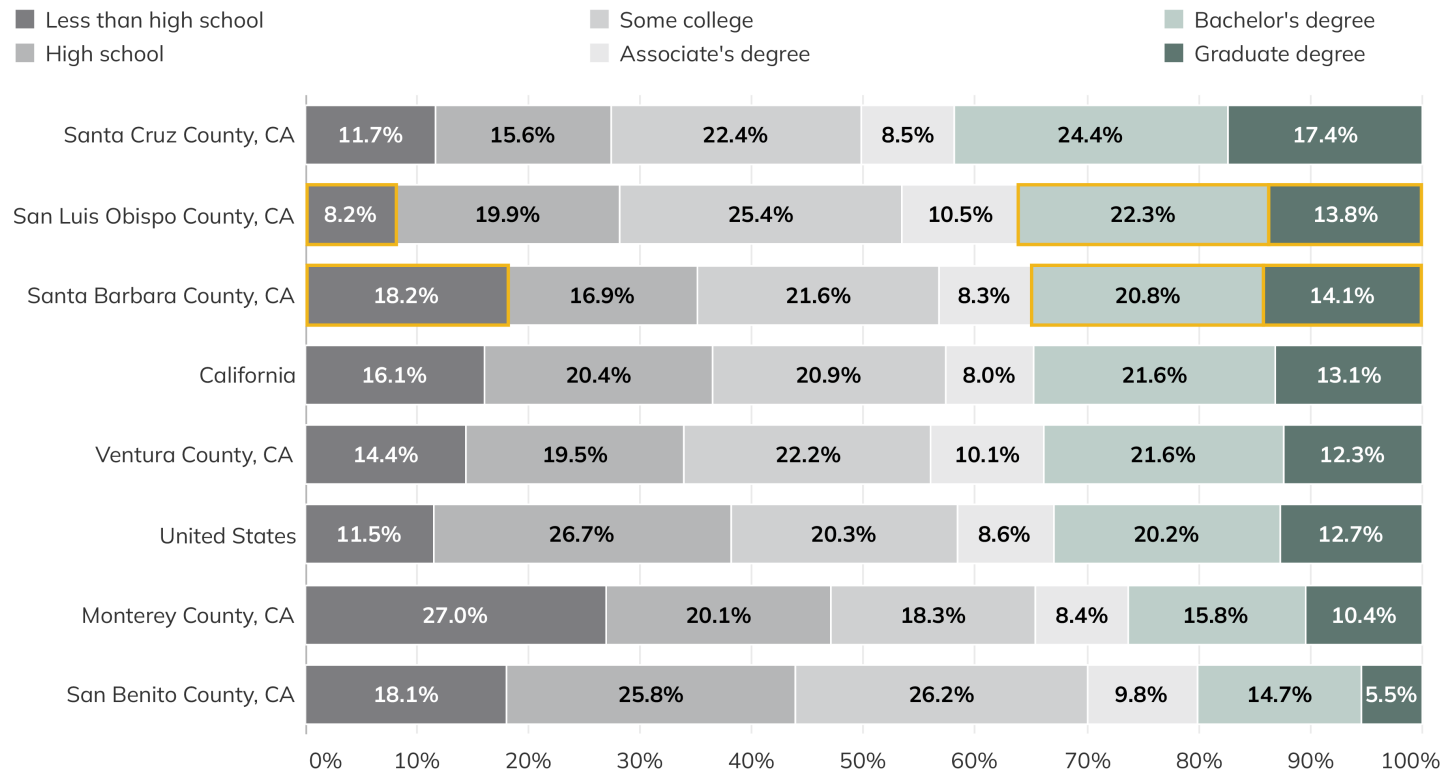
Source(s): US Census Bureau, American Community Survey 2020 5-year aggregate sample; TIP Strategies, Inc.

# EDUCATIONAL ATTAINMENT

While education is a lifetime process, the pursuit of formal education usually has an endpoint that can be celebrated with a ceremony or an official document (or both). In recent years, social scientists and others have come to rely on a four-year degree as the headline measure of educational attainment. In practice, however, it is best to understand educational attainment in a more nuanced way.

The Central Coast’s headline numbers for educational attainment are extraordinary. More than 36 percent of the County of San Luis Obispo residents have a bachelor’s degree or higher, only slightly ahead of the County of Santa Barbara’s 35 percent. These headline numbers exceed the national average (33 percent) and are just slightly ahead of the California statewide average. When looking at attainment levels across the rest of the Central Coast population, however, the differences between the two counties are noteworthy. In the County of San Luis Obispo, only 8 percent of the population age 25 and above lacks a high school diploma. By statewide and national standards, this is an impressively low number. But in the County of Santa Barbara, an agricultural bounty has, by necessity, drawn in large numbers of migrant workers to harvest vast fields of strawberries and other produce. Like the Oklahoma migrants of decades past, today’s resident agricultural workers often lack educational credentials like a GED or a high school diploma. Nearly one in five residents in the County of Santa Barbara (18.2 percent) fall into this educational attainment group.

**FIGURE 8. EDUCATIONAL ATTAINMENT, 2020**  
SHARE OF POPULATION OVER AGE 25 BY EDUCATIONAL ATTAINMENT

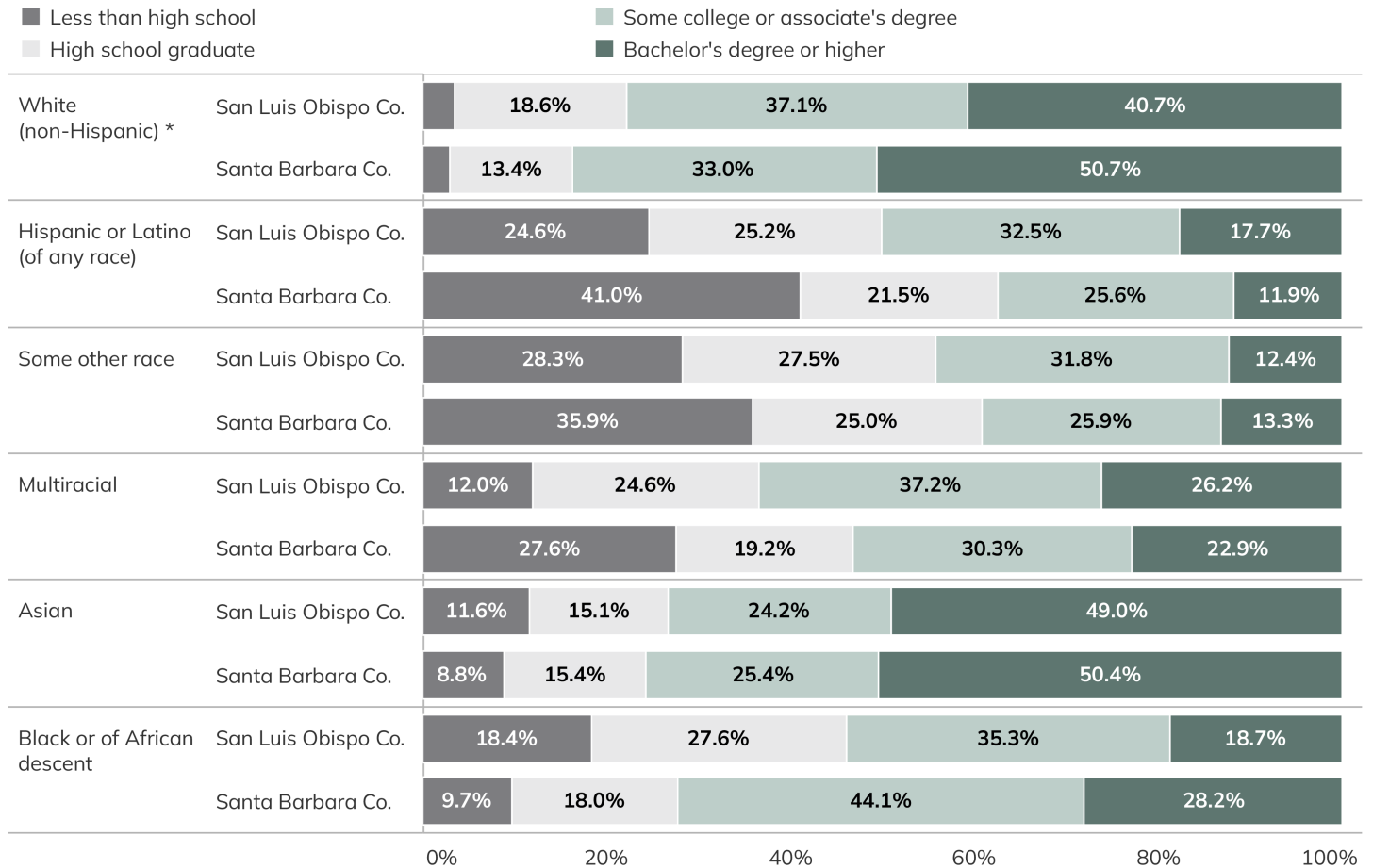


Source(s): American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

Note(s): Educational attainment only measured for population 25 and older. High school includes equivalency. Some college indicates no degree was received. Graduate degree includes professional degrees and doctoral programs.

Educational attainment in the Central Coast region varies widely across racial and ethnic lines, and this variation has implications for equitable growth in the years ahead. As shown in Figure 9 (page 22), Asian or Pacific Islander and non-Hispanic White residents are more likely to have a four-year college degree than those of other backgrounds, including the region’s Black or of African Descent and Hispanic or Latino residents.

**FIGURE 9. EDUCATIONAL ATTAINMENT OF CENTRAL COAST RESIDENTS BY RACE AND ETHNIC GROUPS, 2020 RESIDENTS 25 YEARS AND OLDER BY COUNTY**

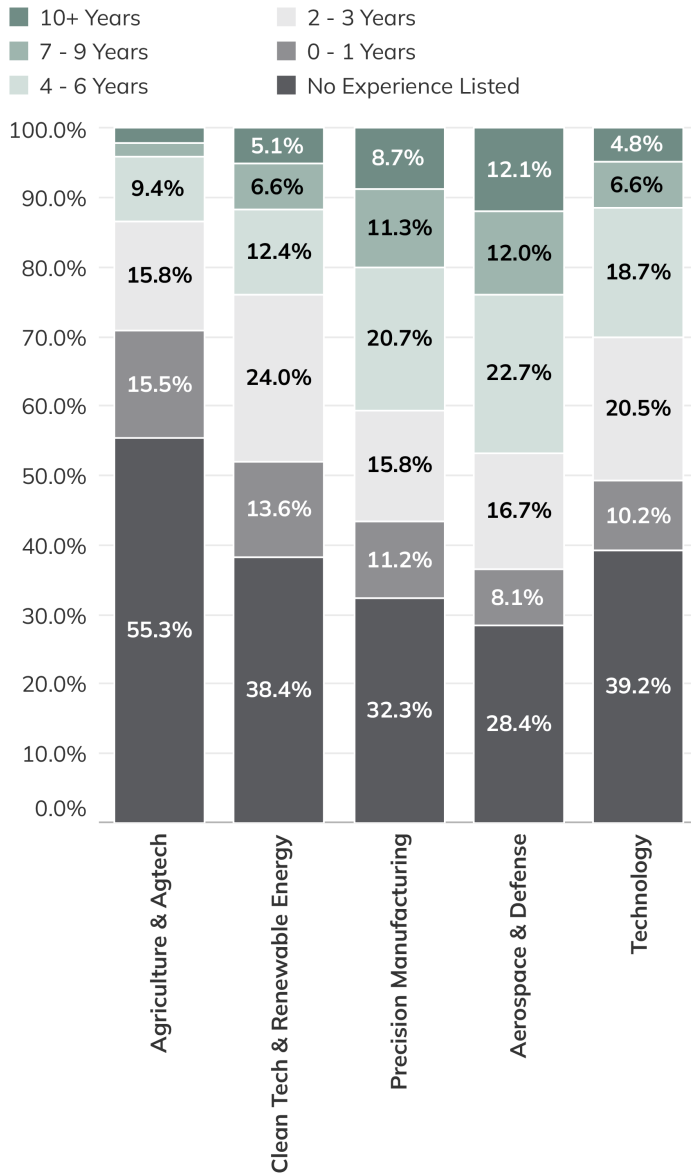


\*Less than high school for White (non-Hispanic) not shown: San Luis Obispo County, 3.5 percent; Santa Barbara County, 2.9 percent. Source(s): American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

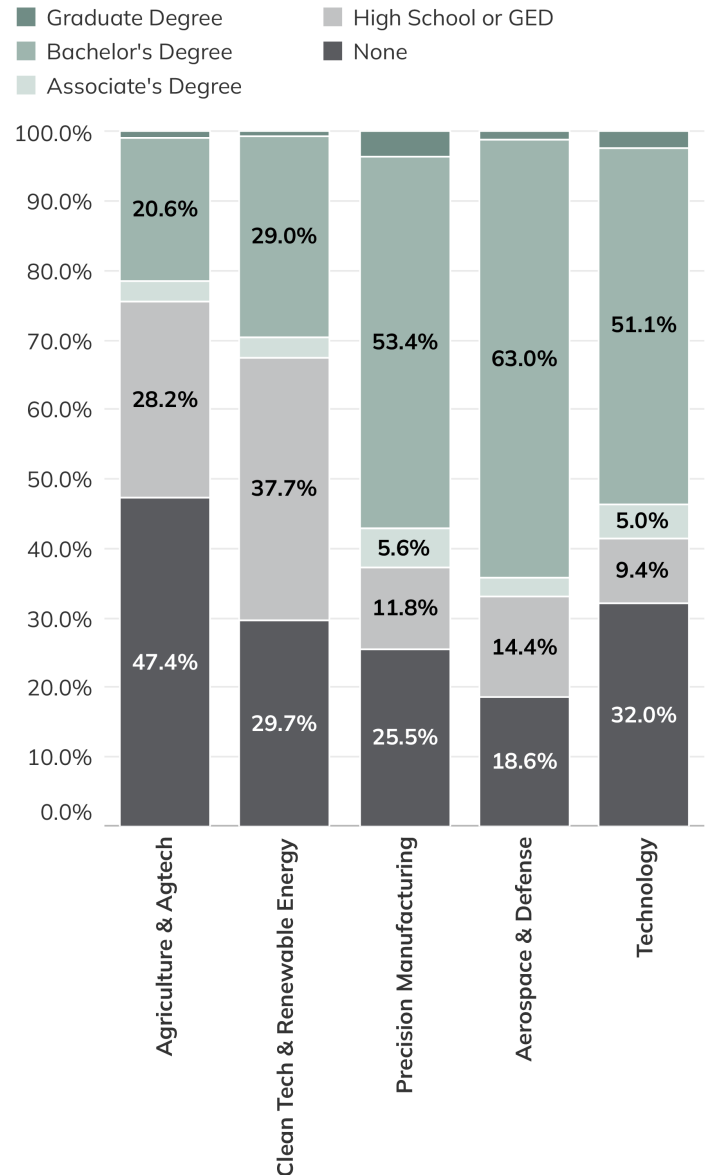
Note(s): Educational attainment measured for population 25 years and older only. High school includes equivalency. Bachelor’s degree or higher includes professional degrees and doctoral programs. The US Census Bureau categorizes Hispanic or Latino as an ethnic group rather than a race. The "Hispanic or Latino" group includes all races; the "White (non-Hispanic)" group excludes Hispanics or Latinos. The remaining groups do not distinguish between ethnicities, so Hispanics and non-Hispanics may both be included. The "Some other race" group includes Native American or Indigenous, Alaska Native, Native Hawaiian, other Pacific Islanders, and other races. The data are based on self-identification and reflect a social definition of race/ethnicity.

A scan of job postings in the Central Coast region shows how the region’s educational divide can potentially pose barriers for equitable growth. In sectors like precision manufacturing, aerospace and defense, and technology, employer demand for highly educated workers can be daunting. Moreover, gaining access to these industries can require more than just a college degree. These same industries are more likely to require relevant experience as Figure 10 (page 23) shows.

**FIGURE 10. MINIMUM EXPERIENCE REQUESTED**  
SHARE OF TOTAL JOB POSTINGS



**FIGURE 11. MINIMUM EDUCATION REQUESTED**  
SHARE OF TOTAL JOB POSTINGS



Source(s): BLS; Lightcast 2022.4—QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.  
 Note(s): Includes non-staffing, unique, active job postings for full-time, part-time, and flexible positions between February 2022 and February 2023. Aerospace, defense, and precision manufacturing were treated as a single sector for targeting purposes to align with existing structures, such as industry councils; however, they were considered separately from a data perspective.

# MEDIAN INCOME

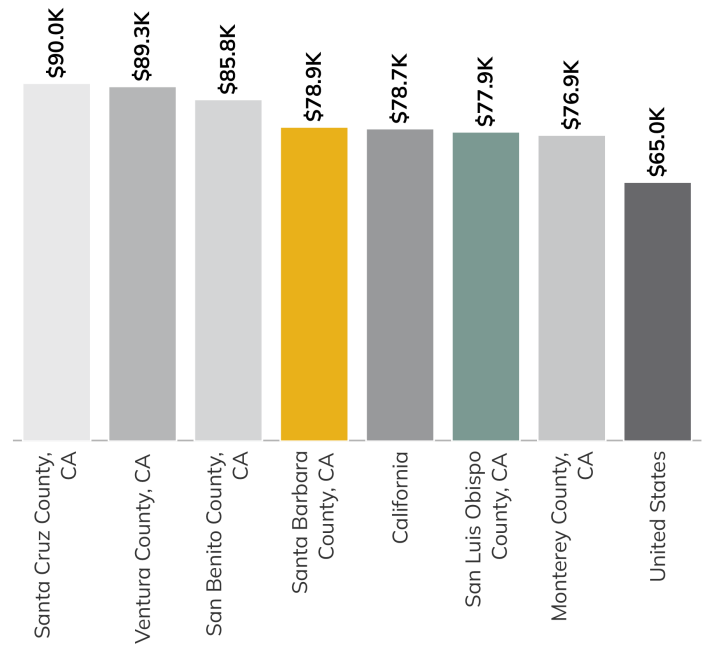
At first glance, median household income in the Central Coast region looks quite similar to the statewide median. To better understand what this means, however, it's worth revisiting the concept of medians.

A median is not an average. For household income, the median represents the midpoint of all households, which allows for a better indication of economic health, as it is less susceptible to skewing from the highest and lowest wage earners. The use of a median is especially important on the Central Coast, where households are quite varied. The high end includes wealthy retirees, affluent tech workers, prosperous vintners, and successful entrepreneurs, among others. The less affluent households include college students, migrant workers, and the vast numbers of working families needed to staff the region's tourism and retail businesses. To boost the Central Coast's median household income up to a level on par with peers like the County of Ventura or the County of Santa Cruz, one or more things must happen. One option is for the tech economy to produce more affluent households. Another option is for the living wage levels of the lower income working households to rise. Aligning the Central Coast's workforce development system and education and training institutions across all educational opportunities and career path options is one way to lay the groundwork for raising the region's median household income over the long term.

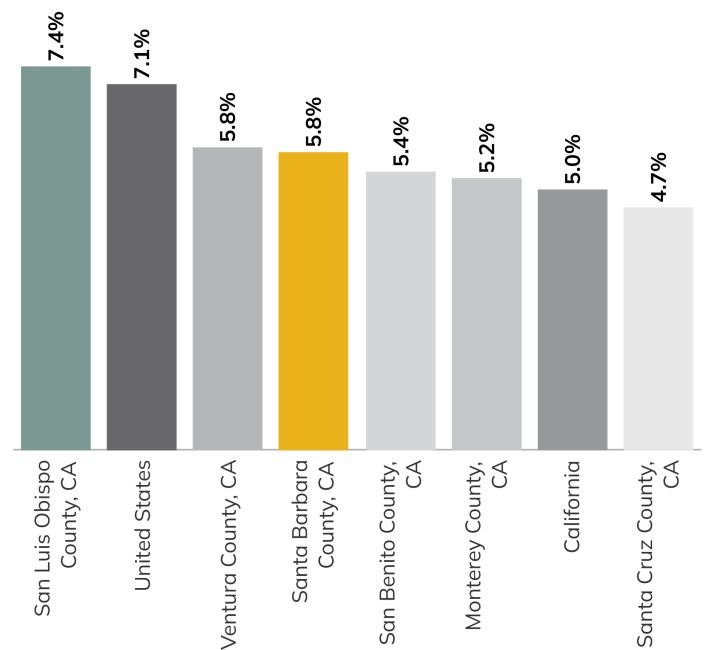
# VETERAN STATUS

US veterans are found in communities from coast to coast. Following their service, some veterans return to their hometowns, but many choose to stay in places related to their military assignments, for example, near the installation where they were discharged, in an appealing location where they were once stationed, or perhaps near a Veterans Affairs (VA) Medical Center where continuing services are available. Whatever their

**FIGURE 12. MEDIAN HOUSEHOLD INCOME, 2020 FOR SELECT GEOGRAPHIES**



**FIGURE 13. VETERAN STATUS, 2020 SHARE OF CIVILIAN POPULATION OVER 18**



Source(s): (Both figures) American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

decision may be, cost of living is likely a factor. Although a military pension helps, it doesn't cover living costs in many of the nation's most desirable places.

In practical terms, California's high cost of living means there are relatively fewer veterans than in other parts of the country. Despite this obstacle, the relative concentration of veterans on California's Central Coast is higher than might be expected. The share of veterans in the County of Santa Barbara is well ahead of the statewide average, and in the County of San Luis Obispo, the veteran share of the population even exceeds the national average. For many veterans, the region's quality of life and its proximity to VSF are strong incentives to remain.

## HOUSING

In the 30 years between the 1990 and 2020 US Census, California's Central Coast added fewer than five housing units per day, on average. This pace created just enough new housing to support an increase of 143,883 new residents over the same period.

**FIGURE 14. POPULATION AND HOUSING CHANGES ON CALIFORNIA'S CENTRAL COAST, 1990–2020**

POPULATION				
	1990	2020	Net Change (numeric)	Net Change (percent)
San Luis Obispo County	217,162	282,424	65,262	30.1%
Santa Barbara County	369,608	448,229	78,621	21.3%
<b>Central Coast</b>	<b>586,770</b>	<b>730,653</b>	<b>143,883</b>	<b>24.5%</b>
HOUSING UNITS				
	1990	2020	Net Change (numeric)	Net Change (percent)
San Luis Obispo County	90,200	123,715	33,515	37.2%
Santa Barbara County	138,149	158,279	20,130	14.6%
<b>Central Coast</b>	<b>228,349</b>	<b>281,994</b>	<b>53,645</b>	<b>23.5%</b>

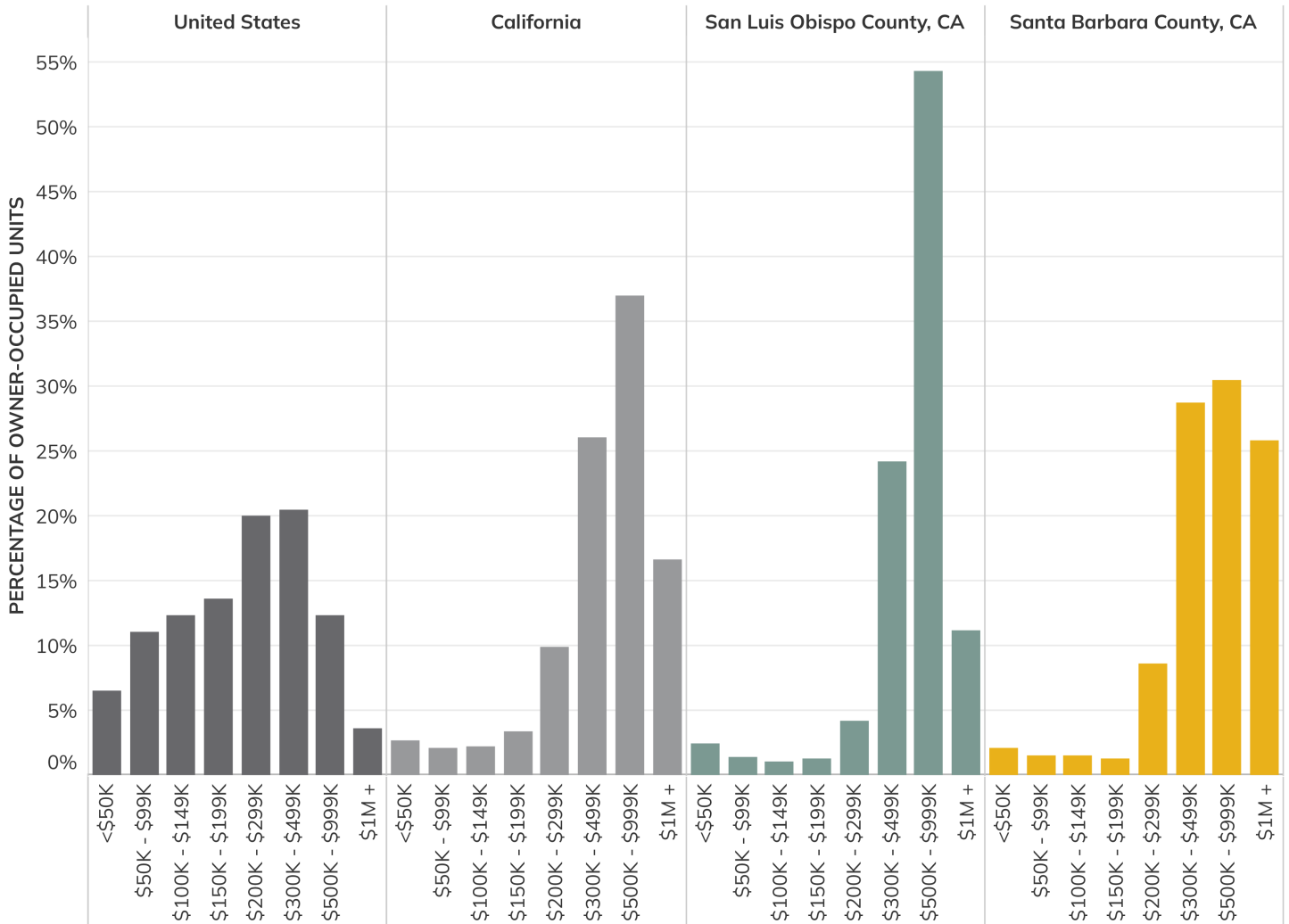
Source(s): *1990 Census of Housing, General Housing Characteristics for California* and the 2020 US Census profile of California accessed March 23, 2023.

Note(s): The 30-year rate of housing units was calculated as 53,645 / (30 years x 365 days) = 4.9 units per day.

A closer look at annual population changes over those three decades, as explained in Figure 4 (page 17), shows a gradual slowing of momentum. This trend is not unique to the Central Coast. It reflects a greater statewide and national pattern of slowing population growth. What sets the Central Coast apart is the cost and availability of housing. According to the 2020 American Community Survey, the region's rent levels and median housing values exceed similar statewide and national benchmarks.

Moreover, the data indicate a skewing of owner-occupied housing costs to a point of inaccessibility for many middle-class residents. Across the US, about 16 percent of owner-occupied housing units were valued at \$500,000 or more compared to 54 percent of units in the state of California and 61 percent of units in the Central Coast region. To put it another way, 87,214 of the Central Coast’s 144,139 owner-occupied units were valued at a half-million dollars or more, leaving just 56,925 owner-occupied units with a value under \$500,000.

**FIGURE 15. HOUSING COST DISTRIBUTIONS FOR OWNER-OCCUPIED UNITS, 2020**



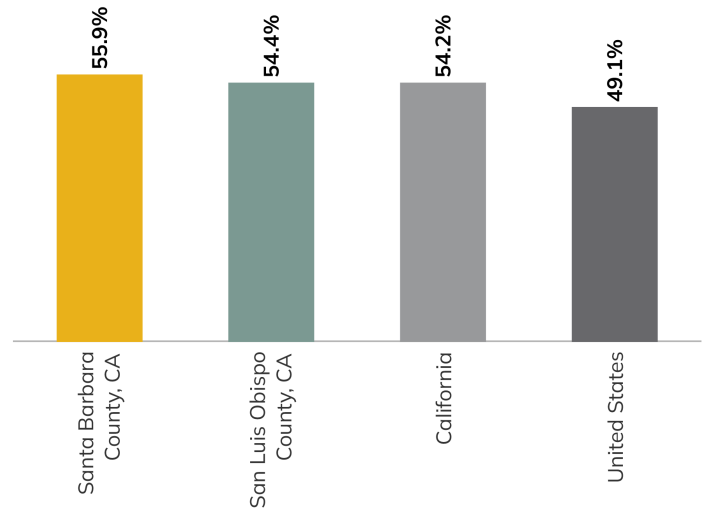
Source(s): American Community Survey, 2020 5-year sample, TIP Strategies, Inc.



Renters are impacted by high regional costs as well. Some 54 percent to 56 percent of renters in the Central Coast region spent 30 percent or more of their income on housing. This share is in line with the statewide average but exceeds the national benchmark.

The lack of affordable<sup>9</sup> housing units limits the Central Coast’s ability to attract middle-class residents. It may also deter new graduates of local higher education programs from staying in the region. For non-college educated workers, housing affordability can feasibly be a push factor. In fact, migration data over the past decade indicate a net outflow of workers employed in industries like retail, restaurants, and accommodation services, another indication that affordability may be impacting the region’s ability to retain workers in lower-paying service industries.<sup>10</sup>

**FIGURE 16. HOUSING AFFORDABILITY, 2020**  
SHARE OF RENTAL HOUSING UNITS WHOSE OCCUPANTS SPEND MORE THAN 30 PERCENT OF HOUSEHOLD INCOME ON HOUSING EXPENSES



Source(s): American Community Survey, 2020 5-year sample, TIP Strategies, Inc.



<sup>9</sup> Like most federal data programs, the American Community Survey uses the threshold of 30 percent of household income to define affordability.

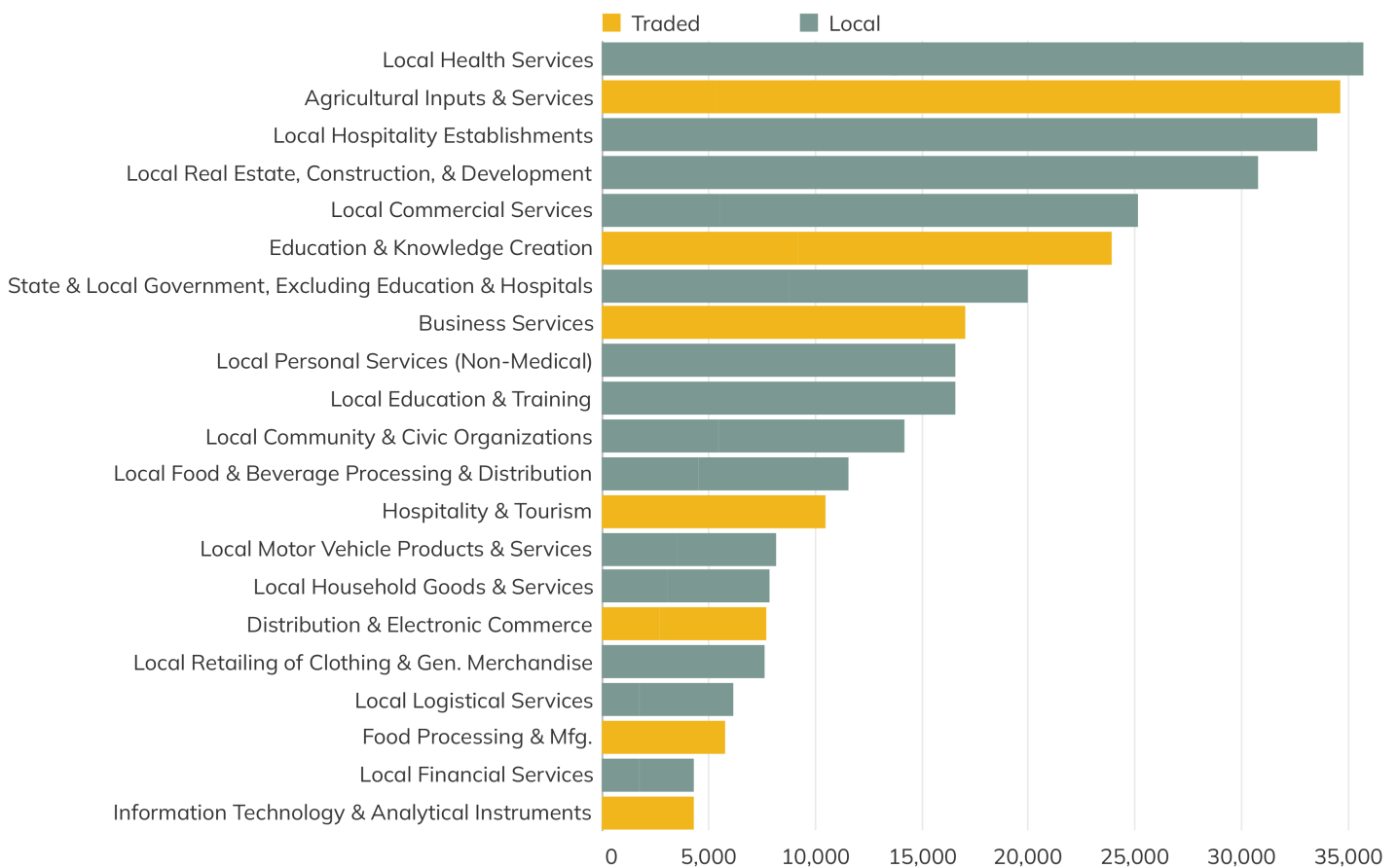
<sup>10</sup> These migration trends are based on an analysis of worker flows between 2010 Q1 and 2021 Q4 using data from the US Census Bureau Longitudinal Employer-Household Dynamics (LEHD), Job-to-Job Flows (J2J).

# INDUSTRIES AND WORKFORCE

As noted previously, improving educational attainment and expanding workforce development options at all levels are essential to the region’s long-term prosperity. This section includes a closer look at the trends, successes, and challenges the region faces in staffing its target industries and supporting an amenity-rich quality of life.

Local health services,<sup>11</sup> which includes hospitals, doctors’ offices, and pharmacies, is the largest sector by employment. Healthcare’s share of Central Coast employment mirrors national trends, but also aligns with the region’s higher-than-average retiree population (over 65 years of age). It is closely followed by agricultural inputs and services and local hospitality establishments (such as restaurants, bars, and recreation centers), reflecting the importance of tourism and agriculture to the region. Tourism’s influence on the regional job base is even greater when additional sectors are considered, such as hospitality and tourism (a traded sector that encompasses hotels and entertainment venues) and local retailing. The education and knowledge creation cluster includes both colleges and universities, as well as local school systems, and is also a significant employer on the Central Coast. Like healthcare, education is often seen as an amenity that supports the workforce. However, it is important for economic developers to remember that both of these sectors are also major employers for the region and require workforce and business development support.

**FIGURE 17. CENTRAL COAST EMPLOYMENT IN MAJOR EDA CLUSTERS, 2021**



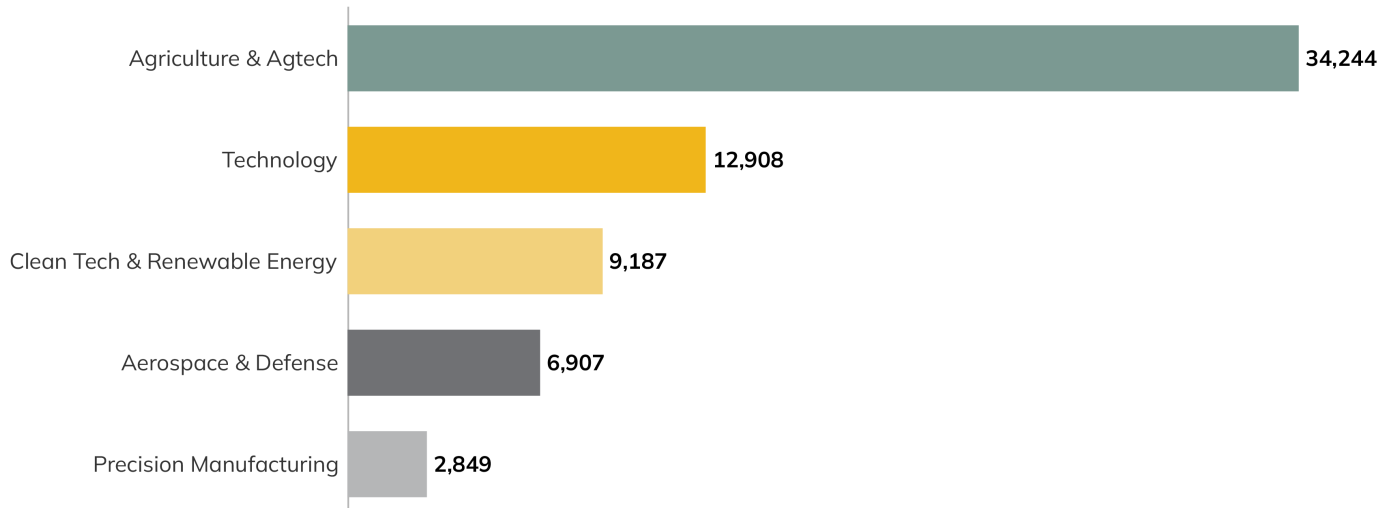
Source(s): BLS; Lightcast 2022.3—QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

Note(s): Major EDA clusters include those that account for ≥1.0 percent of total Central Coast employment in the specified year.

<sup>11</sup> See page 13 for a discussion of local and traded sectors.

Central Coast economic development leaders have identified four sectors that exemplify the region’s economic foundation for the twenty-first century. Within these four target sectors, the agriculture and agtech target has the strongest foothold presently. This employment is primarily driven by traditional agricultural activities, although new and developing technologies are likely to influence future growth. The region’s other target sectors include aerospace, defense, and precision manufacturing; clean tech and renewable energy; and technology.

**FIGURE 18. CENTRAL COAST TARGET SECTOR EMPLOYMENT, 2021**



Source(s): BLS; Lightcast 2022.4—QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.  
Note(s): Target industries are defined based on a selection of detailed industry codes based on regional economic strengths. Aerospace, defense, and precision manufacturing were treated as a single sector for targeting purposes to align with existing structures, such as industry councils; however, they were considered separately from a data perspective.

Raising educational attainment and boosting median household income pose challenges for the Central Coast. One way to understand why and how outcomes diverge along racial and ethnic lines is to look at the composition of the workplace. For example, the Central Coast’s high-paying technology sector jobs are filled predominantly by White and Asian workers, as shown in Figure 19 (page 30). These two racial groups make up just under 56 percent of the Central Coast’s overall workforce, but in key technology sector roles, like software developers, more than 80 percent of jobs are filled by White or Asian workers. These are the positions where educational attainment is more likely to match employer needs, thus the payrolls skew in their direction. Diversifying career opportunities requires a head start. Early education, career exposure, workforce development guidance, and cradle-to-job nurturing are needed if these patterns are to improve. Sustained commitment to investing in workforce development is needed to unwind these entrenched patterns.

**FIGURE 19. TOP 15 IN-DEMAND OCCUPATIONS IN THE TECHNOLOGY SECTOR ON THE CENTRAL COAST**  
 RACIAL/ETHNIC COMPOSITION OF TOP OCCUPATIONS RANKED BY SHARE OF JOB POSTINGS BY SECTOR  
 EMPLOYERS FROM FEBRUARY 2022 TO FEBRUARY 2023

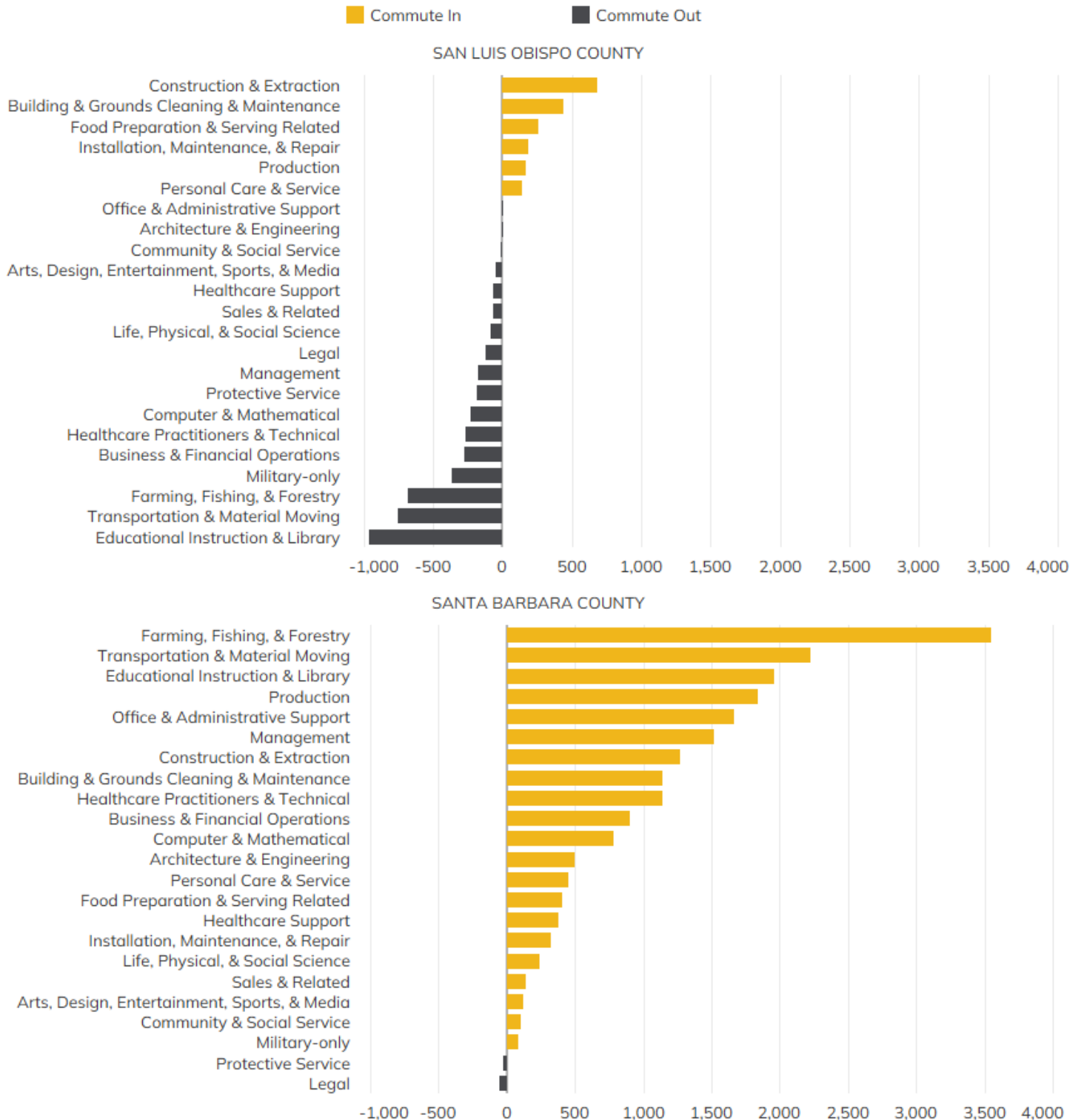
OCCUPATIONS	WHITE	HISPANIC OR LATINO	BLACK OR OF AFRICAN DESCENT	ASIAN	NATIVE AMERICAN OR PACIFIC ISLANDER	MULTIRACIAL
Software Developers	49.4%	11.1%	1.4%	34.7%	0.4%	2.9%
Computer, All Other	51.1%	21.2%	5.6%	17.4%	0.9%	3.8%
Sales Reps, Non-Tech. & Scientific Products	69.1%	22.5%	1.5%	4.8%	0.5%	1.5%
Computer User Support Specialists	54.9%	23.1%	4.0%	13.5%	1.0%	3.4%
Marketing Managers	69.1%	19.0%	0.9%	7.0%	1.7%	2.4%
Network & Computer Systems Administrators	56.7%	20.0%	3.2%	15.1%	2.1%	3.0%
Civil Engineers	59.7%	16.7%	1.8%	18.1%	1.0%	2.7%
Managers, All Other	54.7%	28.8%	3.1%	9.7%	0.5%	3.1%
Sales Managers	70.7%	19.7%	1.3%	5.7%	0.7%	1.8%
Human Resource Specialists	51.9%	31.3%	5.5%	7.9%	0.7%	2.7%
Information Security Analysts	58.3%	17.8%	4.3%	10.4%	4.3%	4.8%
Bookkeeping, Accounting, & Auditing Clerks	64.3%	24.0%	2.5%	6.9%	0.5%	1.8%
Customer Service Representatives	46.7%	39.7%	5.1%	5.6%	0.4%	2.5%
Computer Systems Analysts	50.9%	17.6%	3.2%	23.9%	1.2%	3.2%
Electrical Engineers	57.0%	16.8%	1.0%	20.8%	2.0%	2.4%
<b>Top Occupations Related to Technology</b>	<b>57.6%</b>	<b>23.8%</b>	<b>2.9%</b>	<b>12.4%</b>	<b>0.7%</b>	<b>2.5%</b>
<b>Central Coast Total</b>	<b>47.5%</b>	<b>37.4%</b>	<b>3.9%</b>	<b>8.2%</b>	<b>0.6%</b>	<b>2.3%</b>

Source(s): BLS; Lightcast 2022.4–QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

Note(s): The technology sector was defined by selecting a group of 17 detailed NAICS industries, accessing their regional job postings for the 12-month period from February 2022 through February 2023, and identifying the top 15 occupations in their collective hiring pipelines.

The region’s cost of living and its scarcity of affordable housing have put pressure on the Central Coast’s workforce, especially in those occupational groups like food preparation and property maintenance that support the area’s amenity-rich and tourist-friendly economy. Many of these workers likely commute into job centers from more affordable areas on the edges of neighboring counties. A comparison of the number of jobs in each county to the number of employed residents by occupational group sheds light on this question. The difference between these numbers, the implied net commuter flow, is represented in Figure 20 (page 31). Unlike standard commuting data, which only offers detail by major industry sector, analyzing flows based on the occupation of resident workers provides an illustration of the degree to which the workforce and the job base are aligned. Neither data set offers insight into the myriad factors that influence why workers choose to live in one location and commute to another (e.g., housing cost and availability, schools, job change, proximity to family, location of partner’s employment, personal preference). Even so, the analysis of worker flows adds further support for the need to address long-term issues that influence the choices of working households, including extending workforce development offerings and increasing affordable housing options.

FIGURE 20. NET COMMUTER FLOWS BY OCCUPATIONAL GROUP ON THE CENTRAL COAST, 2021

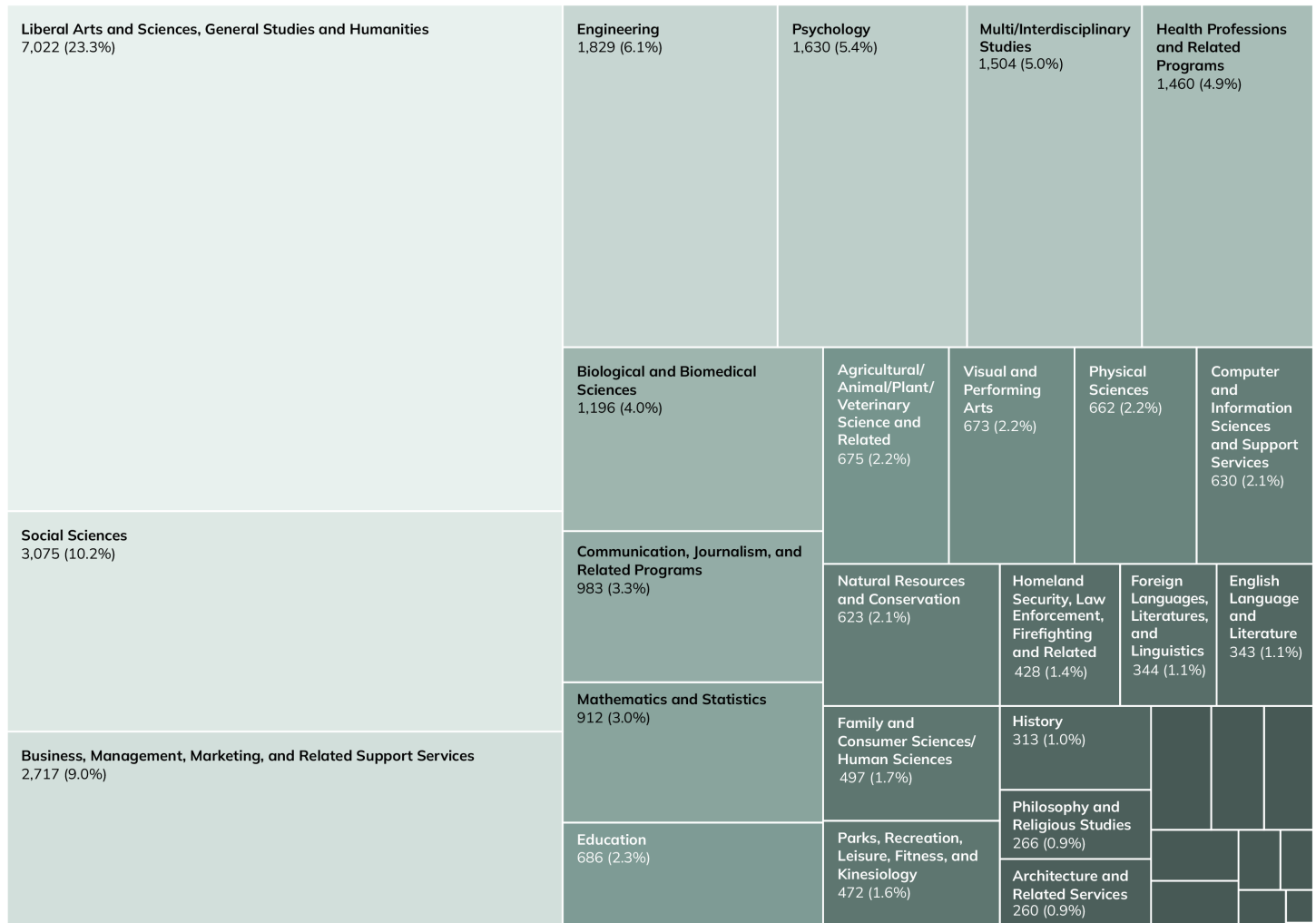


Source(s): BLS; Lightcast 2022.4—QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.  
 Note(s): The implied net commuter flow is the difference between the number of jobs on the Central Coast and the number of employed Central Coast residents in any given occupational group. A positive number (yellow) indicates the Central Coast is effectively a net importer of workers for that occupational group (i.e., there are more jobs available than there are residents in that occupational group), and a negative number (gray) indicates the region is effectively a net exporter of workers for that group.



The Central Coast’s talent pipeline for postsecondary degrees is dominated by liberal arts, social sciences, and business management. Roughly two of every five higher education awards are in one of these fields (43 percent). By comparison, STEM disciplines like engineering (6 percent), mathematics (3 percent), computer science (2 percent), architecture (0.9 percent), and engineering technicians (0.4 percent) comprise a much smaller share of the talent pipeline.

**FIGURE 21. DISTRIBUTION OF COMPLETED HIGHER EDUCATION AWARDS BY PROGRAM ON THE CENTRAL COAST, 2021**  
INCLUDES FOR-CREDIT AWARDS GRANTED AT ALL LEVELS\*



\*Details for values under 0.9% are not shown due to readability. These programs, along with the number of awards and the percent that the program represents of the total (shown in parenthesis), are as follows: Area, Ethnic, Cultural, Gender, and Group Studies 183 (0.6%); Communications Technologies/Technicians and Support Services 165 (0.5%); Culinary, Entertainment, and Personal Services 150 (0.5%); Engineering/Engineering-related, Technologies/Technicians 111 (0.4%); Mechanic and Repair Technologies/Technicians 103 (0.3%); Precision Production 66 (0.2%); Public Administration and Social Service Professions 49 (0.2%); Legal Professions and Studies 46 (0.2%); Construction Trades 21 (0.1%); and Transportation and Materials Moving 4 (0.0%).  
Source(s): National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS); Lightcast 2022-4—QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.  
Note(s): Awards shown include general programs with at least 25 average annual completions between 2010 and 2021.



# SWOT ANALYSIS

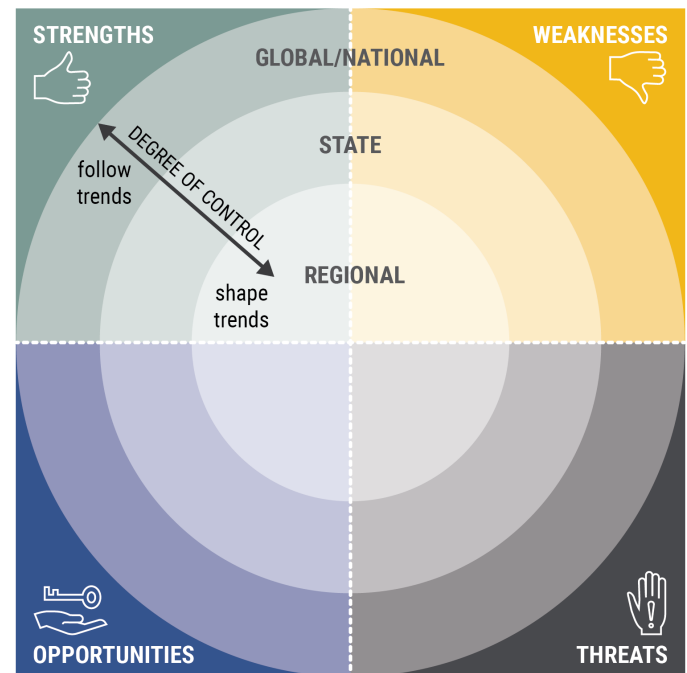
The culmination of the planning process was an analysis of the Central Coast’s strengths, weaknesses, opportunities, and threats (SWOT). The analysis presented in this section summarizes the quantitative and qualitative findings as they relate to the regional economy. (See Summary Background, page 7.) All of the elements of the SWOT analysis directly correlate to the Strategic Action Plan. However, the SWOT also recognizes that there are external elements or factors that have a direct impact on the Central Coast’s regional economy. Although the region has less control over these global or national factors, the Strategic Action Plan provides recommendations for supporting regional partners in mitigating or overcoming these challenges. For example, the global supply chain has been broadly impacted by the COVID-19 pandemic, a situation that is compounded by national and global trade policies. Although the Central Coast has little influence over these factors, the region can invest in local supply chains to support and grow their industry clusters. Similarly, the Central Coast alone cannot reverse the impacts of global climate change. However, it can invest in resilient infrastructure to withstand these impacts and lessen the disruptions that could interrupt business operations.

The SWOT analysis can, and should, be revisited and updated on a regular basis throughout implementation of the five-year plan. This approach will allow the region to recognize and capitalize on new opportunities, realistically reevaluate weaknesses, and continue to develop partnerships across the region.

The four components of a SWOT analysis can be defined as follows.

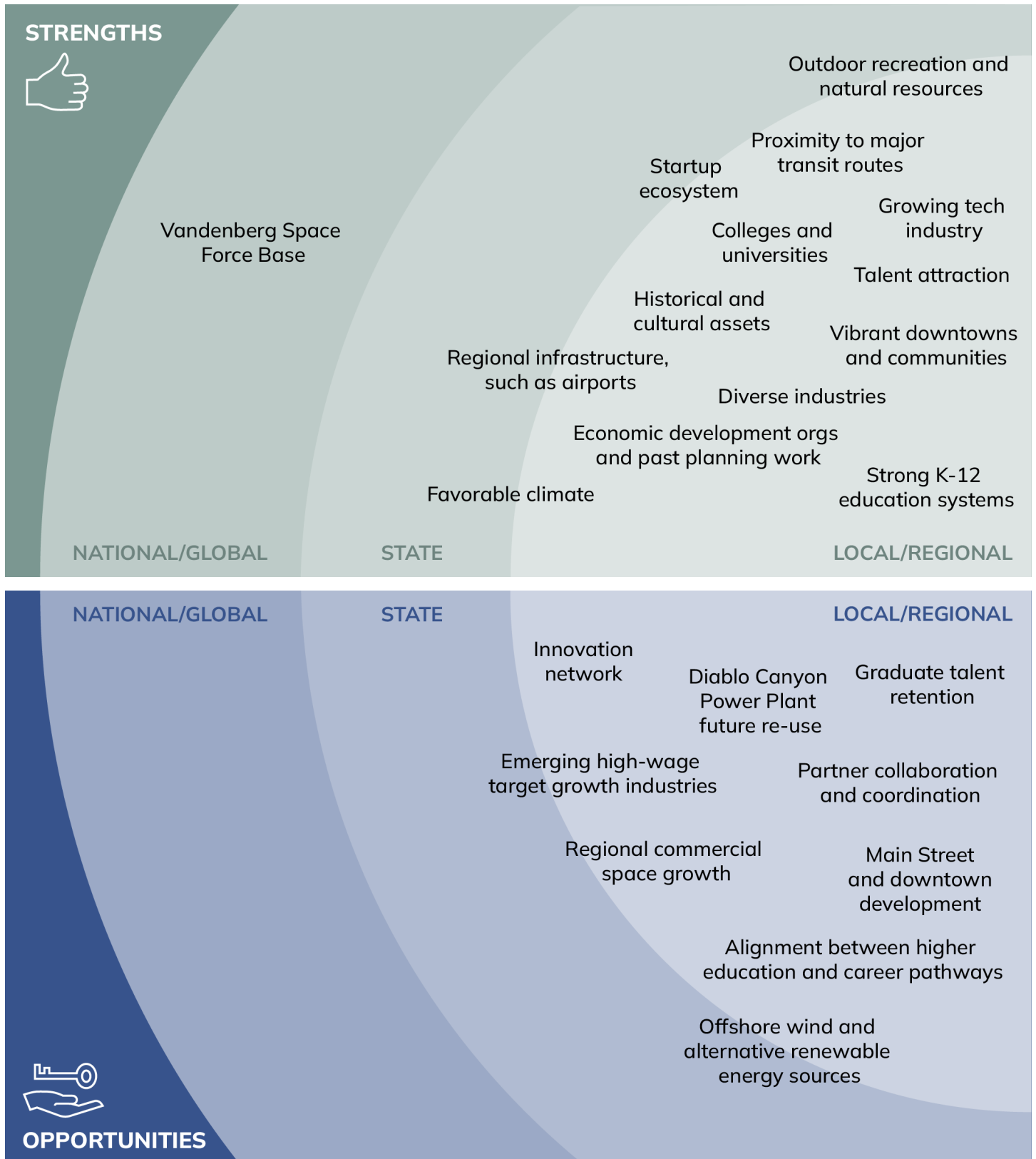
- + **Strengths.** Assets and resources that can be built on to grow, strengthen, and diversify the regional economy.
- + **Weaknesses.** Liabilities and barriers to economic development that could limit economic growth potential.
- + **Opportunities.** Competitive advantages and positive trends that hold potential for the attraction of new businesses, investments, and skilled workers.
- + **Threats.** Unfavorable factors and trends (often external) that could negatively affect the regional economy.

FIGURE 22. SWOT OVERVIEW



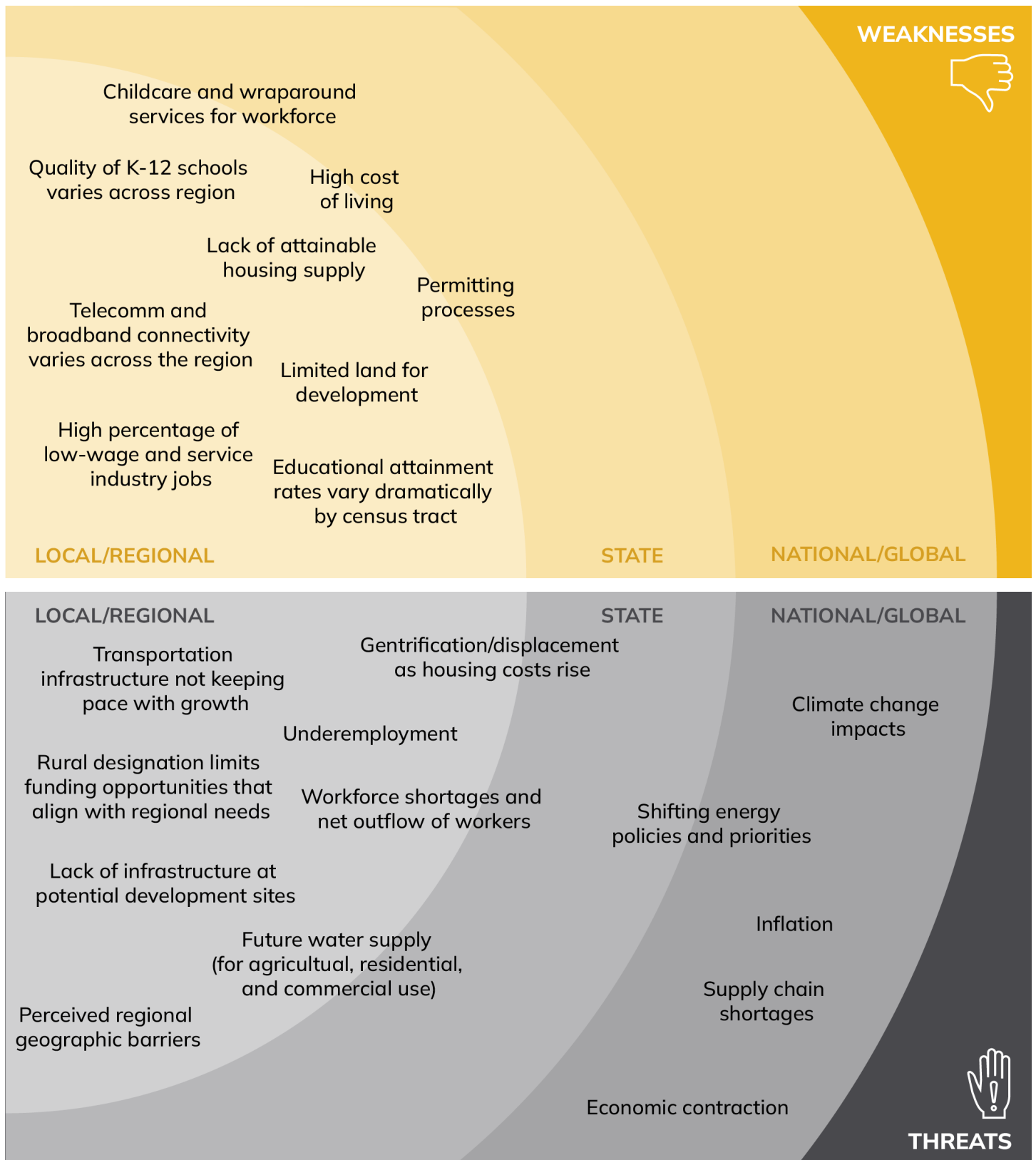
Source(s): TIP Strategies, Inc.

FIGURE 23. CENTRAL COAST STRENGTHS AND OPPORTUNITIES



Source(s): TIP Strategies, Inc.

FIGURE 24. CENTRAL COAST WEAKNESSES AND THREATS



Source(s): TIP Strategies, Inc.

# STRATEGIC ACTION PLAN

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# ABOUT THE ACTION PLAN

The *Resilience Roadmap* is the region’s guide to coordinated economic development efforts on the Central Coast over the next five years. Through a robust stakeholder engagement process, the Central Coast came together to identify the region’s most pressing challenges and greatest opportunities for achieving generational economic prosperity for all residents.

The four guiding principles in this CEDS—future-focused, inclusive and equitable growth, sustainability and resilience, and regional collaboration—complement and build on one another to create a holistic approach to economic development within each of the three goals: people, innovation, and place. The CEDS includes new and existing initiatives identified and developed by the CEDS Strategy Committee, with the input of diverse stakeholders. Case studies, indicated by numbered icons (1), are integrated into the CEDS Strategic Action Plan to share examples of how communities on the Central Coast and elsewhere have creatively addressed their weaknesses and capitalized on their assets. Case studies are located at the end of each goal.

Just as the CEDS was crafted with input from diverse partners, the plan’s implementation will require the support of a wide range of partners. It cannot be left to one organization to drive this plan. Once implemented, this plan will position the region competitively to attract new public and private investment, as well as achieve equitable economic growth.

## GOAL 1. PEOPLE

Talent continues to be a primary driver of business investment decisions, and, in turn, regional economic growth. Ensuring that the regional labor force meets the needs of businesses, and that the labor force has access to meaningful and good-paying work, is essential to long-term prosperity. The Central Coast benefits from its renowned network of higher education institutions, including Cal Poly and UC Santa Barbara, as well as Allan Hancock College, Cuesta College, and Santa Barbara City College. Coordination and collaboration across all stages of workforce development, including K–12 through postsecondary education, upskilling and reskilling the existing workforce, and the development of paid internship and apprenticeship programs, are required to ensure residents have the skills they need to thrive.

However, employers across the region, in nearly every sector, are struggling to find talent. Reasons for this struggle vary. The region’s high cost of living and lack of available and attainable housing (addressed in Goal 3) impedes the ability of recent graduates to remain in the region and inhibits talent looking to relocate to the area. The lack of available childcare options<sup>12</sup> and the cost of these services keeps some parents out of the workforce, a situation that disproportionately impacts women and lower-wage workers. Transportation limitations, such as the lack of a robust and efficient regional public transportation system, restrict employment options for workers who live far from significant employment centers. Populations throughout the Central Coast, including workers with outdated skills or low levels of educational attainment, have also been left behind, as jobs become more technical and require additional training.

Although workforce development practitioners and education professionals often lead the execution of strategies to address these needs, economic development practitioners also have an essential role in this space. They can serve as a convener, bringing together the private sector and workforce development providers to understand challenges, address barriers, and capitalize on opportunities.

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<sup>12</sup> Center for American Progress, “[U.S. Child Care Deserts](#)” (mapping application).



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## STRATEGIES AND ACTIONS

### 1.1. PATHWAYS. Align workforce development efforts to ensure clear pathways to good-paying jobs.

- 1.1.1. Build on existing career pathways work,<sup>13</sup> focusing on the region's target clusters, skilled trades, and in-demand occupations, such as healthcare. An example would be the pathway from a certified nursing assistant (CNA) to a registered nurse (RN). ①
- 1.1.2. Upskill and reskill the existing workforce, including through incumbent worker and on-the-job training (OJT) programs, to support upward mobility.
- 1.1.3. Assist businesses with employee cross-training programs and continuity planning to build resilience within teams and organizations.
- 1.1.4. Develop online resources and networking opportunities for job seekers in the region, including partner placement.
- 1.1.5. Build awareness of the opportunities for career and technical education (CTE) within the existing workforce, as well as emerging talent (see Action 1.2.3).
- 1.1.6. Support career guidance and skill development for formerly incarcerated individuals and veterans to ensure pathways to reentry into the workforce.



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<sup>13</sup> South Central Coast Regional Planning Unit, *WIOA Regional Plan 2021–2024, 2 Year Modification*, submitted March 31, 2023.

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**1.2. YOUTH.** Invest in efforts to prepare the region’s youth for the jobs of the future.

**1.2.1.** Coordinate with the private sector, workforce development partners, and local schools to increase awareness among K–12 students of the range of career opportunities in the region. ② ③

**1.2.2.** Promote paid internship and apprenticeship opportunities in the region to build awareness of available career paths on the Central Coast.

- Reach out to businesses/employers to increase readiness and willingness to hire interns.

**1.2.3.** Target workforce development efforts at young adults not currently in school or in the workforce (“Opportunity Youth”) to connect them to career opportunities (see Action 1.1.5). ④

**1.3. PARTNER COORDINATION.** Increase coordination among the private sector, economic development, workforce development, and education institutions (see Action 2.1.6).

**1.3.1.** Support the growth of postsecondary programs in the region’s high-demand industries, including the expansion and addition of offerings through satellite campuses.

- Align efforts to current strategic plans with the region’s colleges and universities, which includes increasing enrollments, facilitating transfers to other programs, expanding four-year degree offerings, and raising program completions.

**1.3.2.** Regularly convene leaders in the private sector, philanthropic organizations, and higher education institutions to ensure workforce development alignment (see Action 3.5.4). ⑤

**1.3.3.** Leverage existing efforts by workforce<sup>14</sup> and higher education<sup>15</sup> partners to facilitate transitions from local education systems to the workforce.

- Consider the formation of a task force charged with identifying existing postsecondary initiatives that could be expanded geographically or scaled up.

**1.4. TALENT ATTRACTION AND RETENTION.** Strengthen the regional labor pool by retaining talent, including recent graduates, and attracting outside talent to fill gaps.

**1.4.1.** Formalize and expand networking opportunities to connect regional talent to the community.

- Target high mobility groups, such as remote workers, entrepreneurs, and young professionals, to deepen their connection to the community.
- Track graduates from regional higher education institutions as a target pool for future talent attraction.
- Explore methods to track high school graduates who leave the region for higher education as a pool for future “return home” campaigns.

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<sup>14</sup> See, for example, Karen Miles. *Guided Pathways Begin in High School: Models and Ideas* (Community College Version). April 2020.

<sup>15</sup> See, for example, The RP Group. *Students Speak Their Truth about Transfer: What They Need to Get through the Gate*. May 2020.

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- 1.4.2. Leverage tourism promotion for coordinated and targeted talent attraction efforts (see Actions 3.4.1, 3.5.3).
  - 1.4.3. Host in-person and virtual job fairs and hiring events to reach populations inside and outside of the region. When possible, encourage youth and their parents to attend to learn more about the companies and job opportunities in the region (see Strategy 1.2).

**1.5. WRAPAROUND SERVICES.** Work in collaboration with community-based organizations and regional workforce development partners to deliver wraparound services to help increase the labor force participation rate and reduce barriers to work.

- 1.5.1. Advance digital literacy, remove barriers to high-speed internet service, and improve access to broadband-ready devices on the Central Coast (see Action 3.3.3). A local example includes the County of Santa Barbara's Digital Equity Coalition.
- 1.5.2. Increase access to high-quality and affordable childcare programs and promote family friendly workplaces.
- 1.5.3. Address barriers to transportation and improve public transit between residential and major employment centers (see Action 3.3.4).
- 1.5.4. Coordinate with regional providers, including mental health, to ensure workers have the healthcare support they need.

## LOCAL AND NATIONAL CASE STUDIES

### 1 EARN UP CAREER PATHWAYS

**Location:** Northeast Florida

**Website:** [Earn Up](#)

Earn Up is a multi-faceted workforce development initiative serving the seven-county region of Northeast Florida. Funded by JAXUSA Partnership, the region's economic development organization, Earn Up is a collaborative of partners focused on moving residents "from classroom to career." One of the initiative's core components is the use of career pathways that allow Northeast Florida residents to build careers in the region's target sectors and supporting industries. Through the program, Earn Up looks at occupations, annual demand, and wages, and then maps out career paths based on education and training requirements, with options ranging from high school completion through advanced degrees, all of which are available from career and technical education programs, community colleges, and universities in Northeast Florida. Earn Up's Career Pathways Campaign was named a Gold Winner in Talent Development Programs by the International Economic Development Council as part of its 2022 Excellence in Economic Development Awards. In addition to career pathways tools, Earn Up has resources for connecting students, adult learners, and veterans to internship and apprenticeship opportunities.

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## 2 iINNOVATE INITIATIVE

**Location:** San Luis Obispo, California

**Website:** [San Luis Coastal Education Foundation](#)

iINNOVATE is a K–12 district-wide strategy to meaningfully and equitably integrate 21st century learning across subjects, grade levels and school sites, while aiming to build an inclusive talent pipeline. iINNOVATE aims to connect student learning to the real world, equipping them with the skills necessary to succeed in a changing global economy. Through hands-on learning, innovation labs on every district campus offer engaging learning environments that cultivate curiosity and empower kids to actively explore real world challenges. From the overarching program design to the individual classroom units, iINNOVATE is designed to create connections between K–12 learning and the regional jobs of the future. **REGIONAL ASSET**

## 3 PROMISE PROGRAMS

**Location:** Central Coast

**Websites:** [The Cuesta Promise](#); [The SBCC Promise](#); [The Hancock Promise](#)

The three California community colleges serving the Central Coast have taken crucial steps to expand access for graduating high school students. Allan Hancock College, Cuesta College, and Santa Barbara City College offer Promise programs that provide up to two years of education fee-free to local high school graduates. These Promise programs, funded through local community support, ensure higher education is accessible for all. **REGIONAL ASSET**

## 4 THE IMAGINATION LAB

**Location:** Plainfield, Indiana

**Website:** [The Imagination Lab](#)

In 2017, school district officials in Plainfield, Indiana, were given the opportunity to creatively repurpose a former indoor swimming pool at Clarks Creek Elementary School. Although local students performed well in standardized tests, administrators felt more could be done to actively engage students and prepare them for future careers in high-demand industries. Leaders envisioned a hands-on space where students could explore, create, and learn through experience. The Imagination Lab (the Lab) officially opened in fall 2018, with a plan for every elementary school student in the district to spend multiple days at the facility each school year. The Lab includes classrooms, collaborative space, and a studio. The flexible space design allows students and educators to support multiple functions and configurations that can change based on need. The studio is the largest of the three areas and comprises a messy space (for art and science projects), a technology space (with computers and equipment for coding and software development), a maker space, a fabrication lab, two green rooms, sound booths, and an amphitheater. In addition to hosting students during the school year, the Lab offers summer camps, evening events, and weekend programming focused on science, technology, engineering, arts, and mathematics (STEAM) and career readiness.



## 5 CUESTA COLLEGE AND ACI JET

**Location:** San Luis Obispo, California

**Website:** [Cuesta College](#)

In 2023, Cuesta College launched an Aviation Maintenance Technician program in direct response to a growing national shortage of specialized aviation technicians and local employer needs. In partnership with ACI Jet, and through financial support from the County of San Luis Obispo, Cuesta College developed a program that certifies students in accordance with Federal Aviation Administration requirements. The 18-month program prepares students to either enter the workforce upon completion as a licensed technician or to continue their education and training to prepare for careers in aerospace engineering. **REGIONAL ASSET**





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## GOAL 2. INNOVATION

Innovation plays a pivotal role in driving economic development on the Central Coast. Although the concept is often synonymous with tech startups, innovation is occurring through all sectors, and at all stages of the business lifecycle. The creation of new products, services, and technologies, regardless of the industry, can lead to increased productivity, efficiency, regulatory compliance, and competitiveness in the marketplace. Along with the provision of business support services, economic developers provide value through their role as conveners. By bringing together their partners, including public sector leaders, they provide a forum for addressing challenges and leveraging opportunities for business growth.

The Central Coast has a long history of technological innovation. This history is connected to regional higher education assets, such as Cal Poly and UC Santa Barbara, as well as to industry-specific assets, including Vandenberg Space Force Base (VSFB). In 2020, VSFB had an estimated annual economic impact of \$4.5 billion<sup>16</sup> on the regional economy and supported 16,000 jobs (direct, indirect, and induced) on the Central Coast. Technology developed at UC Santa Barbara, including infrared technology, supports military operations across the US and has attracted funding from the Defense Advanced Research Projects Agency (DARPA).<sup>17</sup> Legacy industries, such as agriculture, are also being transformed by companies like TRIC Robotics, incubated at the Cal Poly Center for Innovation and Entrepreneurship, which is deploying new technologies for pesticide reduction.



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<sup>16</sup> California Polytechnic State University. *Economic Impact of Vandenberg Air Force Base on Santa Barbara and San Luis Obispo Counties*. April 28, 2021.

<sup>17</sup> University of California, UC IT Blog, "[A Laser Breakthrough](#)," September 1, 2021.

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The region's largest employers, especially those in the healthcare industry, are continuously seeking new ways to improve the vitality of residents. UC Santa Barbara's newest research center, the Center for Aging and Longevity Studies (CALs) will be a leading driver of healthcare innovation in the region. Economic development leaders can help connect researchers with the private sector and assist budding entrepreneurs with technology commercialization. Innovation can also help the region meet its long-term sustainability goals. Advancements in renewable energy projects, like offshore wind, have the potential to spur new companies and job growth on the Central Coast. Community leaders can continue to promote innovation by investing in research and development, providing funding for startups, and creating policies and regulations that support innovation. Last, workforce and economic development partners can support education and training programs to develop a skilled workforce that can contribute to innovation.

## STRATEGIES AND ACTIONS

**2.1. BUSINESS RETENTION AND EXPANSION.** Continue to develop business retention and expansion (BRE) efforts on the Central Coast to ensure existing businesses can grow and thrive.

- 2.1.1.** Ensure the region's BRE programs are meeting the needs of businesses on the Central Coast. Services should be tailored to community needs and include, but are not limited to, mentoring, securing capital, navigating local permitting and policies, local sourcing, site selection, and workforce development. Leverage tools and resources from the [International Economic Development Council \(IEDC\)](#) and the [California Association for Local Economic Development \(CALED\)](#).
- 2.1.2.** Develop a tool for tracking the number of existing business visits conducted by economic development practitioners and partners in the region to ensure collaboration and coordination.
  - Include follow-up needs, whenever possible, such as a connection to workforce development, higher education, public sector or cross-jurisdictional partner, or a private sector company.
  - Log information, whenever possible, including, but not limited to, women- and minority-owned business status,<sup>18</sup> small business status,<sup>19</sup> and HUBZone status.<sup>20</sup>
- 2.1.3.** Support efforts to increase access to capital for businesses at all stages by working collaboratively with financial institutions and the nonprofit sector to address barriers (see Action 2.3.1).
  - Explore opportunities to create regional investor pools (or other means) to put local wealth into the community as business formation and growth capital.
- 2.1.4.** Provide business planning and modernization assistance, including, but not limited to, scaling, tech adoption, site selection and development, and continuity planning.
- 2.1.5.** Target leading employers in local industry sectors, such as healthcare, to provide workforce development, including talent attraction, and business growth support. (See page 13 for a discussion of local and traded industry sectors.)
- 2.1.6.** Identify workforce development needs, including future needs, for the private sector and foster collaboration between economic development, workforce development, and higher education partners (see Strategy 1.3).

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<sup>18</sup> See the [Statewide Supplier Diversity Program](#) and the [California Office of the Small Business Advocate](#) for more information.

<sup>19</sup> [Small business](#), as defined by the US Small Business Administration.

<sup>20</sup> [HUBZone designation](#), as defined by the US Small Business Administration.

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- 2.2. BUSINESS ATTRACTION.** Target business attraction efforts on the region’s leading target industries: aerospace, defense, and precision manufacturing; agtech; clean tech and renewable energy; and technology.
- 2.2.1. Identify gaps in the supply chain, including supporting industries, to grow the target sector’s ecosystem.
  - 2.2.2. Leverage existing businesses, such as suppliers, for business recruitment leads and connections.
  - 2.2.3. Pinpoint second-stage startups outside the region that have the potential for high growth and significant job creation. Utilize social media platforms such as LinkedIn to identify entrepreneurs and companies that may have ties to the region, such as alumni of local colleges and universities.
  - 2.2.4. Target satellite offices of larger companies, especially those that may have remote workers or business subsidiaries already in the area or with ties to the area. 6
- 2.3. ENTREPRENEURSHIP.** Continue to invest in, and expand, the development of the regional entrepreneurship ecosystem.
- 2.3.1. Assist startups with business planning, including identifying financial resources, so they can scale in the region and build a strong employee base (see Action 2.1.3). 7
  - 2.3.2. Scale and expand local mentoring programs to connect entrepreneurs to established business professionals, especially those who have been through successful exits.
  - 2.3.3. Expand business incubator and accelerator programs in the region’s target sectors (see Strategy 2.4).
  - 2.3.4. Accelerate technology transfer out of the region’s universities to the private sector, especially in target industries, and assist early-stage businesses with technology commercialization. 8
  - 2.3.5. Map regional assets and resources available to entrepreneurs and startups. Use this map to identify service gaps and to strengthen the regional entrepreneurial ecosystem.
  - 2.3.6. Build out coworking spaces and small offices to support growing businesses and foster cross-sector partnerships (see Action 3.4.4).
  - 2.3.7. Create a retention-and-growth strategy for mergers and acquisitions to ensure startups formed in the region stay.
- 2.4. TARGET INDUSTRY FOCUS.** Strengthen the region’s target industry clusters and enhance cross-sector partnerships (see Strategy 2.2: Strategy 2.3).
- 2.4.1. Develop a regional approach to bolster innovation on the Central Coast by capitalizing on the opportunities to connect research, industry, and entrepreneurs and enhance the ecosystem of infrastructure, talent, policy, and capital to allow companies to start and scale.
  - 2.4.2. Convene Central Coast industry council leaders on a consistent basis to ensure economic and workforce development partners are aware of industry needs and trends.
  - 2.4.3. Leverage existing data analyses and reports to better understand industry trends and capitalize on opportunities that align with the assets and priorities of the Central Coast.
    - Utilize sources such as [McKinsey & Company Industries](#), [Deloitte Industries and Insights](#), [Bain & Company Industry Insights](#), [JLL Industries/Trends & Insights](#), [BCG Industries and Featured Insights](#), and [PwC Industries & Sectors](#) for industry intelligence.

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- 2.4.4. Identify infrastructure needs for each of the target sectors and align those needs with potential sites or facilities (see Action 3.2.1). 9

## LOCAL AND NATIONAL CASE STUDIES

### 6 THE CENTRAL INDIANA CORPORATE PARTNERSHIP (CICP)

**Location:** Central Indiana

**Website:** [CICP](#)

The CICP was formed in 1999 to bring together chief executives from prominent corporations, foundations, and universities in a strategic, collaborative effort dedicated to the region's continued prosperity and growth. In 2001, CICP released a blueprint for economic development in Central Indiana in partnership with the Battelle Memorial Institute. The plan prioritized the region's industry clusters with a focus on entrepreneurship to diversify the economy. To advance this mission, CICP sponsors five talent and industry sector initiatives, [AgriNovus Indiana](#), [Ascend Indiana](#), [BioCrossroads](#), [Conexus Indiana](#), and [TechPoint](#). Each initiative addresses topic-specific challenges and opportunities, including talent and workforce development, industry research, business development, and collaborative partnerships. The CICP was also the lead partner in the development of the [16 Tech Innovation District](#) in downtown Indianapolis and works closely with the Indy Chamber and regional economic development partners. CICP's annual operating budget is approximately \$12 million, with a staff of 150 employees. In 2022, CICP announced a three-year, \$35 million grant from the Lilly Endowment Inc. to provide financial support for the CICP Foundation's charitable, educational, and scientific activities.

### 7 CAL POLY SLO HOTHOUSE

**Location:** San Luis Obispo, California

**Website:** [SLO HotHouse](#)

The Cal Poly Center for Innovation and Entrepreneurship SLO HotHouse is a community space created in partnership with Cal Poly, the County of San Luis Obispo, the City of San Luis Obispo, and the business community, to advance innovation on the Central Coast. The goal of the SLO HotHouse is to support students and community members starting new businesses or creating new innovations. In addition to the incubator and coworking spaces, the SLO HotHouse hosts the Cal Poly Small Business Development Center (SBDC). The SBDC serves entrepreneurs and business at all stages, and business consulting is offered at no cost. **REGIONAL ASSET**

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## 8 UC SANTA BARBARA NANOFABRICATION FACILITY AND QUANTUM FOUNDRY

**Location:** Santa Barbara, California

**Website:** [NanoFab](#) and [QuantumFoundry](#)

The UC Santa Barbara Nanofabrication facility is a world-class cleanroom that offers access to academic researchers and industry partners. The facility has 12,000 sq. ft. of class 100 and 1000 clean floor space, equipped with state-of-the-art tools for optical and electron beam lithography, deposition, etching, and metrology. The facility is open to non-university members, including the private sector, and has a professional staff of experienced engineers and scientists who provide process support, troubleshooting, consultation, and training. Over 25 companies have been formed through use of the facility in the advanced semiconductor area and over 60 companies have used the facility in the past year. More recently, UC Santa Barbara was also named the site of the nation's first NSF-funded Quantum Foundry, focused on development of materials for quantum information-based technologies. **REGIONAL ASSET**

## 9 WATER TECHNOLOGY DISTRICT

**Location:** Milwaukee, Wisconsin

**Website:** [The Water Council](#)

The Water Council grew out of a regional industry cluster analysis that revealed the depth and growth potential of the water technology cluster in Southeast Wisconsin. Formed as a nonprofit in 2009, the crosscutting initiative focuses on five outcomes related to water technology in the region: increasing research, commercializing research, promoting entrepreneurship, facilitating access to capital, and developing a specialized workforce. The Global Water Center, opened in July 2013, serves as a convening point for the industry and features 100,000 square feet of offices, meeting spaces, labs, and an auditorium. The state's \$50 million investment to create the University of Wisconsin-Milwaukee School of Freshwater Sciences (the only graduate program of its kind in the country), played a key role in advancing the cluster. In 2014, the Milwaukee regional CEDS set the goal to "become a global hub for innovation and startup activity in water technology." The establishment of the Water Technology District in 2015, with the Water Center and the School of Freshwater Sciences as the two primary anchors, has drawn more than \$220 million of new public and private investments. In 2021, the region's [updated CEDS](#) prioritized equitable economic and workforce development in the sector, as well as building more cross-sector partnerships. The Water Council has been instrumental in connecting companies across all sectors with water tech companies to provide sustainability solutions. The City of Milwaukee has also leveraged the research and technology developed in the Tech District and is a national leader in green infrastructure and wastewater treatment. The region's water industry is a \$10.5 billion market, and now includes over 200 companies that employ more than 37,000 people statewide.



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## GOAL 3. PLACE

The Central Coast is a highly desirable location offering residents and businesses diverse options for rural and urban lifestyles. The region’s temperate climate and opportunities for year-round outdoor recreation make the Central Coast attractive for a wide range of ages, from retirees to families, as well as young adults who are drawn to the region for higher education opportunities. This desirability does not come without drawbacks, however. The region’s high cost of living, especially escalating housing costs, has made the area unattainable for many residents, particularly those in the agriculture and service sector, but also middle-income workers, such as teachers and nurses. This “missing middle” housing shortage has impacted employers, as their workers often cannot find housing in the region.<sup>21</sup> A gradient of housing options that allows households to live affordably, families to grow, and seniors to downsize, each when the timing is right for them, is a critical need. Achieving this objective will require a broad range of sustained housing production to meet the needs of the majority of the region’s residents.

In addition to a lack of residential development, one major economic growth constraint for the region is the availability of commercial and industrial land. This constraint limits the expansion of existing businesses and inhibits new businesses considering relocating to the Central Coast. The region will need to work collaboratively and creatively to form a pipeline of potential sites for future development. Identifying sites, including those not currently available to transact, will be the first step in addressing this challenge. Furthermore, as residents and businesses continue to seek lower-cost sites outside the Central Coast’s largest communities, new pressures are placed on regional infrastructure systems. Public and private investment will be needed to mitigate the region’s growth-related challenges, which include increased congestion on roads (as workers commute farther), unprecedented demands on water and wastewater systems (as infrastructure is extended to historically rural areas), and inadequate broadband infrastructure (which is required to support an increasingly online world).

However, this growth also offers opportunities for some of the region’s historically underserved and underinvested communities, especially in rural and unincorporated areas. Thoughtful and intentional investments in infrastructure and development readiness can make these regions more desirable. Communities must balance this new growth with agricultural land, public spaces, authenticity, and historical character to ensure a sustainable and resilient future. Vibrant communities, including downtowns and Main Street coordinators, are vital to attract residents and businesses. Supporting and expanding community initiatives, such as the County of Santa Barbara’s [2030 Climate Action Plan](#) and the City of San Luis Obispo’s [Climate Action Plan](#), are critical to the long-term vitality and sustainability of the region. The strategies and actions in this goal position the region for sustainable growth, while maintaining the high quality of life residents and visitors value.

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<sup>21</sup> Opticos Design, Inc., “[Missing Middle Housing](#).”



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## STRATEGIES AND ACTIONS

**3.1. HOUSING.** Prioritize the sustained development of a full spectrum of residential products on the Central Coast to ensure talent can remain and grow in the region.

**3.1.1.** Support the increase of housing units, including mixed income developments, that are attainable to the region's workforce and align with regional plans.<sup>22</sup>

- Establish a regional housing and infrastructure coalition focused on increasing the number of attainable housing units in the Counties of San Luis Obispo and Santa Barbara. 10

**3.1.2.** Deploy anti-displacement strategies to ensure residents can remain in their homes regardless of changes in property value and to build generational wealth by developing pathways to homeownership.

**3.1.3.** Prioritize transit-oriented development<sup>23</sup> and ensure spatial alignment between residential developments and employment centers.

**3.1.4.** Support regional efforts and community partners working to address the needs of unhoused residents.



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<sup>22</sup> Including the County of Santa Barbara [2023–2031 Housing Element Update](#) and the County of San Luis Obispo [2020–2028 Housing Element](#).

<sup>23</sup> See the [Transit Oriented Development Institute](#) website for more information.

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**3.2. SITE IDENTIFICATION AND READINESS.** Develop a long-term pipeline of commercial, industrial, and residential sites throughout the Counties of San Luis Obispo and Santa Barbara.

- 3.2.1.** Create a regional inventory of large and significant developable sites for employment centers and residential housing (see Action 2.4.4).
- Organize and tier sites based on development readiness, noting any barriers to development (see Strategy 3.3).
  - Highlight tools, such as Opportunity Zones, that can be leveraged to encourage development.
  - Map sites and overlay with information, including, but not limited to, existing infrastructure, industry concentrations, and workforce development and training assets. **11**
- 3.2.2.** Identify vacant and underutilized properties (including infill), especially in urban and underserved areas, that could be redeveloped for commercial or residential use.
- Consider adopting ordinances, such as zoning changes or parking reduction, or incentives, such as density bonuses or lowered development impact fees, to support infill development.<sup>24</sup>
- 3.2.3.** Enable a regional liaison to provide streamlined permitting assistance to developers, especially in small municipalities where staffing capacity is limited.
- 3.2.4.** Support the use of clean building materials and sustainable building practices across the region.
- 3.2.5.** Adopt and promote local vendor and procurement policies, as well as guide small businesses through the bid process to secure public contracts.

**3.3. INFRASTRUCTURE.** Invest in resilient and sustainable infrastructure systems that serve the businesses and people on the Central Coast, with a focus on opportunities to better connect rural and unincorporated areas to urban centers.

- 3.3.1.** Support critical regional infrastructure projects, especially those along principal transportation corridors, such as Highway 101.
- 3.3.2.** Explore and implement sustainable solutions for managing water resources, including wastewater treatment and stormwater mitigation.
- Utilize tools such as Risk Factor<sup>25</sup> to identify sites and infrastructure that may be susceptible to climate change related factors, including flood, wind, fire, or temperature.
- 3.3.3.** Expand existing broadband and fiber development efforts, including middle- and last-mile connections, across the entire Central Coast region, in addition to redundancy measures (see Action 1.5.1).
- 3.3.4.** Invest in efficient and sustainable public transit systems that connect residential areas to employment centers.
- 3.3.5.** Target investment in non-motorized transit corridors, such as bike and pedestrian trails, especially those that link residential areas to employment centers and recreational assets.
- 3.3.6.** Approach flight route development from a regional and coordinated perspective and support critical facility improvements needed to accommodate growth.

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<sup>24</sup> The 14-county, bi-state Charlotte, North Carolina-South Carolina, region (CONNECT Our Future) has prioritized infill development and provides examples, resources, and case studies for local community leaders.

<sup>25</sup> RiskFactor is a mapping platform that identifies property risks due to climate impacts, like wildfire, flooding, temperature, and wind.

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3.3.7. Secure state and federal funding to bolster rail infrastructure that enables the flow of goods and people within the region, as well as connects to outside markets.

3.3.8. Maintain and invest in waterfront and supporting infrastructure, including ports and marinas, for both commercial and recreational users.

- Consider potential opportunities around projects for commercial and recreational fishing, seafood businesses, and other maritime and blue/green economy industries that foster economic and climate resilience.

**3.4. QUALITY OF LIFE.** Ensure the Central Coast maintains its high quality of place for residents and visitors in every corner of the region.

3.4.1. Continue to promote and develop the region’s arts and creative economy (including cultural and historical assets, events, and festivals) and to activate public spaces by investing in arts and cultural amenities (see Actions 1.4.2, 3.5.3).

3.4.2. Amplify the region’s agritourism industry to include events and venues, such as farmers’ markets, wineries, and farm-to-table offerings.

3.4.3. Use tools like Park Serve<sup>26</sup> to identify areas where the development of parks and connected trail systems could increase access for residents.

3.4.4. Strengthen the vitality and development of downtowns, central business districts, and Main Streets throughout the region. Ensure these areas have a range of amenities and spaces to accommodate housing, coworking spaces and offices, as well as retail space, in order to attract businesses, residents, and visitors (see Action 2.3.6).

3.4.5. Support the creation of inclusive, multiuse public spaces that promote community development and foster a sense of belonging.

**3.5. REGIONAL COLLABORATION.** Build robust and collaborative partnerships across the community, economic, and workforce development sectors.

3.5.1. Evaluate the formation of an economic development district<sup>27</sup> for the Counties of San Luis Obispo and Santa Barbara, considering structure, membership, and fiscal management. <sup>12</sup>

3.5.2. Support the development of a regional Central Coast association of nonprofits for the Counties of San Luis Obispo and Santa Barbara.

3.5.3. Enhance partnerships between tourism promotion and economic development (see Actions 1.4.2, 3.4.1).

3.5.4. Regularly convene thought leaders in the private sector, economic development, workforce development, and higher education to collaboratively address the region’s most pressing needs (see Action 1.3.2).

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<sup>26</sup> ParkServe® is a free mapping platform developed by the Trust for Public Lands, which can be used to inform park planning, including statistics on the population living within a 10-minute walk.

<sup>27</sup> US EDA website, “[Economic Development Districts](#).”



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## LOCAL AND NATIONAL CASE STUDIES

### 10 MISSING MIDDLE HOUSING STUDY

**Location:** Arlington County, Virginia

**Website:** [Housing Study](#)

Arlington County, Virginia, has been actively addressing regional housing shortages since 2015 when the county launched its first Affordable Housing Master Plan (AHMP) to better understand the need for housing and to identify gaps among demand, income, and supply. This effort was followed by a zoning ordinance amendment in 2017 that relaxed site development standards for accessory dwelling units. Furthermore, a [Housing Conservation District](#), which is part of the county's Housing Arlington initiative, was created to incentivize property owners to offer housing at affordable rates to low- and moderate-income households. In 2020, the county launched a Missing Middle Housing Study to explore how new housing types could address shortfalls. The county completed a full update of the AHMP in 2021, as well as updated tools to increase the supply of market-rate multifamily housing. In 2023, this study entered its third phase.

### 11 REGIONAL INDUSTRIAL SITE READINESS INVENTORY

**Location:** Greater Portland, Oregon–Washington MSA

**Website:** [Site Readiness Toolkit](#)

For the past 20 years, Portland regional partners have maintained an [inventory](#) of significant sites (25+ acres) to ensure the region has a pipeline of industrial and commercial land. Every site in the inventory is evaluated and tiered for development readiness—from shovel ready to serious constraints. This initiative is fully staffed and is updated approximately every five years to reevaluate every site. In 2020, Portland's regional government, Metro, launched the Site Readiness Toolkit, a new initiative to provide guidance on how to prepare underutilized land for development. This initiative also leveraged data and analysis from Metro's [Economic Value Atlas](#) (which maps concentrations of target industries, infrastructure assets, and sociodemographic information) and the [Equitable Development Index Tool](#) (which includes models that consider how to advance equity outcomes). The Site Readiness Toolkit is available to all jurisdictions and partners in the Greater Portland region.

### 12 CASCADES WEST ECONOMIC DEVELOPMENT DISTRICT

**Location:** Albany, Oregon

**Website:** [CWEDD](#)

The Cascades West Economic Development District (CWEDD) is an EDA-designated economic development district comprised of four counties in west central Oregon. The CWEDD is housed within the Oregon Cascades West Council of Governments (OCWCOG) and staffed by OCWCOG and the Lane Council of Governments (LCOG). CWEDD is responsible for developing the region's CEDS and advocates for, supports, and coordinates regionally significant economic development activities. By leveraging the region's commitment to regionally focused economic development through its EDD designation, the region has attracted over \$1 million in federal and state funding for projects ranging from brownfield redevelopment to transportation and infrastructure funding to microentrepreneur assistance.

# KEY INITIATIVES

The *Resilience Roadmap* identifies three initiatives that align with each of the plan’s goals. When implemented, these projects (described in Figure 25), have the potential to transform the region by deepening partnerships and fostering cross-sector collaboration.

The first project, focused on career pathways, builds on existing work to ensure talent is prepared for the region’s job opportunities and that the training requirements needed to obtain quality employment are offered locally. Under innovation, a focus on cross-sector partnerships that leverage the region’s existing companies, workforce, and assets will spur economic growth in target sectors. Last, under the place goal, the formation of a regional housing and infrastructure coalition will identify and remove barriers to addressing residential housing shortages. This coalition has the potential to dramatically influence regional opportunities around development.

All three of these initiatives will require regional collaboration across public, private, and community partners to come to fruition.

**FIGURE 25. KEY INITIATIVES OVERVIEW**

<b>PEOPLE</b> GOAL 1	<b>CAREER PATHWAYS FOR INNOVATIVE INDUSTRIES</b> Launch a comprehensive initiative that aligns education and workforce programs and supports accessible career pathways into the four target industries: aerospace, defense, and precision manufacturing; agtech; clean tech and renewable energy; and technology, in coordination with private sector workforce needs (see Action 1.1.1).
<b>INNOVATION</b> GOAL 2	<b>INNOVATION NETWORK</b> Develop a regional approach to bolster innovation on the Central Coast by capitalizing on the opportunities to connect research, industry, and entrepreneurs and enhance the ecosystem of infrastructure, talent, policy, and capital to allow companies to start and scale (see Action 2.4.1).
<b>PLACE</b> GOAL 3	<b>HOUSING AND INFRASTRUCTURE COALITION</b> Establish a regional housing and infrastructure coalition focused on increasing the number of attainable and affordable housing units in the Counties of San Luis Obispo and Santa Barbara through strategic planning and coordination focused on advancing a more collaborative regional approach (see Action 3.1.1).

# EVALUATION FRAMEWORK

In order to achieve the Central Coast’s vision—a *dynamic region where current and future generations thrive, and businesses innovate and excel*—partners must come together from both counties and work collaboratively to implement the CEDS. Metrics to track the plan implementation are a vital component. They measure progress toward goals and determine if actions are impacting the strategies and meeting desired objectives. An evaluation framework should include broad indicators of community health as well as distinct metrics that align with the CEDS goals of supporting people, fostering innovation, and developing quality of place. In addition to the evaluation framework, the CEDS implementation matrix, delivered separately, provides a tool for tracking plan progress. The implementation matrix is a spreadsheet version of the CEDS Strategic Action Plan, which allows for real-time adjustments to action items. The matrix also includes information on lead and supporting partners, the timeline for implementation, and a place to capture notes on progress.

The community indicators, or baseline CEDS performance metrics, include publicly available data sources at the national level, which allow for longitudinal tracking and comparisons to peer and aspirational communities across the US. These metrics, described in Figure 26, serve as a starting point to evaluate the regional economy. Whenever possible, indicators should be disaggregated by gender and race/ethnicity to provide greater insight into these populations.

**FIGURE 26. BASELINE CEDS PERFORMANCE METRICS**  
INDICATORS OF GENERAL COMMUNITY HEALTH AND PROGRESS

TOPIC	EXAMPLES
<b>Demographics</b>	Population trends, age structure, gender, ethnic and racial diversity
<b>Socioeconomics</b>	Per capita income, median household income, poverty rate, educational attainment
<b>Housing</b>	Home values, mortgage/rent burden, mortgage equity, homeownership by race, new housing construction
<b>Workforce</b>	Civilian labor force, unemployment rate, median wage, commuting patterns
<b>Industry</b>	Job growth (all industries), target sectors (location quotient, firm growth, employment), new business establishments
<b>Other</b>	Air travel trends (passengers, daily flights), lodging data, visitor spending

Source(s): TIP Strategies, Inc.

Additional metrics should be identified and added throughout the plan’s implementation as actions are completed and new strategies are deployed. Suggested metrics for the short term (the first two years of plan implementation) are indicated in Figure 27 (page 55). However, these should be updated on a regular basis throughout plan implementation. Furthermore, just as the CEDS is designed to be a dynamic and evergreen plan, evaluation metrics are also adaptable to changing conditions.

Due to the five-year planning horizon of the CEDS, not every metric needs to be tracked at project onset and some measures may require additional resources to track, extending the timeline for their implementation. The SWOT analysis should also be updated on a regular basis to reevaluate the region’s progress on addressing weaknesses and threats and capitalizing on opportunities and strengths. Overcoming weaknesses through collective or cumulative actions may be one of the most significant CEDS implementation outcomes that may not be inherently recognized through traditional



metrics. Capturing these changes, along with new opportunities, strengths, and threats, will ensure the region is proactively addressing economic changes.

The CEDS ensures that all regional economic development priorities are centralized into one strategic plan. It also helps streamline economic development activities, effectively reducing any potential duplication of efforts. This evaluation framework allows for transparent communication on progress toward plan implementation and provides a mechanism for determining if the strategies are meeting the defined objectives of the CEDS.

**FIGURE 27. STRATEGIC ACTION METRICS**  
INDICATORS OF PROGRESS ON CEDS IMPLEMENTATION

GOAL	EXAMPLES (FROM KEY INITIATIVES)
<b>People</b> Goal 1	Career pathways program implementation (such as industry consortium meetings, number of program completions)
<b>Innovation</b> Goal 2	Innovation network initiative implementation (such as identification of partners, formation of a task force, and/or launch of feasibility study)
<b>Place</b> Goal 3	Housing and infrastructure coalition implementation (such as establishment of joint SBCAG/SLOCOG committee)

Source(s): TIP Strategies, Inc.



