INVESTING IN INCLUSIVE REGIONAL CAPACITY
CATALYZING INVESTABLE COMMUNITIES
BRINGING COMMUNITY VISION TO LIFE

Catalyst Predevelopment Fund
Comprehensive Approach

Create **near-term pathways for investment** into communities while continuing to **invest in** inclusive economic development and regional governance

**TRANSFORM GOVERNANCE**
Create an enabling environment to co-create shared priorities in collaboration with diverse stakeholder groups.

**CATALYZE PROJECTS**
Develop a pipeline of projects aligned with community priorities and CERF program objectives.

**BRING VISION TO LIFE**
Leverage historic funding opportunities to construct ready-to-go projects developed through the planning and pre-development phases.
OBJECTIVE
Continue supporting communities in coming to the table

<table>
<thead>
<tr>
<th>EQUITY &amp; INCLUSION</th>
<th>Incorporate community voice in an inclusive decision-making process.</th>
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</thead>
<tbody>
<tr>
<td>CLIMATE &amp; SUSTAINABILITY</td>
<td>Support the state’s shift to a carbon-neutral economy by prioritizing funding for projects and programs that support climate and equity goals.</td>
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<tr>
<td>ECONOMIC PROSPERITY FOR ALL</td>
<td>Create good-paying jobs and support pathways to high quality jobs.</td>
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OBJECTIVE
Catalyze Investable Communities

Maximize investment opportunities into communities while ensuring alignment with CERF objectives of inclusion, equity, and sustainability
Maximize Investment into Communities
Align timeline with historic federal and state funding opportunities

$190 Billion in Federal Funding for California

- $48 Billion* California Climate Commitment 3-Year Horizon*
- $41.9 Billion* Infrastructure Investment and Jobs Act 2026 Horizon*
- ~$390 Billion* Inflation Reduction Act 2026 Horizon*
- ~$52 Billion* Chips & Science Act 2026 Horizon*
Supporting a new generation of community-led investments

Deficit of ready-to-go projects
Few ready-to-go projects; $50 million available for CERF pilot projects but $39 million funded

Need for capacity and pre-development
Many disinvested communities do not have a portfolio of ready-to-go projects

Current pipeline not aligned with state goals
Governor’s recent infrastructure report shows current pipeline of ready-to-go projects not aligned
FEEDBACK RECEIVED
Across comment letters and workshop sessions

1. 300 organizations and individuals statewide
2. 140 unique pieces of feedback
## What we heard

<table>
<thead>
<tr>
<th>THEME</th>
<th>OPPORTUNITIES FOR IMPROVEMENT</th>
<th>CATALYST 2.0</th>
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<tbody>
<tr>
<td>Administrative</td>
<td>• Transparency, expedient contracting, extended deadlines, and retention of funds in regions if not used</td>
<td>• Application no more than eight pages</td>
</tr>
<tr>
<td>Equity and Disinvested Communities</td>
<td>• Allocation of funds not proportionate to size of regions</td>
<td>• Ensure broad access to inclusive economic development in each region, while allowing discretion on most equitable use of funds to HRTCs</td>
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<td></td>
<td>• Standard definitions and metrics of equity and other key program considerations</td>
<td>• Evaluation metrics currently under development</td>
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<tr>
<td>State Process and Communications</td>
<td>• Make materials accessible and available in multiple languages</td>
<td>• Program factsheet and updated FAQs will be made available in multiple languages</td>
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<tr>
<td></td>
<td>• Need for clear terminology</td>
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<tr>
<td>Catalyst Program Design</td>
<td>• Funding amount too large for some regions to liquidate and takes too much away from implementation phase</td>
<td>• Decrease to $14 M per region, including up to $2 million for HRTC operations</td>
</tr>
<tr>
<td></td>
<td>• Catalyst should support HRTC activities and planning</td>
<td></td>
</tr>
<tr>
<td>Catalyst Funding Buckets</td>
<td>• Need for flexibility in buckets</td>
<td>• Less prescription in required funding categories</td>
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Catalyst 2.0

- **$14 million** per region to bridge inclusive economic planning with project and program implementation
  - Up to **$2 million** in HRTC operations
  - Up to **$1.5 million** towards Sector Investment Coordinators
  - Up to **$9 million** for project pre-development activities
  - Up to **$1.5 million** towards grant administration and compliance (Fiscal Agent overhead)
CERF’s three phases

Creating pathways for investment that will bring **bottom up, regionally governed** economic blueprints to life – creating good-paying jobs, prosperous communities, and a clean energy economy.

<table>
<thead>
<tr>
<th>March 2023</th>
<th>September 2026</th>
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<tbody>
<tr>
<td><strong>PLANNING PHASE</strong></td>
<td><strong>PRE-DEVELOPMENT PHASE</strong></td>
</tr>
<tr>
<td>$5 million per region</td>
<td>$14 million per region</td>
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<td>Developing regional economic visions in partnership with communities</td>
<td>Catalyzing a portfolio of projects and programs that are positioned for state, federal, and private investment</td>
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Catalyst Timeline

**Planning Phase: March 2023-September 2024**

- **Early September**
  - Final guidelines and notice of funding availability

- **Mid-November**
  - Applications due

**Predevelopment: September 2023-September 2026**

- **Fall**
  - Catalyst 2.0 Webinar

- **May 2024**
  - Awards made

**Implementation phase**