

# Redwood Region Overview

This chapter offers a brief history of the Redwood Region's economic development, including discussion of the impact of resource extraction, boom-and-bust cycles, and the legacy of disinvestment in certain communities.

## Key Takeaways

- ◆ The Redwood Coast Region's economic history is characterized by commodity boom-and-bust cycles and a lack of economic diversification. While there is a need to move beyond resource extraction and exportation of primary commodities, the region's comparative advantage remains its natural resources and productive landscapes.
- ◆ One of the most rural and remote regions of the state, the region is also culturally diverse and home to the state's largest Indigenous communities, which continue to reside on their ancestral lands. Younger generations are becoming more diverse, and there is a growing Latinx community. The region is aging; the median age is seven years older than California's median. While the population of the region is declining, most town centers have gained residents in recent years, straining housing availability.
- ◆ Over 95% of the region qualifies as "disinvested" by California Jobs First criteria.
- ◆ The region possesses many assets that position it to be a leader in sustainable development, including suitability for offshore wind development, sustainable forestry, indigenous-led ecosystem initiatives, and historic strength in local food production and regenerative agriculture.

## Key Metrics

- ◆ Demographics - age, race, and ethnicity of the region's residents: Tracking the region's demographic composition with respect to median age and racial and ethnic distributions, including changes over time enables population trends, such as aging and shifts in diversity, to inform inclusive economic development strategies and ensure equitable representation in the Collaborative's efforts.
- ◆ Percentage of census tracts determined to be disinvested under California Jobs First criteria: Assessment of the proportion of the region classified as disinvested is based on the program's definition, which includes such factors as median household income, poverty rates, and unemployment levels. This metric is used to prioritize areas for targeted investment and support and to measure progress in reducing economic disparities across the region.

## Brief Economic and Social History of the Redwood Coast

The Redwood Coast contains some of the most rural and remote areas in California. Beginning 100 miles north of San Francisco and extending to the Oregon border, the region includes Tribal Lands and four counties (Mendocino, Lake, Humboldt, and Del Norte), covering approximately 6% of the state’s total landmass (U.S. Census Bureau, n.d.). The four-county region—including Tribal Lands—has 323,952 residents, accounting for less than 1% of the state’s total population (U.S. Census Bureau, 2024).

Figure 1.1 Redwood Coast Region and Population (2017–2021)

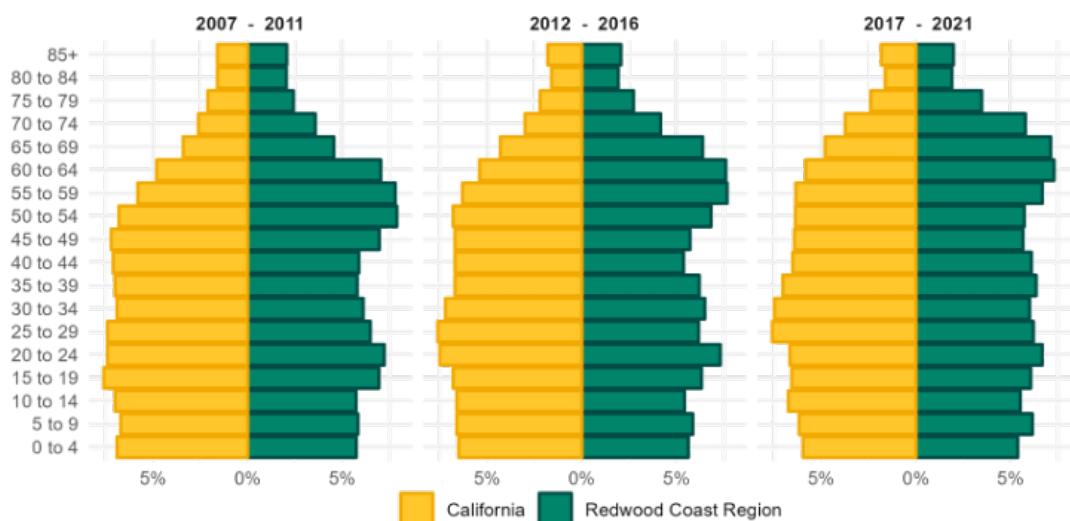


*Note. Data sourced from the ACS.*

The Redwood Region is the ancestral land of several Indigenous cultures, including (but not limited to) those of the Hoopa, Karuk, Miwok, Pomo, Tolowa, Wappo, Wiyot, and Yurok. Presently, 33 federally and non-federally recognized Tribes reside in the region. The region’s population is largely white and non-Hispanic (67.7%). Hispanic or Latino individuals make up 19% of the region’s population, while the American Indian and Alaska Native (AIAN) population represents approximately 2.4% of the region’s total population, higher than the statewide percentage of AIAN residents. On the whole, the region’s population is aging—the median age is 41 years, compared to the state median of 37 years (see Figure 1.2).

European settlers arriving for the California Gold Rush in the mid-19th century forced displacement, acculturation, genocide, and other atrocities on Indigenous peoples, the legacy of which is still felt in the region today. Colonizers established the extractive industries that to this day comprise a mainstay of the region’s economy. During the initial wave of settlers, the timber and logging industries grew to prominence, particularly in Mendocino, Humboldt, and Del Norte counties, thanks to the abundance of redwoods, or “red gold,” in the area (Del Norte County Historical Society, 2021; Humboldt County Historical Society, n.d.). Commercial fishing and canneries were established in coastal areas and rivers in Humboldt, Del Norte, and Mendocino counties (Del Norte County Historical Society, 2021b; Humboldt County Historical Society, n.d.). Agricultural industries were established soon after.

Figure 1.2 Age Distribution (2007–2021)



*Note. Data sourced from the American Community Survey.*

By the 1960s, wine making had become a successful industry in Lake County (Lake County, California, 2020), while the dairy and livestock industries performed well in Humboldt County (Humboldt County Historical Society, n.d.). Home to California's largest freshwater lake, Clear Lake, Lake County's economy has historically been based on tourism and recreation ("Lake County Cannabis Equity Assessment," 2020). Tourism also became a prominent industry in the other counties as early as the late 19th century (Humboldt County Historical Society, n.d.; Lake County, California, 2020; Lake County, California, 2022).

Towards the mid-20th century, timber and fishing industries had diminished considerably due to resource depletion and unsustainable management (Pomeroy et al., 2010; Del Norte County Historical Society, 2021b). The logging and timber industries began their long decline due in part to the post-war housing boom, export of timber products, and subsequent destruction of over 90% of the region's redwood forests (ibid.). The rise of countercultural movements in the 1960s brought newcomers from urban California and other parts of the nation to the region. Known as "Back to the Landers," these new migrants introduced a novel agricultural product into the region—cannabis. Illicit cannabis cultivation became a lucrative business and a new major industry across much of the region, though not without concerted (albeit largely ineffective) efforts to thwart growing operations dedicated to it by state and federal authorities (University of Oxford, 2019). Cannabis cultivation and sale for medicinal use was legalized in 1996, with recreational and business use legalized statewide in 2016.<sup>5</sup> Once thought to be a six-billion-dollar market, firms flooding the market caused a collapse in the commodity's price, and the industry is now in substantial financial decline across the region (Department of Cannabis Control – State of California, n.d.; Jaeger, 2024).

<sup>5</sup> [Click here to learn more.](#)

## Disinvestment in the Region



*“California’s inland and more rural regions have less exposure to the knowledge and technology industries that have powered California’s economy over the past decades. Their economies are less diversified than those of coastal regions and many currently lack the economic drivers to create quality jobs at scale for residents. Inland and rural regions are at once most impacted by climate change and environmental pollution and most vulnerable to potential job losses from measures designed to address climate change and improve environmental quality.”*

**–Little Hoover Commission Report, 2022**

California Jobs First’s Regional Investment Initiative emphasizes inclusive planning to ensure equitable outcomes for “disinvested communities,” which face many challenges resulting from inequitable land-use and zoning policies, exclusionary economic development processes, underinvestment, and a lack of meaningful engagement in planning and policy decisions (among other reasons). The program promotes the active engagement of residents and community leaders of disinvested communities in its economic development planning efforts. The program is also structured to help ensure that these communities enjoy ongoing benefits from future investments. California Jobs First defines “disinvested communities” as any of the following:

- ◆ Census tracts identified as “disadvantaged” by the California Environmental Protection Agency.
- ◆ Census tracts with median household incomes at or below 80% of the statewide median income or at or below the threshold designated as low-income by the Department of Housing and Community Development’s list of state income limits pursuant to Section 50093 of the California Health and Safety Code.
- ◆ “High poverty area” and “High unemployment area” as designated by the California Governor’s Office of Business and Economic Development California Competes Tax Credit Program.
- ◆ California Native American Tribes as defined by the Native American Heritage Commission (NAHC) Tribal Consultation Policy.

Figure 1.3 below shows low-income and disadvantaged communities within the region as defined by the California Jobs First Program.

Figure 1.3 Low-Income or Disadvantaged Communities as Designated by California Jobs First<sup>6</sup>



According to California Jobs First’s definition, over 95% of the Redwood Coast Region constitutes a “disinvested” community.

Given the generalized nature of spatial disinvestment, the Collaborative elevated specific economic barriers in creating its own definition—conceptualizing “disinvested communities” in the region as those who face a confluence of relatively severe and often interconnected hardships including, but not limited to, poverty, disability, lack of access to household or community resources, and/or lack of economic or educational opportunities. RRRISE recognizes the experiences of BIPOC communities; Indian Country, including non-federally recognized Tribes; New American communities (new arrivals and/or non-native English speakers); and youth and the elderly and seeks to better understand and respond to the profound and difficult impacts of the widespread trauma and disability experienced by members of these groups.

<sup>6</sup> Data sourced from the California Energy Commission via the California Open Data Portal. Data are defined as follows: “This layer shows census tracts that meet the following definitions: Census tracts with median household incomes at or below 80 percent of the statewide median income or at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted under Health and Safety Code section 50093 and/or census tracts receiving the highest 25% of overall scores in CalEnviroScreen 4.0 or census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative population burden scores or Census tracts identified in the 2017 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0 or Lands under the control of federally recognized Tribes.”

Based on a combination of CEDS data from each of the four counties, information from the California Climate Investments Priority Populations (2023), and the outreach and engagement team’s knowledge from working with underserved communities, the team generated a preliminary list of priority communities. This list was further defined by the RRRISE Equity Council to ensure voices from marginalized, underserved, and underheard groups were not overlooked.

Where possible, Redwood Region RISE uses quantitative data to define and describe the priorities mentioned above. However, the region’s small and distinctly rural population leads to correspondingly small sample sizes in public datasets that can obscure the impacts of disinvestment on priority communities. Thus, relying solely on quantitative data to identify these effects is not feasible. In response, RRRISE has adopted an approach distinct from other, less-rural regions of the state, by integrating qualitative data with quantitative measures to ensure the accurate representation and inclusion of these communities.

Within the region, deeply rural communities are thus designated as priority communities and so named as areas of persistent disinvestment. Many of these communities are unincorporated and rely on cooperative relationships with county governments for service delivery. In listening sessions, members of those communities frequently described this dynamic as a source of powerlessness. Other barriers to economic empowerment cited by priority communities include a lack of adequate workforce-development initiatives, insufficient wraparound services, a lack of technical support for entrepreneurs (particularly for Native Americans, New Americans, and entrepreneurs of color).

“[Workforce initiatives need to understand] barriers like transportation, childcare, housing...understand the holistic approach that is needed. It takes working with regional partners, and looking at larger problems.”

## The Redwood Region Today

The agricultural and timber industries continue to be major drivers of the region’s economy. Lake and Mendocino Counties are significant producers of wine and horticultural products, whereas Mendocino, Del Norte, and Humboldt Counties retain primacy in timber production. Tourism, hospitality, and recreation industries are abundantly represented across the region as well (California EDD, Labor Market Information Division [n.d.]; California Employment Development Department [EDD], n.d.; Stenger, 2018; Del Norte County Historical Society, 2021b; Submitted, 2022).

Given the region’s reliance on agriculture and timber-based commodities and their associated boom-and-bust cycles, Collaborative members support planning efforts to diversify local economies and increase economic activity and economic resilience. While past economic development efforts were focused more broadly on business attraction, their more recent emphasis has been the targeted leveraging of existing and emerging assets and industry sectors.<sup>7</sup>

<sup>7</sup> e.g., Humboldt County’s “Targets of Opportunity” cluster-focused model of economic development (<https://www.gohumco.com/173/Comprehensive-Economic-Development-Strat>)



Since the economic downturn of 1998–2000, more focus has been paid to forming partnerships and enacting policies better suited to the region’s comparative advantages. The aim of these initiatives has been to diversify services and firm types within industries having existing strong foundations. However, challenges persist and include a lack of regional coordination on economic strategies, rising costs, missed opportunities to grow firms capable of accessing lucrative markets in nearby urban areas, and failure of key sectors to adapt to changing regulations and market conditions.

With an aging population and a relative decline in natural resource-based industries, healthcare and public sector jobs are gaining in prominence. Healthcare and government employment combined currently constitute nearly one-third of the region’s workforce and represent the bulk of the higher wage opportunities available to residents of the region. Concurrent with this shift, populations have decreased in its more rural areas while municipalities have experienced growth, exerting additional pressure on a strained housing market (“California Jobs First: Equity Indicators for the Redwood Coast Region,” 2024). The Economic Analysis and Labor Market Analysis chapters of this report discuss the dynamics of these in depth.

## Overview of Regional Assets and Opportunities

Asset-based community development is an evidence-based approach involving identification and leveraging of the assets needed for resilient and equitable economic growth. Assets specific to the growth of key sectors are discussed in depth in the Industry Cluster Analysis and Regional Plan Part 2 (forthcoming). At a high level, the community assets listed below are recognized<sup>8</sup> as key to the region’s employment opportunities, ability to innovate, and provision of services to its communities and thus contribute significantly and/or uniquely to its residents’ overall well-being.

### Natural Resources

- ♦ Globally significant redwood forests, including Redwood National and State Parks,<sup>9</sup> which draw almost 5 million visitors annually in addition to providing other benefits (habitat, agroforestry, carbon sequestration, the historic presence of large- and medium-scale timber operations such as Green Diamond and the Mendocino Redwood Company<sup>10</sup>).



<sup>8</sup> This non-exhaustive list of community assets was derived from the findings of the listening campaign, which included 144 leaders and community members.

<sup>9</sup> The Redwood Region is home to Redwood National and State Parks, which protect nearly 39,000 acres of old-growth redwood forests ([National Park Service](#), 2021).

<sup>10</sup> Mendocino Redwood Co. has over 228,000 acres of forest holdings and one mill located in Ukiah. Green Diamond Co.’s local holdings, called the [California Timberlands](#), constitute 397,000 acres, a mill at Korbel, and a chip company at Humboldt Bay.

- ◆ The longest stretch of coastline of any California Jobs First Region, at 379 contiguous miles in total. Three of the region's areas—Noyo Harbor (Mendocino),<sup>11</sup> Humboldt Bay, and Crescent City (Del Norte)—host the region's fishing industry, which remains driven by small and family-run businesses. Preliminary studies deemed all three ports to be feasible locations for offshore wind development, and Humboldt Bay is the first area in the state to execute a lease for development.<sup>12</sup> Additionally, the region is a state leader in aquaculture; for example, Humboldt Bay is the largest producer of oysters in California.<sup>13</sup> The Port of Humboldt Bay is the only deep-water port between San Francisco and Coos Bay, Oregon.<sup>14</sup>
- ◆ Lake County is home to one of the largest geothermal areas in the world. Sustained through an innovative use of wastewater injection, the Geysers (Calpine) produce sufficient clean power for all of San Francisco.<sup>15</sup>
- ◆ Part of the region's blue economy, Clear Lake (Lake County) is the largest natural lake in California and thus provides a valuable regional tourism and recreation destination. The USGS is currently conducting hydrologic (primarily nutrient loading) research on the lake to improve water quality and fish habitat (the Clear Lake Hitch fish species).<sup>16</sup>

"I don't think I would want to live anywhere else."

### Physical Assets

- ◆ Local businesses: In addition to myriad small- and medium-sized enterprises across all sectors, the region boasts many farms, wineries, micro-breweries, and artisanal food producers. Mendocino (which has over 550 vineyards)<sup>17</sup> and Lake counties' wine industries, for example, provide a significant source of employment and tourism dollars.
- ◆ Former mill sites: Consolidation and decline in milling activities has freed former mill sites for redevelopment opportunities. Several sites have undergone remediation and are currently being readied for redevelopment, including the Georgia Mill site in Fort Bragg (Mendocino County) and the Samoa Pulp Mill site on the Samoa Peninsula (Humboldt County).

<sup>11</sup> The [Noyo Ocean Collective](#), a California Jobs First pilot project grantee, capitalizes on marine science, sustainability initiatives, and traditional fishing activities to ensure a thriving harbor.

<sup>12</sup> The federal government recently awarded \$426 million to the Humboldt Bay Harbor, Recreation, and Conservation District for the design, permitting, and construction of the Humboldt Bay Offshore Wind Heavy Lift Marine Terminal on the Samoa Peninsula at site of a former pulp mill site. This grant was announced shortly after the District committed to a "Green Terminal" strategy, i.e., the development of a heavy lift terminal powered primarily by electricity to protect air quality and public health while reducing greenhouse gas emissions, noise, and the threat of fuel spills. [The District's](#) commitment to design a green terminal enables provision of offshore wind energy unaccompanied by a potentially fossil fuel-leaking port in Humboldt Bay.

<sup>13</sup> [\[Ref.\]](#).

<sup>14</sup> Humboldt Bay Harbor, Recreation & Conservation District. (2021) <https://humboldtbay.org/port>.

<sup>15</sup> [\[Ref.\]](#).

<sup>16</sup> [\[Ref.\]](#).

<sup>17</sup> See [Mendocino County Wine Region](#).



“I fell in love with the place. I fell in love with the community, just the natural beauty, the slow pace.”

### Key Institutions

- ◆ The region hosts three community college networks: College of the Redwoods (Humboldt and Del Norte Counties), Mendocino College (Mendocino and Lake County), and a Woodland Community College Campus in Lake County. Humboldt State University announced its transition to Cal Poly Humboldt and became the state’s third polytechnic university in 2023, a development anticipated to increase the region’s entrepreneurial and innovation capacity.
- ◆ A network of hospitals and clinics, some in rural and remote parts of the region, are working to address persistent issues of access and ongoing health disparities.
- ◆ Several Community Development Finance Institutions (CDFIs) and three major NorCAL SBA affiliates<sup>18</sup> serve the needs of entrepreneurs, small businesses, special districts, and rural jurisdictions that could otherwise struggle to access financing.

### Cultural Strengths

- ◆ The region’s original peoples lead key ecological and economic justice initiatives. The region is one of the first to have federal park land returned to indigenous stewardship and hosts the first Indigenous Marine Protected Area in the nation. Tribes are the key initiators of economic and housing development projects in disinvested areas (both Tribally and non-Tribally held) and several Tribes are top employers in the region.
- ◆ Increasingly, resources are being mobilized to strengthen identity-based and human dignity organizations serving the interests of the region’s priority, diverse populations.<sup>19</sup> Organizations aligned with the Collaborative are involved in fiscally sponsoring and funding such groups as they emerge.
- ◆ The region’s historic and cultural landmarks, which include Tribal cultural centers and historic districts such as those of Eureka, Ukiah, and Fort Bragg, showcase the region’s unique heritage, and efforts to revitalize small town main streets are growing the region’s existing strength in tourism.

Asset-mapping specific to the region’s priority sectors is currently underway in the Collaborative’s Sector Tables.

<sup>18</sup> West Business Center, Lake County EDC, and NorCal SBDC all serve on the RRRISE Voting Block.

<sup>19</sup> Organizations identified include Centro Del Pueblo, Latinonet, Black Humboldt, Queer Humboldt, Ukiah Vecminos en Accion, Latinos United of Lake County, and Humboldt Asians and Pacific Islanders in Solidarity.