



# 2016 ROADMAP TO SHARED PROSPERITY: The one million challenges

California's economy may be growing steadily—but so, too, are the complex challenges facing the state.

More workers than ever have jobs, but wages aren't keeping pace with the cost of living, the gap between rich and poor is widening—and sky-high housing prices are hampering millions of families' upward mobility. The next generation of investments in economic development will have to be made in a time of climate change—in a constantly shifting global economy—and successfully balance the jobs, transportation, and housing every region needs.

This is the purpose of the **2016 Roadmap to Shared Prosperity**. In its first four years, the Summit network of business, equity, environmental, and civic organizations has rallied around a strategic vision for sustainable economic growth—and built a track record of advancing the shared goals of the state's economic regions. For California to prosper, the Summit believes progress must be accelerated in three key areas.

These are the One Million Challenges. In the next decade, private, civic, and public-sector leaders have pledged to work together—and hold themselves accountable—to produce:

👤 **ONE MILLION MORE SKILLED WORKERS**

🏠 **ONE MILLION MORE HOMES**

🌊 **ONE MILLION MORE ACRE-FEET OF WATER**

While other groups are also working toward these goals, the Summit is unique in championing solutions that meet the triple bottom line—simultaneously growing the economy, improving environmental quality, and increasing opportunity for all.

As the Summit coalition continues to grow in size, depth, and diversity, the 2016 Roadmap offers a set of action plans for accomplishing these goals—and for expanding prosperity for all Californians.

*"The biggest thing I value...is that people are actually committing to doing something as opposed to giving speeches and talking about it."*

—CALEB ROOPE, CEO, THE PACIFIC COMPANIES

## WHAT THE SUMMIT HAS ACCOMPLISHED:

Since the first Summit in 2012, a network of more than 700 experts and practitioners have worked together on action teams to develop, advocate, and implement ideas for advancing prosperity. Their achievements include:

- **Increased investments in workforce training**
- **Enhanced infrastructure financing tools**
- **Expanded manufacturing partnerships**
- **Targeted funding for affordable housing**

# 83%

of participants surveyed at the 2015 Summit agreed the effort is making a real difference in accelerating collective action.



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# THE ONE MILLION CHALLENGES: AN OVERVIEW

For all of its recent progress, California will need to work even smarter to achieve broadly shared and sustainable prosperity—and to close the persistent gaps in employment, education, and opportunity that threaten the state’s legacy of environmental innovation, economic growth and upward mobility.

In 2015, the California Economic Summit crafted a strategy for moving the state toward this triple bottom line: **The Roadmap to Shared Prosperity** outlined a broad agenda for integrating the essential elements of sustainable and equitable development.

This updated 2016 Roadmap identifies three essential areas where progress must be accelerated in the year ahead. To thrive in the next decade, California must produce:

 <h2>ONE MILLION MORE SKILLED WORKERS</h2>	<h2>SUMMIT PROGRESS</h2> 
<p>To restore upward mobility and meet employers’ needs, California needs <b>one million more graduates with bachelor’s degrees and one million more workers with middle-skilled credentials over the next 10 years.*</b></p> <p>With wages stagnating and income inequality rising—and millions of Californians struggling to make ends meet in low-wage jobs—industries from health care to manufacturing still can’t find the skilled workers they need. The California Economic Summit has set an ambitious goal of improving this workforce pipeline and closing this looming “skills gap.”</p>	<p>For three years, the Summit has supported investments in career technical education—and better alignment between workforce training programs and employers. As a member of the 2015 California Community Colleges Task Force on Workforce, Job Creation, and a Strong Economy, the Summit ensured these ideas were included in the group’s final recommendations.</p>
 <h2>ONE MILLION MORE HOMES</h2>	<h2>SUMMIT PROGRESS</h2> 
 <h2>ONE MILLION MORE ACRE-FEET OF WATER</h2>	<h2>SUMMIT PROGRESS</h2> 
<p>With supply falling far below demand, California needs to build <b>one million more homes for low- and middle-income Californians in the next 10 years.**</b></p> <p>State resources are constrained, however, and communities face numerous obstacles to building more homes close to jobs and transit—from uncertainty around infrastructure financing to lengthy approval processes. In 2016, the Summit will lead a comprehensive effort aimed at reducing the costs—and increasing the supply—of housing for Californians.</p>	<p>In 2015, the Summit developed a housing agenda highlighting a set of land use and regulatory changes that could increase housing production. A Summit team also helped craft a new local financing tool to fund housing development, supporting passage of two bills (SB 628, 2014) and (AB 313, 2015) that expanded the powers of Enhanced Infrastructure Financing Districts.</p>
<p>Even before the drought, Californians were using more water each year than the state’s infrastructure can sustainably supply. To create a reliable and environmentally-sound water supply—for residents, businesses, and farms—California needs to conserve, capture, and re-use <b>one million more acre-feet of water each year for a decade.***</b></p> <p>The Summit can contribute to this daunting challenge by helping state and regional leaders accelerate progress toward integrated water projects within watersheds that capture stormwater and replenish groundwater, improve efficiency and reuse, and reduce flooding and water pollution.</p>	<p>Since supporting passage of the 2014 water bond, the Summit has worked with water agencies to encourage more comprehensive governance of the state’s fragmented water system. Summit teams are also working to better connect land use planning and water management—and to advance the use of new local financing tools that allow more communities to pay for local water projects.</p>

\* Source: California Community Colleges Task Force on Workforce, Job Creation, and a Strong Economy, 2015  
 \*\* Source: “How California’s Housing Market Is Failing to Meeting the Needs of Low-Income Families.” California Housing Partnership Corporation, 2014  
 \*\*\* Source: California Water Plan, Update 2013

# LINKING LEADERS AND SOLUTIONS: HOW TO GET THERE

How will the Summit accomplish these goals? By expanding on a successful collaboration that—in only four years—has contributed to major state investments in workforce training, developed new ways to pay for infrastructure, and built a growing partnership with the California State Assembly Committee on Jobs, Economic Development, and the Economy.

Since 2012, the Summit has grown into the largest coalition of public, private, and civic leaders committed to sustainable growth in California. More than 700 experts and practitioners from business, government, equity, and environmental groups collaborate on action teams committed to the triple bottom line. These teams have crafted a set of action plans for meeting the One Million Challenges.



## 2016 ACTION PLAN

To ensure the Task Force's recommendations result in more young people getting the skills they need, the Summit will **support the formation of regional civic organizations** dedicated to accelerating implementation of the Task Force proposals—including strategies that prepare more Californians for careers above minimum wage. These organizations will have three functions:

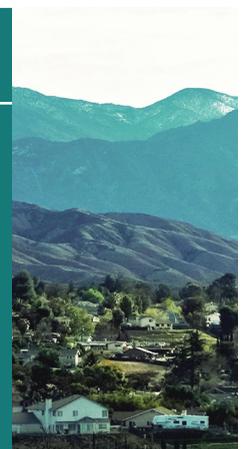
1. **Align public and private partners on goals, strategies, and metrics to help young Californians be prepared for meaningful careers.**
2. **Encourage coordination and effectiveness—and create accountability for results—to meet the needs of students and employers.**
3. **Develop and advocate for incentives that drive improvements in programs and improve job placements.**



## 2016 ACTION PLAN

Building on its recent successes, the Summit will seek to **develop a coalition capable of dramatically increasing housing development** in 2016—expanding resources for affordable housing and increasing production of all types of housing near transit and jobs. The Summit will focus on four activities:

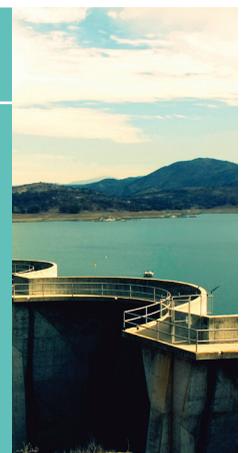
1. **Make the case for increased production by demonstrating how housing adds value to communities.**
2. **Develop a legislative agenda for accelerating housing development—and reducing housing costs.**
3. **Explore new ways to pay for affordable housing—from dedicated state funding to local financing options.**
4. **Share innovative strategies where local policies have increased all types of housing stock.**



## 2016 ACTION PLAN

The California Water Plan highlights the need for integrated water management, but the state still lacks a governance and finance system that supports these critical investments. To accelerate regional efforts to develop projects across watersheds, the Summit will work with regional partners to **identify innovations for expanding integrated water management**. This effort will:

1. **Develop and advance integrated regional and watershed management solutions that connect headwaters and users, as well as urban and rural communities.**
2. **Focus on new approaches to funding and financing integrated solutions.**
3. **Identify limitations—and advocate for changes—in law or practice that prevent interagency coordination and alignment.**





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## Action Team Leads

More than 700 experts and practitioners are working through the Summit on action teams committed to the triple bottom line. In 2016, these teams and their leaders are supporting efforts to meet the One Million Challenges:

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USC Sol Price School  
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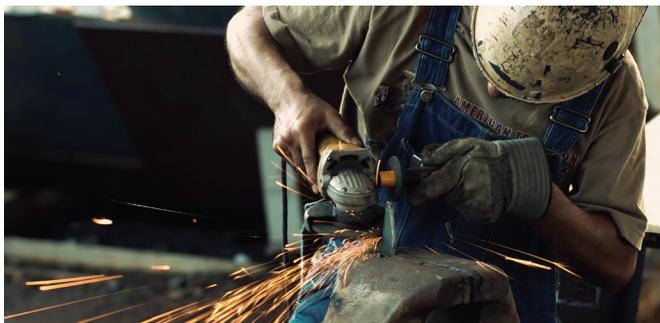
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# ONE MILLION MORE SKILLED WORKERS

To restore upward mobility and meet employers' needs, California needs to produce one million more graduates with bachelor's degrees and one million more workers with middle-skilled credentials over the next 10 years.

Even as the economy continues to grow, many California communities—urban and rural, coastal and inland—face persistent gaps in employment, education, and opportunity. Wages are stagnating and income inequality is rising: Poverty rates have doubled in the last two decades in regions like the Inland Empire, where less than one in five residents have a college degree.

As these trends threaten the promise of upward mobility, many employers are also reporting growing shortages of skilled workers: electricians, technicians, nurses, and machinists—high-wage, high-growth occupations that offer a pathway into the middle class. Over the next decade, the state will face a shortfall of more than one million of these highly skilled workers.



Overcoming this challenge will be critical to California's future economic prosperity. It will also require aligning each region's expansive training and education programs with the needs of employers to develop more workers with skills that translate into jobs.

That's why the Summit, after participating for the last year on the California Community Colleges Task Force on Workforce, Job Creation, and a Strong Economy, is leading efforts to form regional civic organizations that can accelerate the Task Force's proposals.

The Summit has developed an action plan for pursuing this goal in at least one or two regions in the year ahead—supporting collaborations with three distinct functions critical to developing a more skilled workforce.

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*“The Summit has identified the key to success: the need to tailor this effort to each of the state's economic regions.”*

**-CECILIA ESTOLANO, BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES**

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## THE VALUE: IMPROVING THE WORKFORCE TRAINING PIPELINE

The Summit will be successful when:

- **More workers are developing the skills** they need to earn a livable wage
- **Employers can work more easily with institutions** to produce the skilled employees they require
- **Businesses spend fewer resources** searching for and training workers
- **Training programs adapt more quickly** to meet new demands for specific skills
- **New marketplaces are created** for partnerships between institutions and employers through contract education



# WORKERS: 2016 ACTION PLAN

To take on the One Million Challenge, the Summit will help form civic organizations in one or two regions dedicated to accelerating implementation of the California Community Colleges Task Force recommendations.

GOAL	2016 ACTIONS
<p><b>1. Align public and private partners on goals, strategies, and metrics</b></p>	<p><b>Tailor these efforts to individual regions:</b> While each region should adopt its own approach, these regional organizations will first need to convene leaders from community college districts, workforce investment boards, other local governments, civic organizations and key employers to establish a shared set of goals, strategies, and consistent metrics that measure progress toward regional goals. These collaboratives will then:</p> <ul style="list-style-type: none"> <li>• <b>Highlight the imperative of effective education:</b> Build public understanding on the need to align institutions, employers, and programs. Successful efforts and missed opportunities will be identified.</li> <li>• <b>Aggregate information:</b> Collect information such as labor market data to clarify needs; the capacity and outcomes of programs; career pathways and earnings of alumni.</li> <li>• <b>Identify gaps and overlaps:</b> Improve the skills-to-training alignment and recommend changes in the portfolio of programs that would match programs with needs. Build on the Summit's California Capital Access Collaborative initiative, which is working with industry clusters and capital sources in underserved regions to expand economic growth.</li> <li>• <b>Identify key metrics from required measures:</b> Help reconcile the required metrics with ones that measure shared progress.</li> <li>• <b>Document the economic impact:</b> Translate public services into public and individual benefit, evaluate the potential for impact investing, and expand use of the Rural-Urban Connections Strategy model.</li> </ul>
<p><b>2. Encourage coordination and effectiveness—and create accountability for results</b></p>	<p><b>Develop relationships needed to connect workers, institutions, and employers:</b> With convenings and data, the regional entities will improve student and worker success by developing the relationships, protocols, and agreements needed to match resource allocations, program design, and curriculum to student and employer needs. Specifically:</p> <ul style="list-style-type: none"> <li>• <b>Connect all of the partners:</b> Unite all partners around shared goals.</li> <li>• <b>Facilitate data sharing agreements:</b> Connect data from education, employment development, and professional licensure agencies.</li> <li>• <b>Operationalize partnerships:</b> Facilitate private-public partnerships through “contract ed” and other short-term programs.</li> <li>• <b>Support needed infrastructure:</b> Promote investment in the needed infrastructure—including housing and broadband—connecting workers and industry.</li> <li>• <b>Report progress:</b> Through convenings and publications, report and facilitate a response to performance assessments.</li> </ul>
<p><b>3. Develop and advocate for incentives that can drive improvement</b></p>	<p><b>Promote regional incentives:</b> The regional entity should support local efforts to match resource allocation with student and employer needs. Specifically:</p> <ul style="list-style-type: none"> <li>• <b>Be a “public square:”</b> Lift up choices leaders are making—and need to make—to break down silos and shift momentum.</li> <li>• <b>Identify homegrown incentives:</b> Work with institutions to create internal incentives.</li> </ul> <p><b>Support state legislation:</b> The Summit will advocate for regulatory, statutory, or fiscal incentives that support these regional efforts by rewarding efforts to align training programs with each other—and with industry needs. This will include ideas from dedicated funding for career technical education to making it easier for employers to take on interns.</p>



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# ONE MILLION MORE HOMES

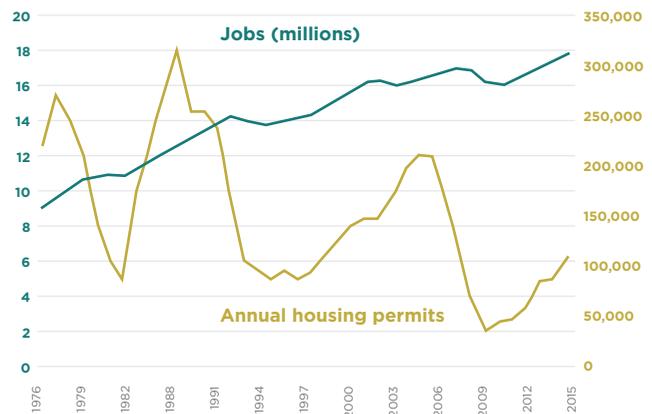
With supply falling far below demand, California needs to build one million more homes for low- and middle-income Californians in the next 10 years.

With fewer than one in three families able to afford a median-priced home in California—and with soaring rents making it harder than ever to find a place to live—the Summit will seek to build a coalition that can help more communities increase the supply, and reduce the price, of the homes California's growing population needs to prosper.

After years of efforts to replace redevelopment funds, expand state housing tax credits, and create a dedicated source of revenue for affordable housing, it is becoming clear that a comprehensive effort will be necessary to close the state's growing "housing gap"—a plan that expands resources for subsidized affordable housing, while also increasing production of market-rate housing near transit and jobs.

The Summit network of business, equity, environmental, and government leaders are uniquely positioned to contribute to this effort. The Summit has identified four priorities for 2016.

## THE GROWING HOUSING GAP



Data source: California Employment Development Department and California Homebuilding Foundation

*“Now is the time to make changes that can help communities dramatically increase the supply of housing. The Summit is an ideal platform for bringing together the right people to make this happen.”*

-LUCY DUNN, ORANGE COUNTY BUSINESS COUNCIL



## THE VALUE: INCREASING THE SUPPLY OF HOUSING NEAR TRANSIT AND JOBS

The Summit will be successful when:

- **More Californians have access to affordable homes**
- **Infrastructure costs are reduced** through expanded use of new financing tools
- **Housing developments face more certainty**—and can accelerate production—through streamlined approval procedures



# HOMES: 2016 ACTION PLAN

To take on the One Million Challenge, the Summit will seek to develop a coalition capable of dramatically increasing housing development—expanding resources for affordable housing (to rent and to own) and increasing production of all types of housing near transit and jobs.

GOAL	2016 ACTIONS
<p><b>1. Make the case for the value of housing:</b> The Summit will build a broad coalition to highlight why housing has value—and where housing can and should be built.</p>	<p><b>Lead communications effort on impacts of housing:</b> The Summit will make the case for the value of housing—and the consequences of not building adequate housing for the state’s economy. This will involve assessing existing research—and conducting new analysis where needed—on the following:</p> <ul style="list-style-type: none"> <li>• <b>The economic case:</b> Make the case for the positive economic impact of building housing—and the negative economic impacts of maintaining the status quo.</li> <li>• <b>The revenue impact:</b> Help state and local lawmakers better understand how housing impacts property tax revenues and the state budget.</li> <li>• <b>Other outcomes:</b> Develop fact sheets and infographics to show how housing—especially affordable housing—improves education, environmental, health, and other outcomes for people of all ages (including seniors).</li> <li>• <b>Storytelling:</b> Seek out stories from California communities where housing has impacted families and individuals, communicating these stories through blogs and videos.</li> </ul> <p><b>Build local coalitions:</b> The Summit will support efforts to bring together local coalitions to support housing—including Chambers of Commerce, Councils of Government, labor, and civic leaders, as well as homebuilders, developers of rental housing, environmentalists, equity and low income advocates, and transportation advocates.</p>
<p><b>2. Develop legislative agenda for accelerating housing development:</b> The Summit is committed to seeking legislative solutions that reduce housing costs.</p>	<p><b>Create policy framework with incentives for builders and local government:</b> The Summit will explore ideas for streamlining housing development—and building more affordable housing—close to jobs and transit with the League of Cities, market-rate and nonprofit homebuilders, and state policymakers. This effort will focus on incentives for builders and local governments to expand housing production that could include: a mix of inclusionary housing ideas, reductions in local agency infrastructure fees, broader authority for density bonuses, and possible updates to the CEQA review process, particularly for infill development. This comprehensive effort will aim to generate substantial new construction and rehabilitation of existing stock.</p> <p><b>Explore ways to apply CEQA exemptions to financing districts achieving state housing goals:</b> The Summit will also explore ideas for using Enhanced Infrastructure Financing Districts (EIFDs) to achieve housing and environmental goals to access fast-track regulatory processes created in recent CEQA updates (AB 900, SB 226, and SB 743).</p>
<p><b>3. Explore new ways to pay for affordable housing:</b> The Summit will develop new approaches to paying for housing.</p>	<p><b>Identify new statewide resources for housing:</b> The Summit will support efforts to dedicate one-time revenues to affordable housing, while continuing to advocate for ongoing state support.</p> <p><b>Expand use of local financing options:</b> Summit partners will work in regions to ensure affordable housing projects take advantage of new EIFDs as well as Community Revitalization Authorities approved in AB 2 (Alejo and Garcia). The Summit will explore use of housing trust funds and “boomerang funds” from former redevelopment agencies. It will also help regions take advantage of impact investing opportunities and build on the Summit’s California Capital Access Collaborative initiative.</p> <p><b>Study options for financing housing fees and environmental mitigation using EIFDs:</b> The Summit will also study how communities can reduce the costs of new homes by financing impact fees and environmental mitigation associated with developments.</p>
<p><b>4. Share innovative local strategies:</b> The Summit will highlight efforts that have reduced costs and increased production.</p>	<p><b>Highlight local successes—and work to expand to other regions:</b> The Summit will use its communications platform to share case studies of innovative local efforts that have reduced housing costs and increased production. These include proposals such as those released by the San Diego Housing Commission and case studies developed by Cal Poly and the Department of Housing &amp; Community Development that feature cities where affordable housing innovation is happening “on the natural”—without subsidies. The Summit will also highlight the value of the Rural-Urban Connections Strategy land use planning system in promoting sustainable growth.</p>



# ONE MILLION MORE ACRE-FEET OF WATER

To create a sustainable and environmentally sound water supply—and to provide more reliable sources of water to residents and businesses alike—California needs to conserve, capture, and re-use one million more acre-feet of water each year for a decade.

During the first decade of this century, Californians used more water than its water systems captured in all but one wet year. In the other years, farms and cities drew from “storage,” either reservoirs or aquifers. Over the entire decade, the average water consumption deficit was nearly 10 million acre-feet a year—or about one-quarter of the total water diverted statewide for human use.

California has always needed to manage water—from winter to summer, from north to south, from dry years to wet. But climate change, economic growth, aging infrastructure, and stressed ecosystems require new and smarter strategies. To bring water use into balance, California will need to conserve, reuse, or capture one million more acre-feet of water each year for a decade.

The Summit is committed to meeting this challenge by developing and supporting innovative approaches to managing water in ways that advance the triple bottom line. Summit action teams have already taken steps toward this goal: In the last year, the Infrastructure, Working Landscapes, and Regulations teams worked together to create and implement new Enhanced Infrastructure Financing Districts to pay for water projects, integrate regional resource planning tools, and promote data technology to enable smarter project planning.

The California Water Plan acknowledges the need and the potential for integrated water management. But to get there, state and local water managers recognize that integrated projects will require an alignment of government agencies, available funding streams, and regulatory authorities to encourage and enable projects that solve more than one problem—and cost-effectively use limited public dollars to increase sustainability.

Building on its recent successes, the Summit has developed an action plan for accelerating these integrated water management solutions.

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*“Drought or no drought, California is running a water deficit that we are leaving to future generations. We need all of the creativity of groups like the Summit to change that.”*

- JAY ZIEGLER, THE NATURE CONSERVANCY

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## THE VALUE: ACCELERATING REGIONAL AND STATEWIDE WATER SUSTAINABILITY

The Summit will be successful when:

- **California’s water supply is more reliable**
- **Demand on the Delta is reduced**
- **Water quality improves**, especially for communities with limited access to clean water



# WATER: 2016 ACTION PLAN

To take on the One Million Challenge, the Summit will support efforts in 3-4 regions to expand integrated water management, while also advocating for changes to state policy that encourage more regions to adopt resource management approaches that conserve, capture, and reuse more water.

GOAL	2016 ACTIONS
<p><b>1. Develop and advance integrated regional and watershed management solutions</b> that connect headwaters and users, as well as urban and rural communities</p>	<p><b>Identify regional outcomes for integrated water management:</b> Develop specific regional performance outcomes in water management and environmental sustainability, linked to regional economic prosperity. Work with the Department of Water Resources, the State Water Resources Control Board, the relevant Regional Water Quality Control Boards, and the Department of Fish and Wildlife to identify state priorities for targeted regions. Convene regional business, civic, and water leaders to define water management and ecosystem outcomes and linkages to regional growth, stewardship, and sustainability.</p> <p><b>Support regional efforts and innovations to conserve, capture, and reuse water:</b> Identify one headwaters-to-sea watershed in the Central Valley as a potential pilot. Convene regional business, civic, and water leaders to define and prioritize water and ecosystem actions for the watershed. Identify policy, regulatory, governance, funding, and cultural barriers and constraints for implementation.</p> <p><b>Improve connections between land-use planning and water management:</b> Explore ways to integrate water resource management considerations into the local general plan process. Identify two to three pilot regions to identify and enhance the connections between land use, water management, ecosystems services, and economic vitality. Use the Rural-Urban Connections Strategy model and other tools to enhance understanding of regional economic and environmental stewardship to improve water management.</p> <p><b>Address the needs of disadvantaged communities:</b> Work within the target regions to enhance the understanding of water issues among disadvantaged communities and linkages to regional economic development, capacity building, workforce development, and affordable housing. Incorporate the IRWM Disadvantaged Communities Task Force recommendations into the One Million Challenge. Convene regional leaders and state programs to identify actions and barriers.</p>
<p><b>2. Focus on new approaches to funding and financing integrated solutions</b></p>	<p><b>Expand use of successful local financing approaches:</b> Develop and implement knowledge-exchange workshops for regional leaders on funding and financing for water infrastructure and watershed management.</p> <ul style="list-style-type: none"> <li>• <b>Promote use of Enhanced Infrastructure Financing Districts (EIFDs):</b> Identify water projects and programs where an EIFD would provide funding and financing value; work with regional leaders to develop business plans for each project. Explore ideas for allowing EIFDs to finance environmental mitigation associated with water projects and to access existing CEQA exemptions when district projects meet state environmental goals.</li> <li>• <b>Highlight Prop 218 innovations:</b> Identify and document best practices from water agencies that have successfully engaged civic, business, and environmental interests to address Proposition 218 constraints and implement tiered water pricing, lifeline rates, and funding for watershed, ecosystem, water quality, and flood management programs.</li> </ul>
<p><b>3. Identify limitations—and advocate for changes—in law or practice</b> that are preventing interagency coordination and alignment</p>	<p><b>Improve interagency coordination and alignment:</b> Identify two or three pilot regions/watersheds to develop state and federal regulatory flexibility and alignment to improve watershed outcomes, including flood management, groundwater recharge, surface and groundwater quality, land use planning, and greenhouse gas reduction. Coordinate and convene state and federal agencies with regional water, elected, civic, and business leaders.</p> <p><b>Support funding approaches that expand regional water management:</b> Develop and advocate for policy ideas including water pricing, Prop 218 updates, public goods charges, ecosystem services, and the expansion of Enhanced Infrastructure Financing Districts.</p>