



COUNTY OF MENDOCINO: ECONOMIC RESILIENCE ANALYSIS

MOVE 2030 FORUM

Economic Insights | Business Expertise | Public Policy Experience

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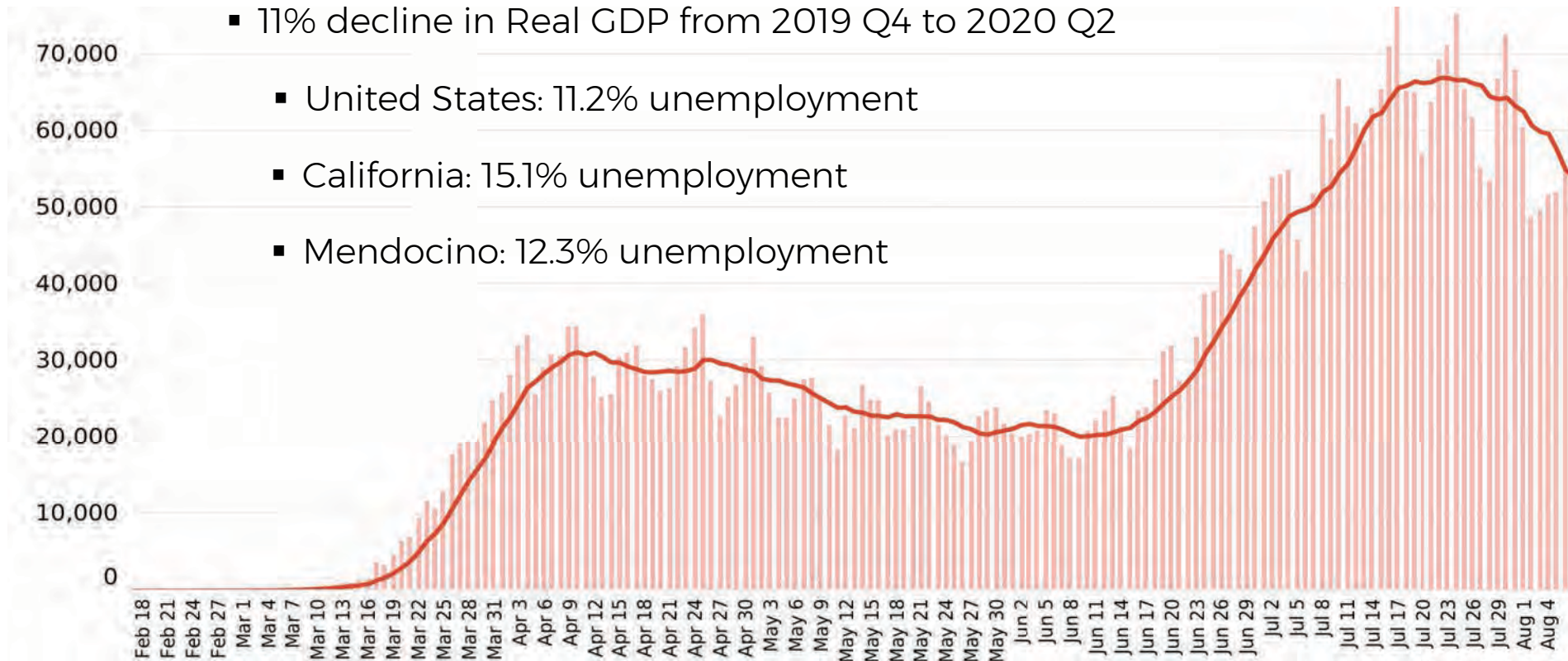
August 10, 2020

Current Conditions

CURRENT CONDITIONS

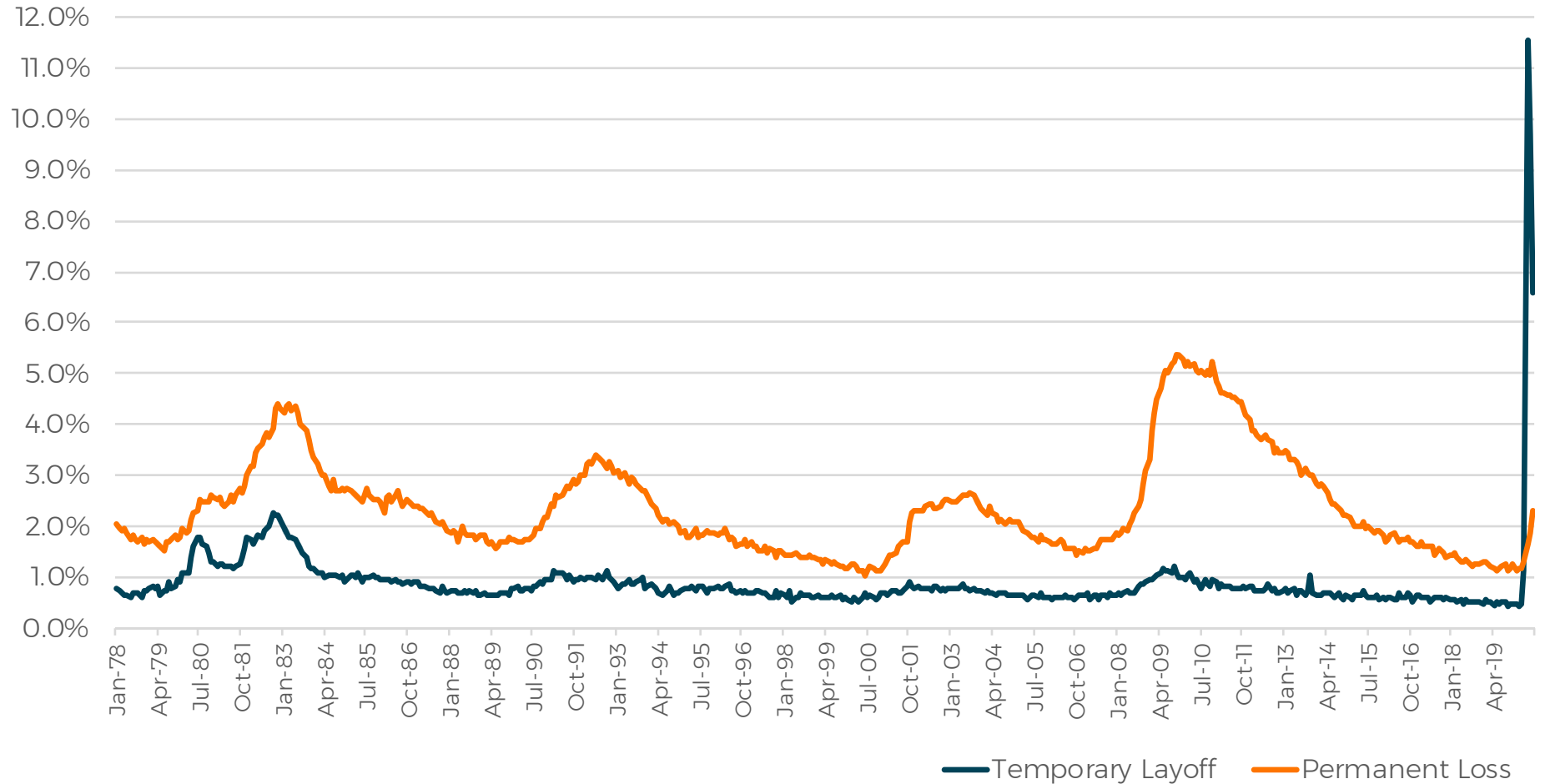
COVID-19 Impact: Overview

Number of new cases is increasing in the US to 50,000+ per day, and mitigation measures continue to slow economic activity



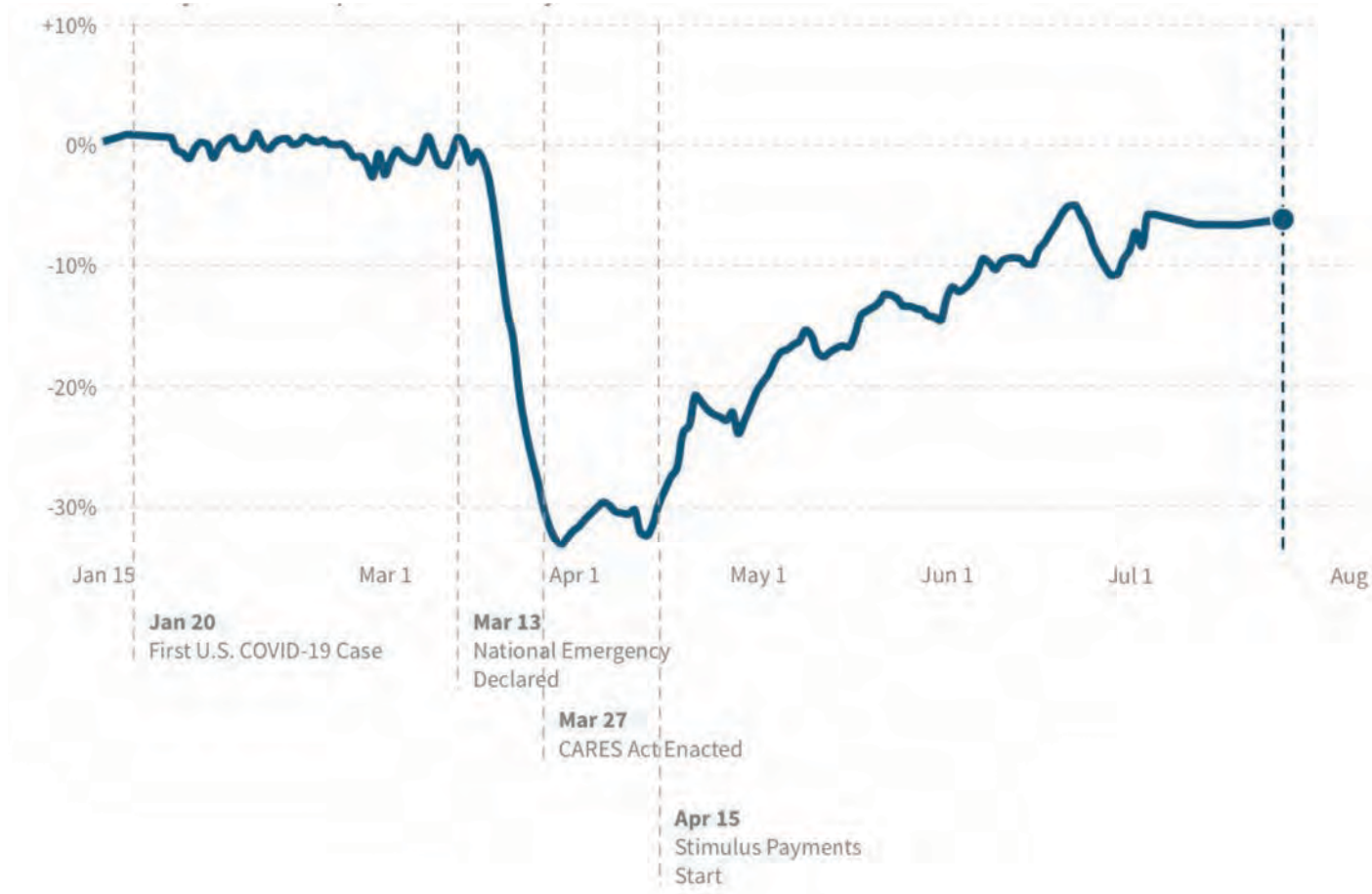
CURRENT CONDITIONS

COVID-19 Impact: U.S. Job Losses



CURRENT CONDITIONS

Consumer Spending: United States



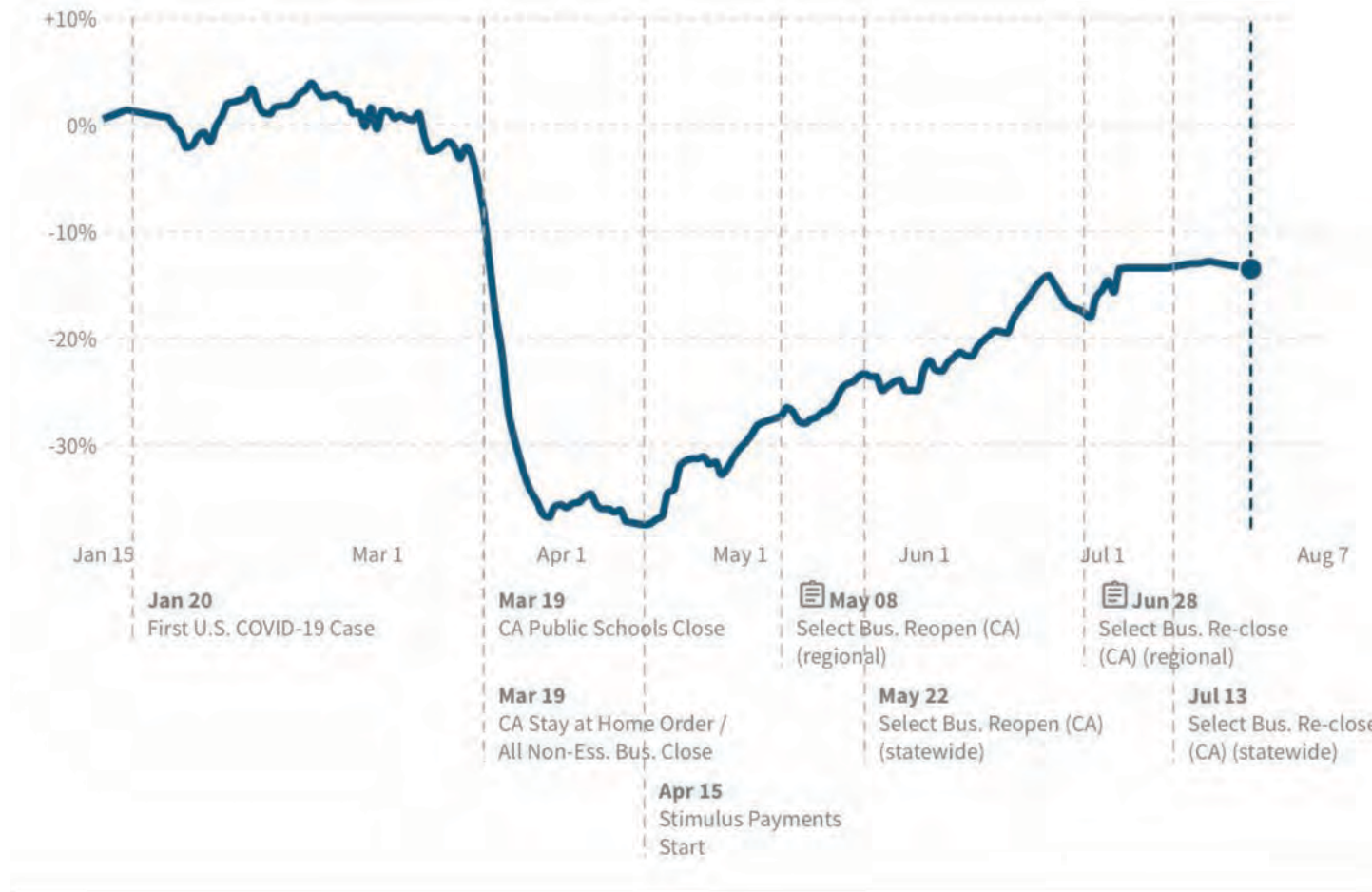
Between January and July 26, 2020:

-6.2%

Source: Opportunity Insights

CURRENT CONDITIONS

Consumer Spending: California

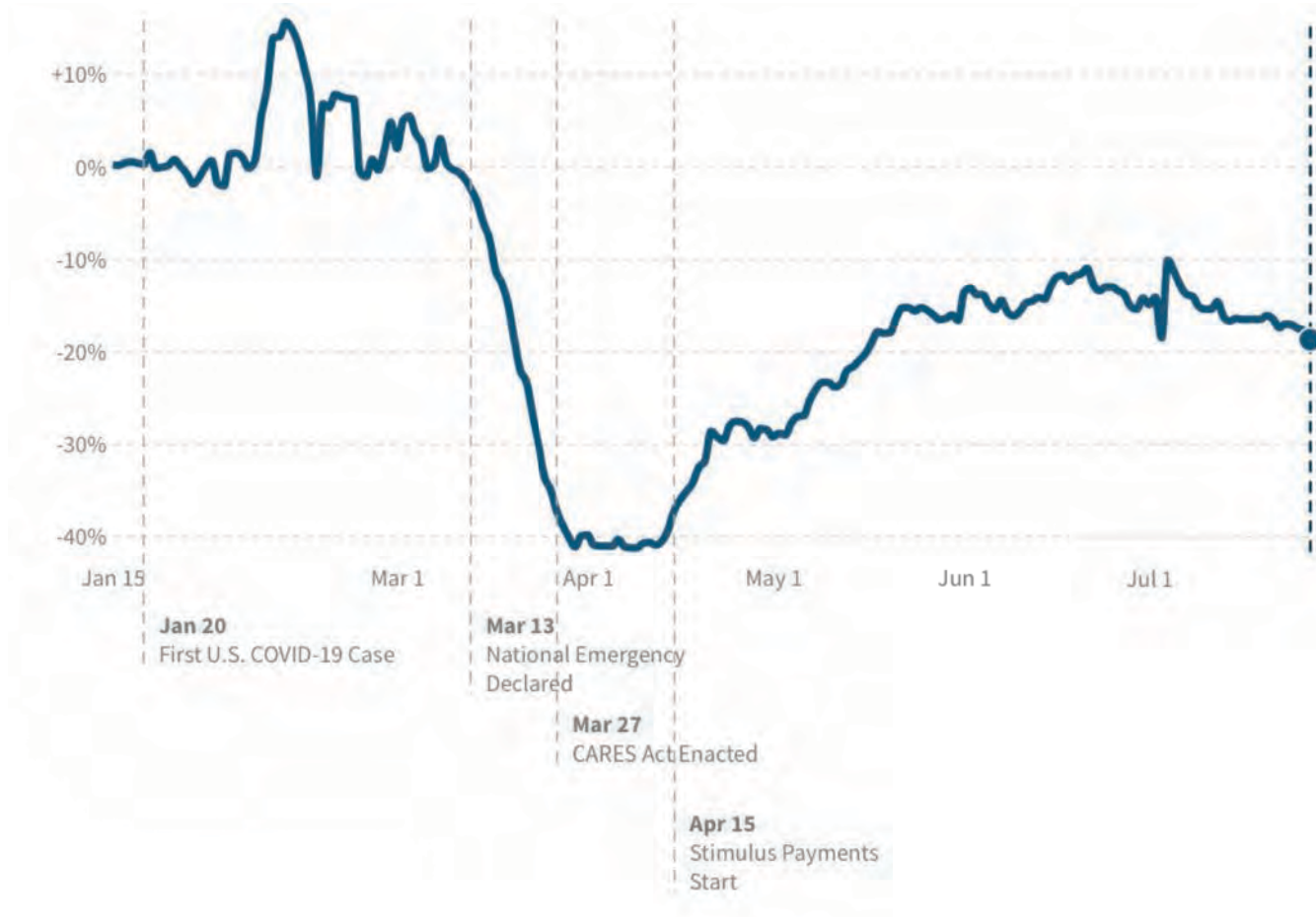


Between January and July 26, 2020:

-13.6%

CURRENT CONDITIONS

Small Business Revenue: United States



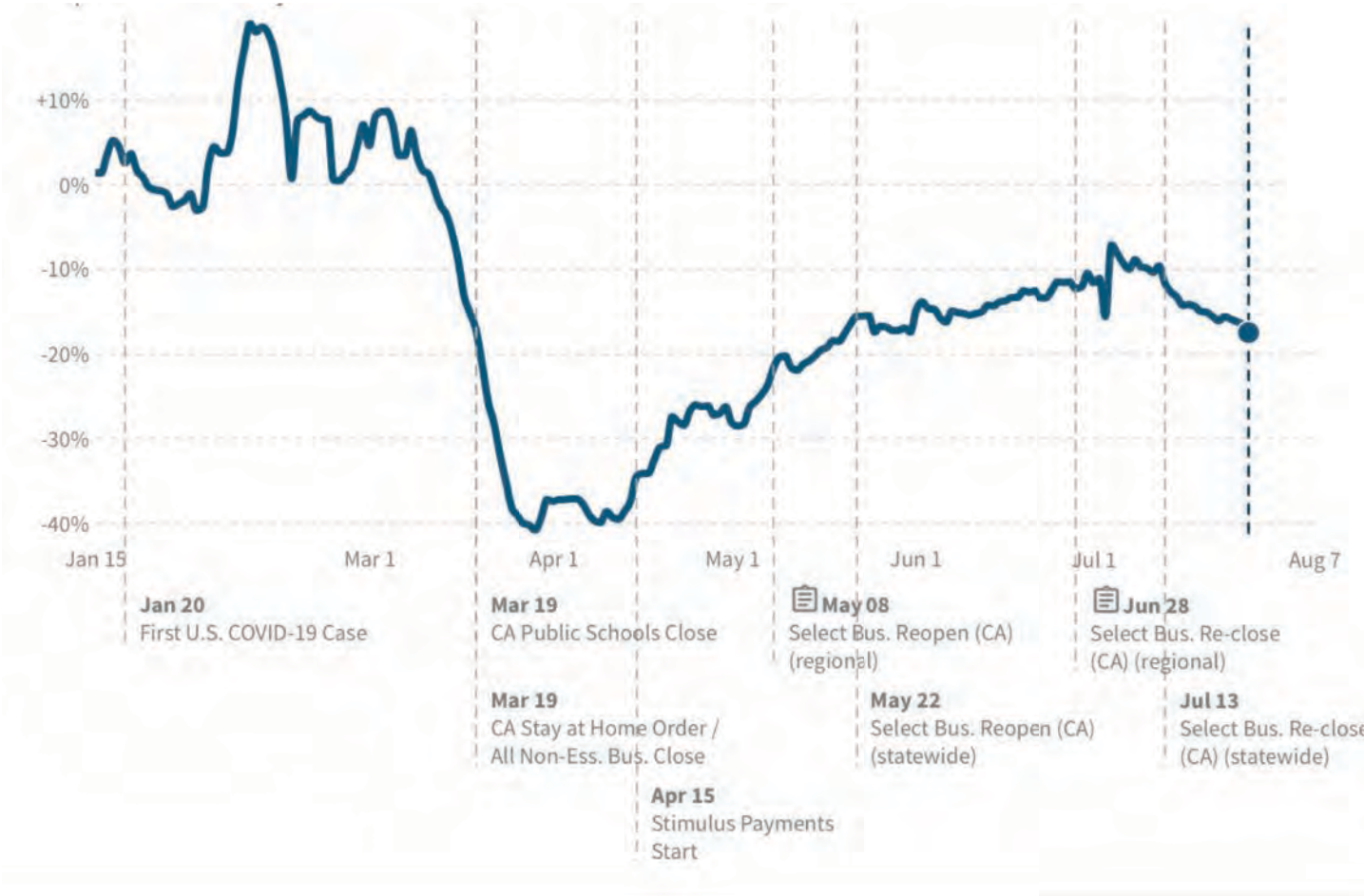
Between January and July 27, 2020:

-18.8%

Source: Opportunity Insights

CURRENT CONDITIONS

Small Business Revenue: California



Between January and July 27, 2020:

-17.6%

Opportunity Insights



CURRENT CONDITIONS

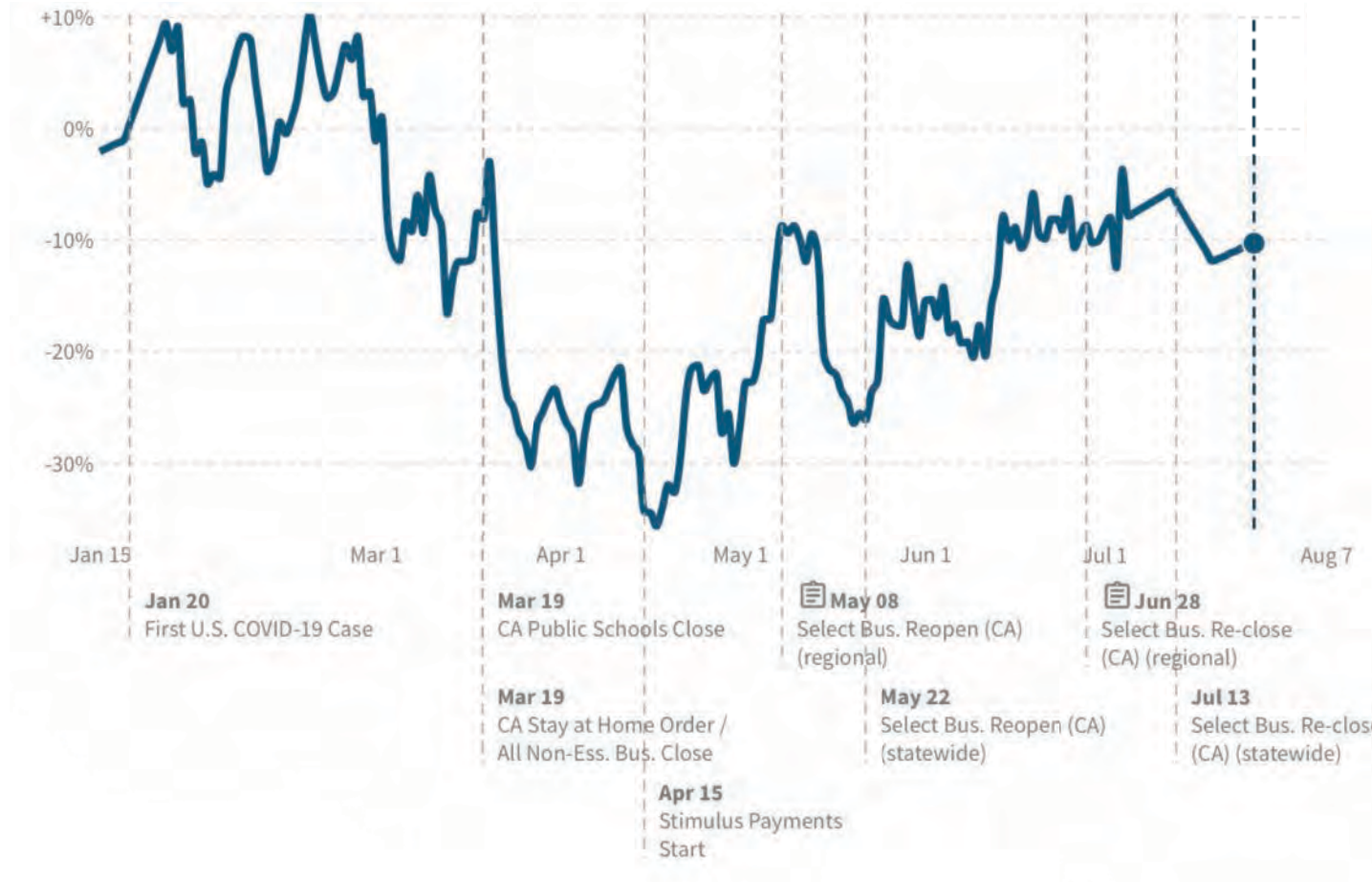
COVID-19 Industry Impact: Mendocino

	April 2020	1-Month Growth	May 2020	1-Month Growth	June 2020	1-Month Growth
All Industries	28,650	-12.2%	28,490	-0.6%	29,900	4.9%
Total Farm	1,330	-1.5%	1,350	1.5%	1,360	0.7%
Total Nonfarm	27,320	-12.7%	27,140	-0.7%	28,540	5.2%
Leisure & Hospitality	2,600	-39.1%	2,630	1.2%	3,240	23.2%
Other Services	6,00	-15.5%	600	0.0%	650	8.3%
Retail Trade	4,080	-13.0%	4,100	0.5%	4,270	4.1%
Professional Services	1,740	-11.2%	1,750	0.6%	1,780	1.7%
Logistics	640	-9.9%	670	4.7%	690	3.0%
Manufacturing	2,080	-9.6%	2,160	3.8%	2,210	2.3%
Education and Health Care	5,350	-9.3%	5,360	0.2%	5,470	2.1%
Information	200	-9.1%	190	-5.0%	200	5.3%
Construction	1,190	-8.5%	1,200	0.8%	1,260	5.0%
Government	6,910	-5.5%	6,510	-5.8%	6,760	3.8%
Financial Activities	1,010	-1.9%	1,010	0.0%	1,020	1.0%

Source: California EDD

CURRENT CONDITIONS

Consumer Spending: Mendocino



Between January and July 24, 2020:

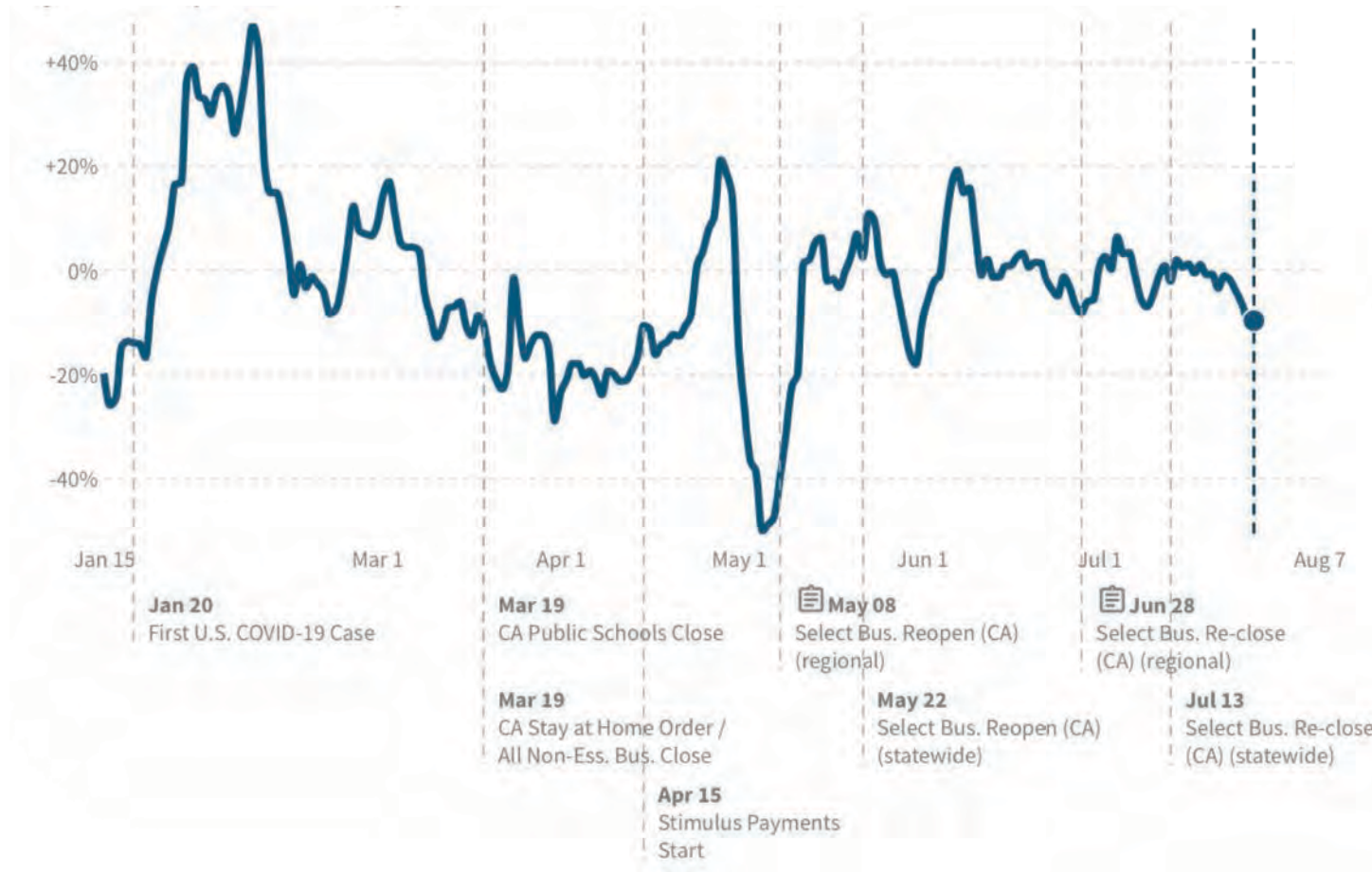
-10.4%

United States
-6.2%

California
-13.6%

CURRENT CONDITIONS

Small Business Revenue: Mendocino



Between January and
July 27, 2020:

-9.9%

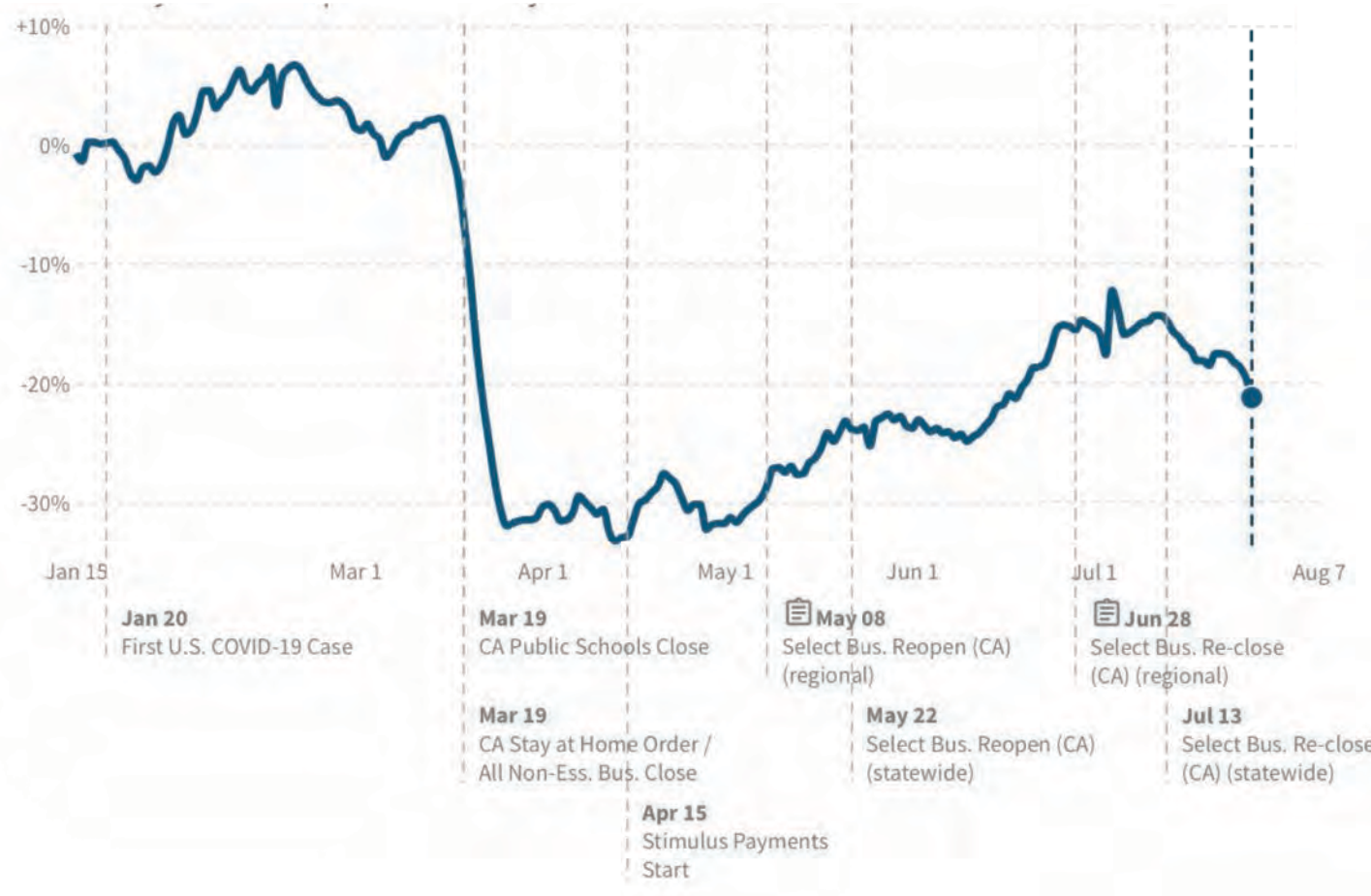
United States
-18.8%

California
-17.6%

Source: Opportunity Insights

CURRENT CONDITIONS

Small Business Closures: Mendocino



Between January and July 27, 2020:

-21.3%

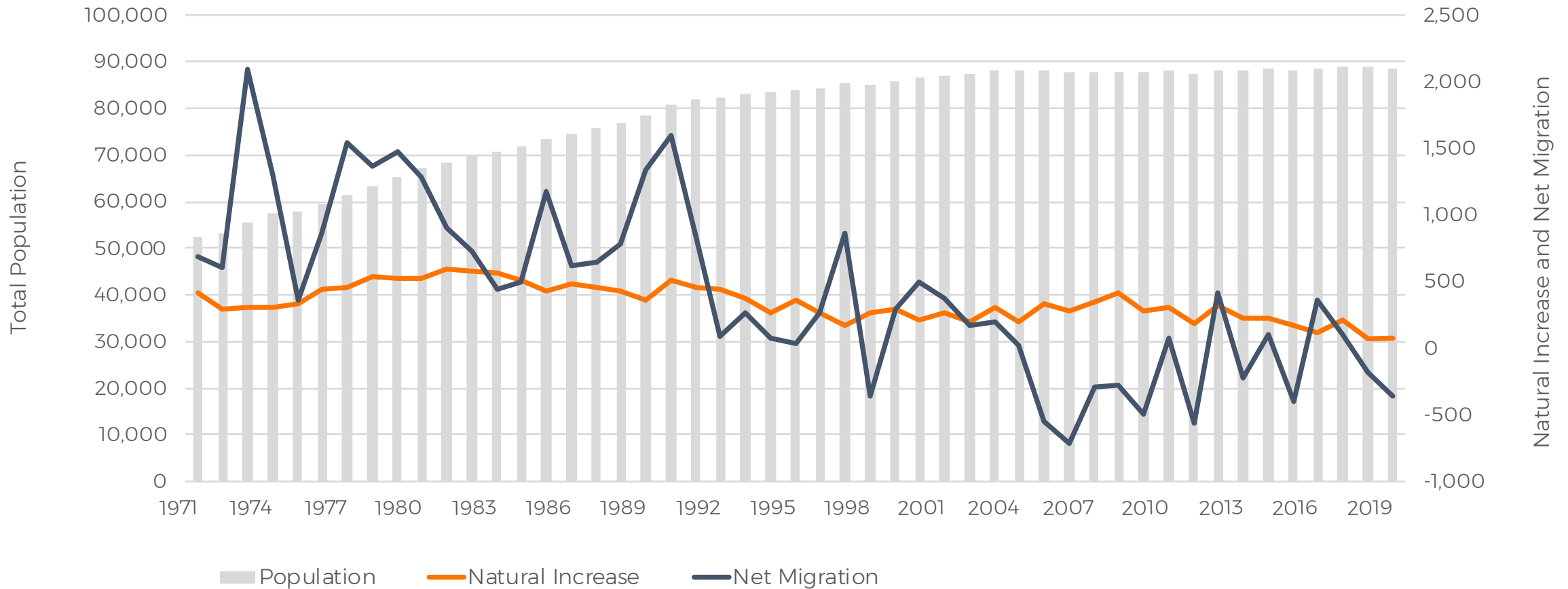
United States
-18.1%

California
-24.4%

Source: Opportunity Insights

Challenges

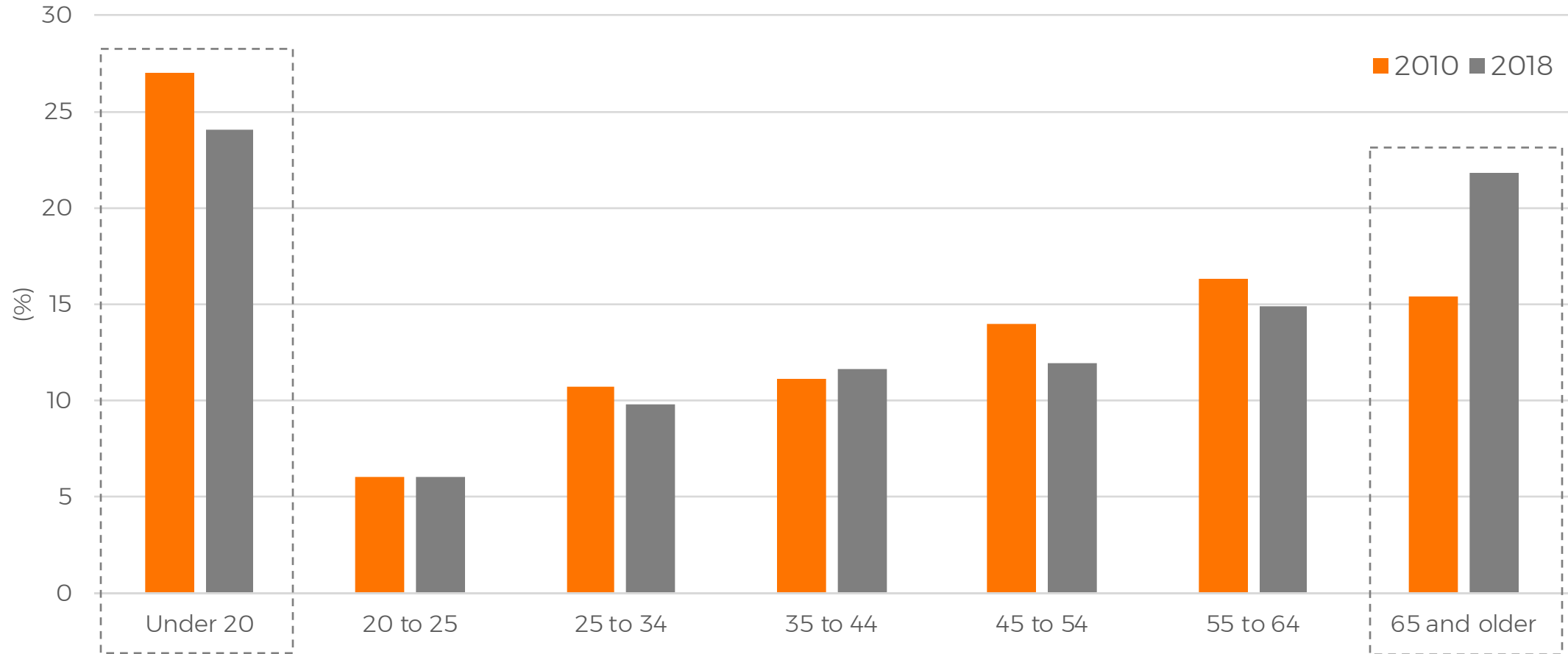
Level Population Growth



Source: California DOF

CHALLENGES

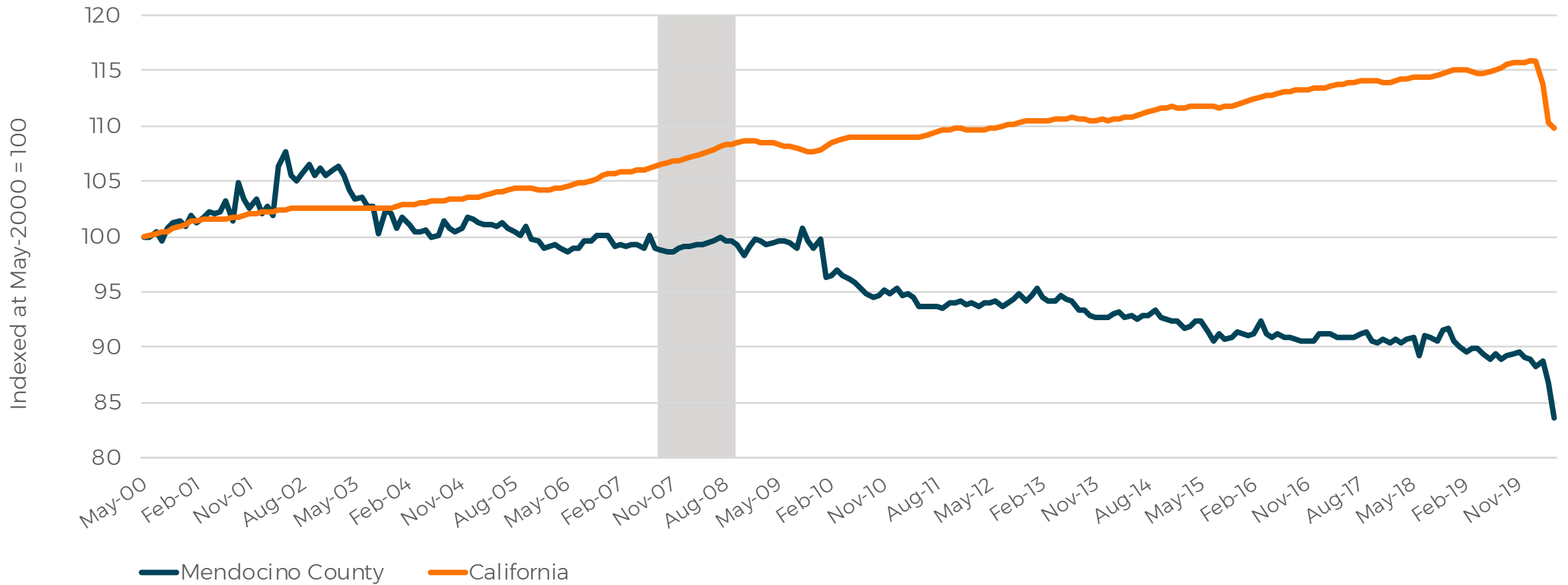
An Aging Population



Source: ACS

CHALLENGES

Declining Labor Force



Source: California EDD



CHALLENGES

Housing Affordability

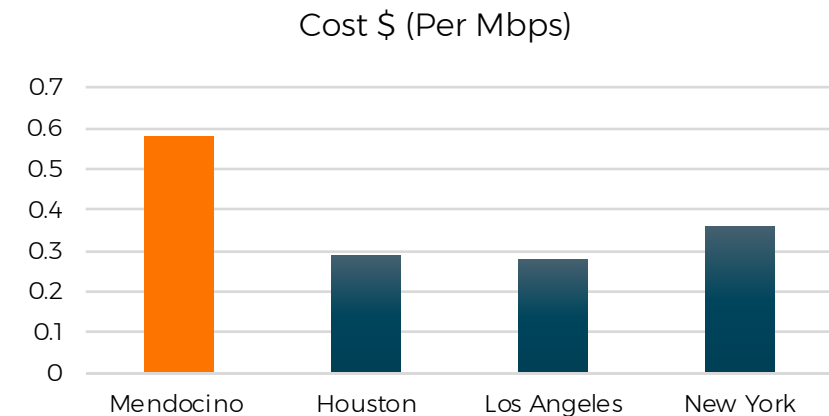
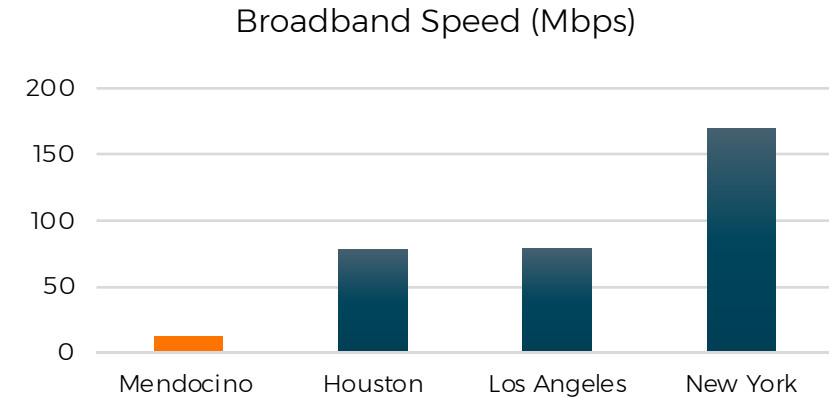
	Median Home Price	Monthly Payment (Including Taxes & Insurance)	Minimum Qualifying Income
United States	\$274,900	\$1,350	\$54,000
California	\$607,000	\$2,990	\$119,600
Sonoma County	\$656,300	\$3,230	\$129,200
Mendocino County	\$415,000	\$2,040	\$81,600
Lake County	\$275,000	\$1,350	\$54,000
Humboldt County	\$325,000	\$1,600	\$64,000

CHALLENGES

Broadband Access

- 17,000 county residents (or 20% of population) do not have access to any wired internet
- 20,000 residents (or 23% of population) do not have access to at least 25 Mbps wired broadband *
- Implications for social cohesion, business continuity, remote working, and entrepreneurship

* 25 Mbps download and 3 Mbps upload speed is the minimum speed for a connection to be classified as Broadband by the Federal Communications Commission



Opportunities

A Prosperous and Resilient Future

APPROACH:

Establish a **broader economic base**¹ by **fostering new businesses and bolstering existing ones**² through the **adoption of and adaptation of new technologies**³ that can help the County both **mitigate and leverage evolving conditions**⁴ for long-term sustainable growth and development.

BUILDING BLOCKS:

- 1 Diversification
- 2 Entrepreneurship and Business Expansion
- 3 Technology Expansion and Use
- 4 Green Infrastructure

Diversification

Diversification within and across sectors helps the overall economy expand employment opportunities, absorb external shocks, minimize adverse effects, and recover faster

Entrepreneurship and Business Expansion

Public investment in new ideas and firms can seed new industries, create new opportunities for existing businesses, and foster and attract new talent

Technology Expansion and Use

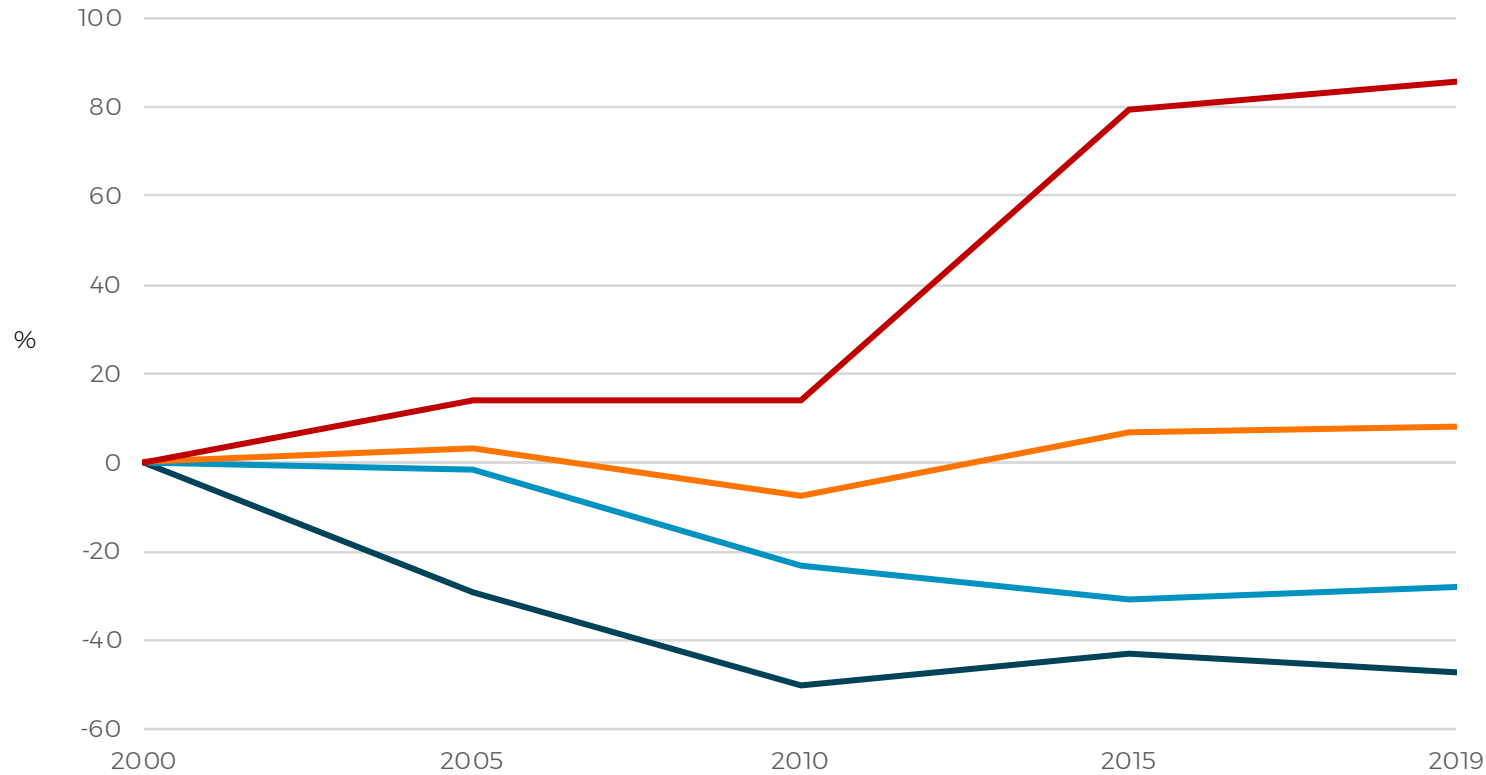
Long-term development is dependent on expanding digital connectivity to all and adopting advanced industry technologies and processes to increase competitiveness

Green Infrastructure

Faced with a changing climate, public and private partnerships can drive efforts to build a green economy that creates new jobs while safeguarding natural lands and communities

Leverage Industry Cluster Strengths

Percentage Growth in Employment by Top Sectors



Health Care

Rapidly growing employment base with telemedicine potential

Tourism

Opportunities to extend into agricultural and blue-green spaces

Agriculture

Cannabis and Climate Smart Agriculture Potential

Manufacturing

A declining sector, but Wood Product shows promise

Biomass and the Bioeconomy



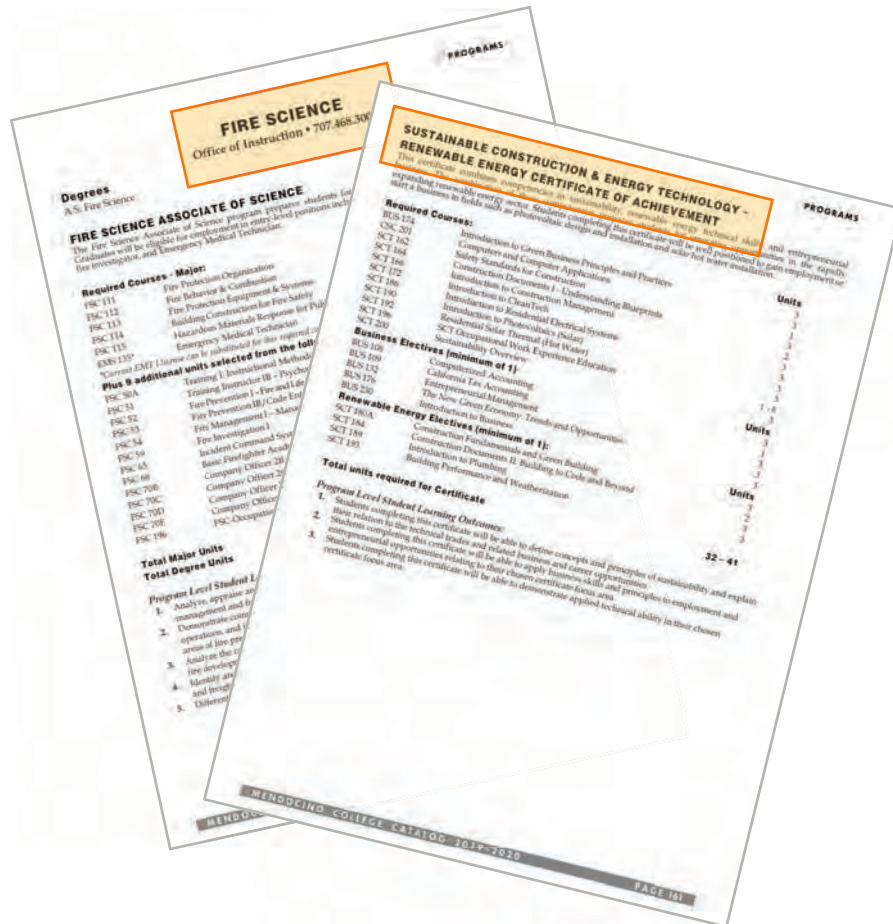
OPPORTUNITIES
AgTech and Agritourism



Green Construction and Multifamily Housing



OPPORTUNITIES Assets







- Existing Industry Knowledge Base and Expertise
- Proximity to Neighboring Industry Clusters
- Mendocino College
- Land and Adaptive Reuse Opportunities

Considerations

- Connectivity – technologically, among industries and subsectors, and between the public and private sector – is critical for fostering rural entrepreneurship
- Public investment in basic research and collective experimentation (“de-risking”) is as important as training and upskilling for both startups and legacy businesses
- Leverage “rural competitive advantages” to attract land-intensive industries, talent (e.g. remote workers), and new sources of wealth generation (e.g. bedroom communities)
- Seek out state-sponsored programs that incentivize green industries and sustainably-focused development

OPPORTUNITIES

Recovery Resources

COVID-19 Federal Response Resource Matrix			
 Rural Customer	 Technical Assistance/ Training/Management	 Financial Assistance	 General State/ Local Resources
<p>For-Profit Businesses: Corporations, Limited Liability Companies, sole proprietorships, Lenders, etc.</p>	<ul style="list-style-type: none"> • USDA Agriculture Marketing Service: FAQ's: Related to COVID-19 impact on the Fruit and Vegetable industry • SBA: COVID-19 Small Business Guidance and Loan Resources • Small Business Development Centers: Small Business Resources • Service Corps of Retired Executives (SCORE): Small Business Resource Hub • SCORE: Remote mentoring • Benefits.gov Coronavirus resources • DOL: Families First Coronavirus Response Act Notice-FAQS • FDA-COVID-19-Related Guidance Documents for Industry, FDA Staff, and Other Stakeholders • NEW: FEMA Planning Starter Kit for Returning to Full Operations 	<ul style="list-style-type: none"> • USDA Rural Development Business and Industry Loan Guarantee • USDA Farm Service Agency: Microloan Programs • SBA Paycheck Protection Program • SBA COVID-19 Economic Injury Disaster Loan • SBA: COVID-19 Small Business Guidance and Loan Resources • DOL: National Health Emergency Dislocated Worker Grants • DOL: Wage and Hour Division: COVID-19 and the American Workplace • IRS Coronavirus Tax Relief and Economic Impact Payments • USDA RD Rural Energy for American Program-Renewable Energy & Energy Efficiency Fact Sheet • USDA RD Single Family Home Loan Guarantees Fact Sheet • NEW: USDA RD Business and Industry CARES Act Program • NEW: National Institute of Standards and Technology Manufacturing Extension Partnership Grants 	<ul style="list-style-type: none"> • Guidance for Businesses and Employers to Plan and Respond • Coronavirus.Gov-Breakdown of Assistance • USDA Multi-Family Housing Direct Loan COVID-19 Fact Sheet • NEW: SBA Federal Contracting Guidance for Small Businesses impacted by COVID-19 • NEW: SBA-Economic Injury Disaster Loan (EIDL) and EIDL Advance for qualified small businesses and U.S. agricultural businesses



THANK YOU

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