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# BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

TITLE 25. HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION 1. HOUSING AND COMMUNITY DEVELOPMENT  
CHAPTER 7. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
PROGRAMS  
SUBCHAPTER 21.

# ENTERPRISE ZONE PROGRAM

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**ARTICLE 1.  
GENERAL**

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**§ 8430. Purpose and Scope.**

These regulations implement and interpret Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1, Government Code, which establishes the Enterprise Zone Act; and Sections 17053.74(c) and 23622(c) of the Revenue and Taxation Code. Note: Authority cited: Sections 7086(a) and (d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Chapter 12.8 (commencing with Section 7070) of Div. 7, Title 1, Government Code; and Sections 17053.74(c) and 23622.7(c), Revenue and Taxation Code.

**§ 8431. Definitions.**

The following definitions shall apply to this Subchapter. Unless the context clearly requires otherwise, terms not defined herein shall have the meanings set forth in Chapter 12.8 of Division 7 of the Government Code, commencing with Section 7070, or Revenue and Taxation Code Sections 23622.7 and 17053.74, as amended from time to time. References to code sections refer to the sections of these regulations unless otherwise noted.

- (a) "Act" shall mean Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1, Government Code.
- (b) "Certificate" or "voucher" means the certification described in subdivision (c) (1) of Revenue and Taxation Code Sections 17053.74 and 23622.7. This document shall contain all the information required by Section 8464 in a format provided by the Department.
- (c) "Department" means the Department of Housing and Community Development.
- (d) "Enterprise Zone" or "zone" means the same as defined in subdivision (d) of Government Code Section 7072.
- (e) "Enterprise Zone Manager" or "zone manager" means the person or position designated by an enterprise zone governing body to administer its enterprise zone program, including the issuing of vouchers.
- (f) "Memorandum of Understanding" or "MOU" means an agreement between an enterprise zone and the Department identifying the start date of tax credits in the zone, listing the terms and conditions that the zone must fulfill during the life of the zone, and any amendments thereto including, but not limited to, any terms and conditions for compliance with any audit agreement.
- (g) "Qualified Employee" means a "qualified employee" as defined in subdivision (b)(4)(A) of Revenue and Taxation Code Sections 17053.74 and 23622.7.
- (h) "Remittance Form" means the form described in subsection (b) of Section 8433.
- (i) "Voucher" means the same as "Certificate."

Note: Authority cited: Sections 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7072, 7076, 7076.1 and 7086, Government Code; and Sections 17053.74(c) and 23622.7(c), Revenue and Taxation Code.

**ARTICLE 2.**  
**DEPARTMENT APPLICATION FEES**

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**§ 8432. Amount of Department Fee.**

(a) Commencing on November 1, 2004, each enterprise zone shall remit to the Department a fee of \$10.00 for each application for a Certificate that it accepts. The enterprise zone may collect this fee at the time it accepts an application for processing. The fees shall be remitted pursuant to the procedures set forth in Section 8433.

(b) The Department may adjust the per-application fee from time to time, pursuant to the Administrative Procedure Act, to ensure that fees collected meet, but do not exceed, the Department's costs of administering the Act. In no case shall the per-application fee exceed \$10. Prior to any such adjustment, the Department shall notify all enterprise zones.

Note: Authority cited: Sections 7086(a) and (d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076(c) and 7086(d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

**§ 8433. Procedure for Remittance of Department Fees.**

(a) No later than the 25th day of December 2004, and on the 25th day of each month thereafter, each enterprise zone shall file a completed Remittance Form with the Department for the fees collected during the preceding month. An enterprise zone shall file a Remittance Form even if no applications were accepted during the preceding month.

(b) The Remittance Form shall be provided by the Department and shall inform the enterprise zone that the fees are being collected to reimburse the Department for the costs of its administration of the Act, and shall include instructions for returning the completed Remittance Form. The Remittance Form shall request the following information: (1) date submitted; (2) name of the enterprise zone; (3) the enterprise zone contact person, telephone number and e-mail address; (4) total number of applications accepted for the preceding month; and (5) the total amount of funds being remitted.

(c) Each enterprise zone shall remit to the Department, along with the completed Remittance Form, a single check, made payable to the Department of Housing and Community Development, in a dollar amount equal to the then current per-application fee established by the Department pursuant to Section 8432 multiplied by the number of applications accepted for the month being reported.

Note: Authority cited: Sections 7086(a) and (d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076(c) and 7086(d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

## **§ 8434. Noncompliance**

If the Department determines that an enterprise zone has failed to comply with the requirements of this Article it may:

- (a) Suspend any discretionary services rendered to the enterprise zone including, but not limited to, processing of expansion requests or requests to extend the enterprise zone designation; and
- (b) Issue a determination that the enterprise zone is failing for purposes of Government Code Section 7076.1, without further audit of the enterprise zone's operations.

Note: Authority cited: Sections 7086(a) and (d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076(c), 7076.1 and 7086(d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

**ARTICLE 3.  
ENTERPRISE ZONE DESIGNATION PROCESS - GENERAL**

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**§ 8439. Definitions**

In addition to the definitions contained in Government Code section 7072, the following definitions shall apply only to the regulations contained in Articles 3-13 of this subchapter. Furthermore, as used in Articles 3-12, the term "Agency" shall mean the Department of Housing and Community Development.

- (a) "Act" means the Enterprise Zone Act, Government Code section 7070 et seq.
- (b) "Applicant" means a city, county, or city and county that submits an application to the Agency to have a geographical area, including an area within its jurisdiction, designated as an enterprise zone under the provisions of the Act.
- (c) "Application" means the written application submitted to the Agency pursuant to either article 6 or article 7 of this subchapter.
- (d) "Application area" means the geographical area consisting of the eligible area and commercial and/or industrial area contained in a preliminary or final application.
- (e) "Block" means the lowest level in the hierarchy of census geography whereby census data is collected by the United States Department of Commerce, Bureau of the Census.
- (f) "Block group" means a combination of blocks that is a subdivision of a census tract.
- (g) "Census maps" means the Block Statistics Maps published by the United States Department of Commerce, Bureau of the Census.
- (h) "Census tract" means a small statistical subdivision of a county whereby census data is collected by the United States Department of Commerce, Bureau of the Census.
- (i) "Commercial area" means a geographic area within which at least 51% of the land area is zoned commercial by the city, county or city and county.
- (j) "Conditional designation" means designation by the Agency of a final applicant's application area as an enterprise zone, subject to the final applicant's completion of the conditions necessary for final designation specified in the section 8445 conditional designation document.
- (k) "Decennial census" means the population survey of the United States conducted every ten years by the United States Department of Commerce, Bureau of the Census.
- (l) "Designation process" means all steps required for final designation, including eligibility, preliminary application, final application, conditional designation and final designation, identified in section 8439.1(c).
- (m) "Distressed area" means a geographic area that either (1) meets the requirements of section 8440.2, or (2) is contained in an approved petition.

- (n) "Eligible area" means, except for an SB1438 zone, a geographic area that meets the requirements of section 8440.4 and is a distressed area. An eligible area for an SB1438 zone is one which meets the requirements of sections 8440.1 and 8440.3.
- (o) "Enterprise zone" means an application area contained in an application awarded final designation status by the Agency.
- (p) "Final applicant" means a preliminary applicant selected by the Agency to complete a final application.
- (q) "Final application" means the written application submitted to the Agency pursuant to article 7 of this subchapter.
- (r) "Final designation" means that the final applicant with conditional designation status has been mailed written notification from the Agency that it has completed, to the satisfaction of the Agency, all conditions of the conditional designation and that designation of the final applicant's application area as an enterprise zone is final and complete.
- (s) "Industrial area" means a geographic area within which at least 51% of the land area is zoned industrial by the local jurisdiction.
- (t) "Infrastructure" means the physical systems and services which support development and people, including, but not limited to, streets, and highways, transit services, airports, and water and sewer systems.
- (u) "Petition" means a written request submitted to the Agency by a city, county, or city and county for a finding that a geographic area within its jurisdiction qualifies as a distressed area.
- (v) "Petition area" means the geographic area identified in a petition.
- (w) "Preliminary applicant" means a city, county, or city and county that is preparing or has prepared a preliminary application.
- (x) "Preliminary application" means the written application submitted to the Agency pursuant to article 6 of this subchapter.
- (y) "SB1438 zone" means the process for designation of two enterprise zones which, in addition to compliance with the requirements for designation of an enterprise zone, meet the eligibility requirements contained in section 8440.3.
- (z) "Small city" means a California city with a population less than 25,000 as of December 31, 1992.
- (aa) "Small city enterprise zone" means the process for designation of two small cities as enterprise zones from applications received on or before June 30, 1994.

Note: Authority cited: Sections 7073, 7076, and 7085, Government Code. Reference: Sections 7071, 7073, 7073.9, 7076 and 7085, Government Code.

## **§ 8439.1. Enterprise Zone Designation Process**

- (a) The regulations contained in this chapter govern the establishment of enterprise zones pursuant to the Enterprise Zone Act, Government Code sections 7070 et seq.
- (b) The Agency shall designate a maximum of twenty-five (25) enterprise zones, in addition to two small cities enterprise zones and two SB1438 zones. Pursuant to Government Code section 7073.9, the Agency shall designate two small cities enterprise zones. Pursuant to Government Code section 7073.7, the Agency shall designate two SB1438 zones. The four shall be in addition to the 25 previous designated. Except for the small cities and SB1438 designations, the Agency shall select a maximum of twenty (20) preliminary applications during each designation process to complete a final application, and from the final applications, the Agency shall designate up to eight (8) enterprise zones during each designation process. The Agency shall select a maximum of five (5) preliminary applications for designation of small cities enterprise zones and SB1438 zones, and shall conditionally designate two of the final applicants.
- (c) The Agency shall designate an application area as an enterprise zone provided each of the following requirements is satisfied:
- (1) A city, county or city and county submits a preliminary application to the Agency, or in the case of a small cities enterprise zone, a small city submits an application;
  - (2) The application area contains an eligible area and includes:
    - (A) a commercial area contained within or contiguous to the eligible area; and/or
    - (B) an industrial area contained within or adjacent to the eligible area;
  - (3) The preliminary applicant has been selected by the Agency to complete a final application; and
  - (4) The Agency has awarded the final applicant both conditional and final designation status.

Note: Authority cited: Sections 7073, 7076 and 7085, Government Code. Reference: Sections 7073, 7073.5, 7073.7, 7073.9 and 7076, Government Code.

## **§ 8439.2. Address of Agency**

The following is the Agency mailing address for any and all correspondence, applications, petitions, documents, and other materials concerning enterprise zones:

Department of Housing and Community Development  
Enterprise Zone program Manager  
P.O. Box 942054  
Sacramento, California 94252-2054

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7071 and 7073, Government Code.

### **§ 8439.3. Enterprise Zone Application Handbooks; Application Dates**

(a) The Agency shall prepare a handbook entitled "Enterprise Zone Preliminary Application Handbook" that will be mailed to all persons and entities who have requested receipt of a preliminary application. In the case of the small cities enterprise zone designation, the handbook shall be mailed to all small cities. The Enterprise Zone Preliminary Application Handbook shall contain the following:

- (1) All due dates for the preliminary application;
- (2) A description of the designation process;
- (3) The scoring criteria and method employed by the Agency in evaluating preliminary applications; and
- (4) The preliminary application form.

(b) The Agency shall prepare a handbook entitled "Enterprise Zone Final Application Handbook" that will be mailed to all final applicants. The Enterprise Zone Final Application Handbook shall contain the following:

- (1) All due dates for the final application;
- (2) A description of the designation process;
- (3) The scoring criteria and method employed by the Agency in evaluating final applications; and
- (4) The final application form.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7073.9, Government Code.

### **§ 8439.4. Application Area; Prohibition against Changes.**

(a) Each preliminary and final application shall include one, and only one, application area, consisting of one eligible area and one industrial and/or one commercial area. The commercial area shall be contiguous to or contained within the eligible area and shall have continuous boundaries. The industrial area shall be either contained within or adjacent to the eligible area and shall have continuous boundaries. As used in this Section, "adjacent" means eligible area residents can be expected to seek employment in the industrial area based upon historic employment practices.

(b) The application area identified in a preliminary application shall not be changed in the final application except as specified in section 8443.1.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7071, 7073 and 7076, Government Code.

## **ARTICLE 4. ELIGIBLE AREAS**

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### **§ 8440. Identification of Eligible Area; Eligibility Criteria**

(a) Except for an SB1438 zone, an eligible area shall meet the requirements set forth in section 8440.1 and the entire geographic area shall:

- (1) Meet the criteria for a distressed area contained in section 8440.2 and/or
- (2) Comply with article 5 of this subchapter.

(b) An SB1438 zone eligible area shall meet the requirements set forth in section 8440.1 and 8440.3.

Note: Authority cited: Sections 7073, 7076 and 7085, Government Code. Reference: Section 7073, Government Code.

### **§ 8440.1. Continuous Boundaries; Area Population**

An eligible area shall consist of census tracts, block groups, or enumeration districts with continuous boundaries, and shall contain a population of at least 2,500 persons (based upon the most recent decennial census).

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

### **§ 8440.2. Distress Criteria**

(a) Each census tract, block group, or enumeration district within a non-petition distress area must meet at least three (3) of the distress criteria listed below:

- (1) The net increase in per capita income between 1969 and 1983 was \$8,203 or less;
- (2) The average rate of unemployment for both 1984 and 1985 was 9% or more;
- (3) The percent of persons below the poverty level in 1980 was 12.4% or more or
- (4) At least 70% of the households had income below 80% of median county household income during 1980.
- (5) The area is within a jurisdiction declared a disaster area by the President of the United States within the last seven years. The Agency shall provide applicants with the above-referenced data for each census tract, block group, or enumeration district using information prepared by the Department of Finance.

(b) To determine qualification under subsection (a)(1) above, information for the entire county shall be used if the same census tracts or enumeration districts are not available for the last two decennial censuses. In such cases, if the county qualifies, all census tracts or enumeration districts within that county qualify. For areas where census tracts are not available, enumeration districts shall be used.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

### **§ 8440.3. SB1438 Zone Eligible Area**

(a) "Area", as used in this section, means the county for a census tract outside a city, and the city for a census tract within a city. Therefore, in subsection (b)(1), unemployment rate for the area" means that rate within the city if the census tract is in a city, otherwise it means the rate for the county.

(b) Each census tract within the SB1438 zone eligible area shall comply with a minimum of two of the following:

- (1) The unemployment rate in the area has been twice the unemployment rate for the State of California in each of the years 1990 through 1994, inclusive, based upon figures provided by the Economic Development Department.
- (2) The 1990 median household income for each census tract is less than 90 percent of the 1990 median household income for the county in which the census tract is located, based upon figures provided by the Department of Finance Demographics Unit.
- (3) The area has experienced at least an eight percent increase in population per year in both 1993 and 1994 while employment in the area has increased less than eight percent per year in 1993 and 1994, based upon figures provided by the Economic Development Department. In calculating the increase, if 1992 population was 100,000, then population in 1993 must be at least 108,000, and in 1994 at least 116,640.

Note: Authority cited: Sections 7073, 7076 and 7085, Government Code. Reference: Section 7073, Government Code.

**ARTICLE 5.  
ELIGIBLE AREA PETITION PROCESS**

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**§ 8441. Petition Area as an Eligible Area**

(a) If the petition area does not comply with the distress criteria specified in section 8440.2, the petition area shall qualify as a distressed area, provided the petition area meets the requirements of one of the following sections: section 8441.2, section 8441.3 or section 8441.4.

(b) The petition shall contain all of the following information:

(1) A description and identification of the exact location and the specific boundaries of the petition area, together with the population data for the petition area.

(2) All data and information in support of the contention that the petition area meets the requisite distress criteria set forth in one of the following sections: 8441.2, 8441.3, or 8441.4.

(3) All data and information in support of the contention that the eligible area meets the requirements of section 8440.1.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**§ 8441.1. Petition; Time for Submission**

(a) A city, county, or city and county shall be authorized to submit a written petition to the Agency for a finding that a geographic area within its jurisdiction qualifies as a distressed area.

(b) Except for a small cities enterprise zone petition, the petition shall be received by the Agency on or before the sixtieth (60th) day prior to the date that the preliminary applications are due to the Agency. Petitions under the small cities enterprise zone program shall be received by the Agency by the preliminary application due date. The Agency shall not accept any petition that is received after the petition due date.

(c) The Agency shall publish the due date for petitions in the Enterprise Zone Preliminary Application Handbook.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7073.9, Government Code.

## **§ 8441.2. Plant Closures**

(a) A petition area shall qualify as a distressed area if the petition area has experienced a plant closure or closures causing the unemployment of at least 100 full-time workers from the plant(s) within the twenty-four (24) months prior to the filing of the petition.

(b) For purposes of this section, the following definitions shall apply:

(1) "Plant" means a business that manufactures, processes, combines or otherwise fabricates a product, and includes a military base; and

(2) "Full-time" means employment which when aggregated with respect to one or more employees totals at least one thousand seven hundred and fifty (1,750) hours per 12-month period.

(c) The city, county, or city and county shall attach the documents that support its contention that the petition area is a distressed area under the provisions of this section including:

(1) The name and address of closed plant(s);

(2) The number of full-time plant workers who became unemployed as a result of the closure of the plant(s); and

(3) The date the plant(s) closed.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

## **§ 8441.3. Substantially Similar Conditions of Economic Distress**

A petition area shall qualify as a distressed area if at least 51% of the population or the geographic area within the petition area complies with the provisions of section 8440.2. The remaining portion of the population or the geographic area within the petition area shall meet a minimum of three (3) economic distress criteria. At least one (1) of the three (3) criteria shall be an economic distress criteria specified in section 8440.2. The remaining criteria shall meet the criteria set forth below.

(a) The percentage of aid to families with dependent children (AFDC) recipients residing in the petition area is one hundred and twenty percent (120%) or more of the percentage of AFDC recipients residing in the State of California and in the county within which the petition area is located. For the purposes of this subsection, the following data shall be utilized in calculating the percentage of AFDC recipients residing in the petition area, the State and the county:

(1) The number of resident AFDC recipients shall be based upon the most recent annual data compiled by the State Department of Social Services; and

(2) The total number of residents shall be based on the most recent decennial census data prepared by the United States Department of Commerce, Bureau of the Census;

(b) The percentage of county general relief program recipients residing in the petition area is one hundred and twenty percent (120%) or more of the percentage of general relief program recipients residing in the State of California and in the county within which the petition area is located. For the purposes of this subsection, the following data shall

be utilized in calculating the percentage of general relief recipients residing in the petition area, the State and the county:

- (1) The number of resident general relief recipients shall be based upon the most recent annual data compiled by the State Department of Social Services; and
  - (2) The total number of residents shall be based on the most recent decennial census data prepared by the United States Department of Commerce, Bureau of the Census;
- (c) The most recent one year high school drop-out rate for school age children residing in the petition area is one hundred and twenty percent (120%) or more of the most recent one year high school drop-out rate for school age children residing in the State of California and in the county within which the petition area is located. The petition area drop-out rate is available from the local unified school district. The State and county dropout rates shall be contained in the Enterprise Zone Preliminary Application Handbook.
- (d) The population of the petition area meets the population loss criteria (also referred to as "population lag/decline") identified by the most recent Urban Development Action Grant guidelines published by the United States Department of Housing and Urban Development as of the date the preliminary applications were mailed by the Agency.
- (e) The most recent annual percentage of persons residing in the petition area below the poverty rate is one hundred and twenty percent (120%) or more of the most recent annual poverty rate for the persons residing in the State of California. The State poverty rate shall be contained in the Enterprise Zone Preliminary Application Handbook.
- (f) The most recent annual unemployment rate for persons residing in the petition area is one hundred and twenty percent (120%) or more of the most recent annual unemployment rate for the persons residing in the State of California and in the county in which the petition area is located. The State and county unemployment rates shall be contained in the Enterprise Zone Preliminary Application Handbook.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

#### **§ 8441.4. Gang-Related Activity**

(a) A petition area shall qualify as a distressed area if the petition area has experienced a history of gang-related activity, whether or not crimes of violence have been committed.

(b) The city, county, or city and county shall attach the documents demonstrating that the petition area has been identified by the Office of Criminal Justice Planning for the State of California as a gang activity area.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

#### **§ 8441.5. Approval or Denial of Petitions; Finality of Decisions**

(a) The Agency shall mail a "petition letter" to each city, county, or city and county that submitted a petition within thirty (30) days after the date specified in section 8441.1(b) for the filing of petitions. The petition letter shall inform the city, county, and or city and county that submitted a petition whether the petition is approved or denied.

(b) If the petition has been denied, the petition letter shall inform the city, county, or city and county that submitted a petition of the reasons for denying the petition. The Agency's decision to deny a petition shall be final and no further review of the petition shall be conducted by the Agency.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**ARTICLE 6.  
PRELIMINARY APPLICATION PROCEDURE**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8442. Jurisdiction over Applications Area**

- (a) No city, county or city and county shall participate as an applicant unless a portion of the proposed application area is within its jurisdiction.
- (b) For the purposes of this article, "jurisdiction" means the geographic area where applicant has authority to enforce ordinances and resolutions.
- (c) Each application must include at least one applicant city and/or county with jurisdiction in the eligible area.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**§ 8442.1. Information Required.**

All preliminary applications shall contain the documents and information specified in sections 8442.4, 8442.6, 8442.7, 8442.8, and 8449.3.

Note: Authority cited: Sections 7073 and 7076, Government Code; and Section 21082, Public Resources Code. Reference: Sections 7071, 7073 and 7075, Government Code.

**§ 8442.2. Notification of Preliminary Application Process**

The Agency shall mail an Enterprise Zone Preliminary Application Handbook on the first day of the preliminary application time period to each entity or person who has previously requested receipt of a preliminary application. In the case of a small cities enterprise zone designation, the handbook shall be mailed to all small cities on May 30, 1994.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7073.9, Government Code.

**§ 8442.3. Preliminary Application Deadline**

- (a) Preliminary applications shall be received by the Agency no later than 5:00 PM on the one hundred and fiftieth (150th) day after the day the preliminary applications were mailed, except for a small cities enterprise zone preliminary application, which shall be due June 30, 1994. The mailing and deadline dates shall be specified in the Enterprise Zone Preliminary Application Handbook.
- (b) The Agency shall reject any preliminary application received after the due date for preliminary applications. The Agency shall inform the applicant in writing within ten (10) days of receipt of the preliminary application that the applicant's preliminary application was received after the due date and was thereby rejected by the Agency.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7073.9, Government Code.

#### **§ 8442.4. Number of Copies; Applicant Name; Principal Contact Person**

(a) Preliminary applicants shall submit 6 copies of the preliminary application, plus 1 signed and clearly identified original, to the Department, except for the small cities designation process, for which one original and two copies are required.

(b) The preliminary application shall contain:

(1) The name(s) and address(es) of the applicant(s); and

(2) The name, address and phone number of the principal contact person for the preliminary application.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

#### **§ 8442.5. Review Limited to Information in Preliminary Application**

(a) The Agency shall review preliminary applications based solely upon the information received by the Agency on or before the due date for preliminary applications.

(b) The Agency reserves the right to contact preliminary applicants after the due date for preliminary applications to obtain clarification of submitted information, but not to obtain additional information.

Note: Authority cited: Sections 7073 and 7076, Government Code; and Section 21082, Public Resources Code. Reference: Sections 7071, 7073, and 7075, Government Code.

#### **§ 8442.6. Application Area Description**

The preliminary application shall include a description of the application area. The description shall include the following:

(a) Documents that show the exact geographic location of the application area, including both of the below listed items:

(1) Census maps that show the exact location of the eligible area and the census tract, block group, or enumeration district numbers assigned by the United States Department of Commerce, Bureau of the Census; and

(2) A street map that identifies the streets, census tracts, enumeration districts and/or block groups that mark the boundaries of the application area and the commercial and/or industrial area.

(b) Documents that show that the application area contains an eligible area. If applicable, attach a copy of the section 8441.5 petition letter indicating that the petition was approved.

(c) A copy of both the existing general zoning and land use maps for the application area and area immediately surrounding the application area, with the eligible, commercial and/or industrial areas clearly identified.

(d) A statement that the application area includes one industrial area and/or one commercial area. Application areas containing an industrial area adjacent to the eligible area shall provide evidence that the industrial area meets the definition of specifications for adjacent, as set forth in section 8439.4(a).

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7071 and 7073, Government Code.

### **§ 8442.7. Preliminary Economic Development Plan and Evaluation Criteria.**

Each preliminary application shall contain a Preliminary Economic Development Plan. Each Preliminary Economic Development Plan shall contain the information and data required by this section, except for a plan contained in a small cities preliminary application, which shall only contain the information and data required by subsection (a), (b) and (f). The Agency shall evaluate and numerically grade each Preliminary Economic Development Plan on a competitive basis, based upon the categories and the corresponding point values set forth below and the scoring method set forth in section 8444.2.

#### **(a) Marketing the zone: up to 250 points.**

The Preliminary Economic Development Plan shall contain a detailed marketing plan for the application area. The marketing plan shall include the following information:

- (1) An explanation of the specific marketing goals and the course(s) of action to be taken in order to attain the specified goals;
- (2) A detailed description of the plans to:
  - (A) Keep existing businesses from leaving the application area; and
  - (B) Assistance to be provided in helping existing businesses to expand;
- (3) A detailed description of the plans to attract new businesses into the application area, including the names of the industries targeted for attraction;
- (4) A detailed description of the role of the local economic development corporation, or similar organization;
- (5) A detailed description of the sales plan for on-site visits to existing and/or new businesses;
- (6) A detailed analysis of the advertising and promotional strategy, including a media analysis and samples of existing advertising and promotional materials;
- (7) A detailed analysis of the staff, organization and budgets to be committed to the marketing plans by all organizations;
- (8) Specific examples of successful efforts by the corporations or organizations identified in subsection (a)(4) above to attract and/or retain businesses;

(9) A list of all application area commercial real estate brokers who will handle real estate transactions within the application area; and

(10) Any other indicators of the applicant's plans for marketing the application area.

**(b) Available property and businesses: up to 200 points.**

The Preliminary Economic Development Plan shall include the number of businesses presently located in the application area, as well as a list that contains the following application area information:

(1) The total square footage of vacant buildings on land zoned industrial that meet all local and state building, fire, and seismic codes, as well as other codes necessary to operate the facility;

(2) The total square footage of vacant buildings on land zoned commercial that meet all local and state building, fire, and seismic codes, as well as other codes necessary to operate the facility;

(3) The total number of acres of vacant improved land zoned industrial. "Improved land" and used in this subsection (b) means that all infrastructure necessary to operate from the site is available to deliver water, power, sewer and traffic services;

(4) The total number of acres of vacant improved land zoned commercial;

(5) The total number of acres of vacant unimproved land zoned industrial; and

(6) The total number of acres of vacant unimproved land zoned commercial;

(7) Any other information concerning the available property and businesses in the application area.

**c) Job development: up to 175 points.**

The Preliminary Economic Development Plan shall contain a detailed explanation of the plan to identify, train and place application area unemployed and underemployed persons into the jobs created through the marketing of the application area. The Preliminary Economic Development Plan shall also include the following information:

(1) A list containing the names and addresses of all administrative agencies and/or contractors who will provide intake and/or job development services in the application area under the Job Training Partnership Act (JTPA) (29 USC Section 1501 et seq), Greater Avenues for Independence (GAIN) (Welfare and Institutions Code Section 11320 et seq), and Targeted Jobs Tax Credit (TJTC) ( 26 USC Section 51), and which will provide funds and staff for the implementation of the Preliminary Economic Development Plan;

(2) A detailed explanation of the specific contributions that each agency and/or contractor shall make for the implementation of the Preliminary Economic Development Plan;

(3) A detailed explanation of how the recipients of JTPA, GAIN, and TJTC services will be placed in enterprise zone jobs. The applicant shall include a detailed explanation of the coordination of marketing efforts with job development agencies and/or contractors;

(4) Data that shows the track record of job placements by each agency and/or contractor over the two (2) years preceding the date the preliminary applications were mailed by the Agency;

(5) A detailed organization chart showing all staff persons providing job development management and services for each agency and/or contractor identified in the Preliminary Economic Development Plan as well as all job development coordination staff of the applicant; and

(6) Any other indicators of the applicant's job development plans for the application area.

**(d) Local incentives: up to 125 points.**

The Preliminary Economic Development Plan shall include a detailed description of the local incentives provided by the applicant and a detailed explanation of how the proposed local incentives will stimulate business investment in the application area. The following information shall be included in the Preliminary Economic Development Plan:

(1) An explanation of the plans to reduce fees for application area business, including development fees, license fees, and permit fees;

(2) An explanation of methods to be employed to reduce the administrative processing time required for plan review and permit applications for application area businesses;

(3) An explanation of the land use plan, together with maps of the application area that forecast local zoning plans for the next 5 to 10 years to ensure that the projected zoning plans are consistent with the Preliminary Economic Development Plan; and

(4) Any other indicators of the applicant's plans for application area incentives.

**(e) Financing programs: up to 100 points.**

The Preliminary Economic Development Plan shall contain a detailed description of the current and proposed financing programs that will be targeted to businesses within the application area. The description shall include the following information:

(1) A list containing the identity of all agencies, organizations and firms that will provide financial assistance to businesses within the application area;

(2) An explanation of the types of services each entity identified in subsection (e)(1) above offers and a detailed record of the companies that have received financial assistance during the three (3) year period prior to the date the preliminary application was mailed by the Agency;

(3) The identity of all financial institutions with facilities in or near the application area that have expressed an interest in making business loans to companies located in the

application area, and a list of those financial institutions which are presently making loans guaranteed by the United States Small Business Administration;

(4) A detailed explanation of the loans available through programs offered by the applicant, together with data showing the result of these loan programs for the three year period immediately prior to the date the preliminary applications were mailed by the Agency; and

(5) Any other indicators of the applicant's financing program.

**(f) Unemployment and area income levels: up to 100 points.**

The Preliminary Economic Development Plan shall contain data that shows the 1980 per capita income and percent of unemployment for each census tract, block group or enumeration district in the eligible area.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7073.9, Government Code.

**§ 8442.8. Resolution Required.**

A preliminary application shall include a resolution adopted by each city, county, or city and county having jurisdiction over any portion of an application area. A preliminary application without such resolutions shall be rejected and no further review of the preliminary application shall be conducted.

(a) For each city, county, or city and county that is a preliminary applicant, the resolution shall contain the following information:

(1) A finding that the application area is a depressed area, and that designation of the application area as an enterprise zone is necessary in order to attract private sector investment to the application area; and

(2) A statement that the city, county, or city and county agrees to complete all actions stated within the preliminary and final application which apply to its jurisdiction should the final application be awarded conditional designation.

(b) For each city, county, or city and county having jurisdiction over any portion of an application area that is not a preliminary applicant, the resolution shall contain the following information:

(1) A statement that the city, county, or city and county agrees to the inclusion of the area within its jurisdiction as part of the application area but does not wish to participate as a preliminary or final applicant; and

(2) A statement that the city, county, or city and county agrees to complete all actions stated within the preliminary and final application which apply to its jurisdiction should the final application be awarded conditional designation.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

## **§ 8442.9. Invalid Application Areas; Addendum to Preliminary Application**

(a) The Agency shall send a notice by certified mail to each preliminary applicant whose preliminary application contains an invalid area. The notice shall contain a description of the invalid area, and an explanation as to why the area is invalid. For the purposes of this section, "invalid area" means an application area, or portion thereof, that:

- (1) Is included within the application area of more than one preliminary or final application;
- (2) Is included in a designated program area under the provisions of the Employment and Economic Incentive Act, chapter 44, statutes of 1984; or
- (3) Is included within an area that has been designated as an enterprise zone by the agency

(b) The Agency shall permit a preliminary applicant whose preliminary application contains an invalid area an opportunity to submit an addendum to the preliminary application ("addendum"). The preliminary application shall state in the addendum whether or not the boundaries of the originally proposed application area have been changed.

(1) If the boundaries of the originally proposed application area have been changed, the addendum shall contain:

- (A) A description of the new geographic boundaries of the application area; and
- (B) An amendment to any part of the preliminary application that is affected by the change in the application area.

(2) If the originally proposed application area has not been changed, the addendum shall identify the reason why a change is not necessary.

(c) The addendum shall be signed by a majority of the members of each governing body with jurisdiction in the application area. The preliminary applicant shall submit the original of the addendum, together with six (6) copies thereof, to the Agency on or before the due date specified in subsection (d).

(d) Preliminary applicants shall submit the addendum to the Agency no later than fourteen (14) days after the notice of the invalid area is mailed by the Agency. The Agency shall reject, without review, any addendum submitted after the due date.

(1) If, after the Agency's review of the addendum received on or before the due date, the application area continues to contain an invalid area, the Agency shall disqualify the preliminary application and no further review of the preliminary application shall be conducted.

(2) If, after the review, the application area identified by the preliminary application no longer contains an invalid area, the preliminary application, with the amended boundaries, shall be qualified to undergo further review by the Agency.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

## **§ 8442.10. Selection of Final Applicants**

(a) Except for small cities enterprise zone designation, the Agency shall select a maximum of twenty (20) highest scoring preliminary applications to complete a final application, as determined by the evaluation and grading provisions contained in articles 6 and 7. The Agency shall select a maximum of five (5) highest scoring small cities enterprise zone preliminary applications to complete a final application, as determined by the evaluation and grading provisions contained in articles 6 and 7.

(b) Notwithstanding subsection (a) above, if, except for a small cities designation, there is a tie for the twentieth highest score and, as a result of the tie, more than twenty preliminary applications receive the twenty highest scores, the Agency shall eliminate from further competition each preliminary application receiving the twentieth highest score. In the case of a small cities enterprise zone designation, if there is a tie for the fifth highest score and, as a result of the tie, more than five preliminary applications receive the five highest scores, the Agency shall eliminate from further competition each preliminary application receiving the fifth highest score.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7039.9, Government Code.

## **§ 8442.11. Notice of Decision; Enterprise Zone Final Application Handbook**

(a) The Agency will notify each preliminary applicant in writing of the results of the preliminary application evaluation. The notice shall inform the applicant of the score attained by the preliminary applicant and shall identify the preliminary applications which have been awarded final applicant status. The notice shall be mailed within sixty (60) days after the due date for preliminary applications.

(b) A copy of the Enterprise Zone Final Application Handbook shall be included with the notice sent to each preliminary applicant awarded final applicant status.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**ARTICLE 7.  
FINAL APPLICATIONS**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8443. Final Application Requirements.**

Final applicants shall prepare a final application. The final application shall contain the information specified in sections 8443.2, 8443.3, 8443.4, and 8449.5. The final application for a small cities enterprise zone designation shall also include the information required by section 8443.9.

Note: Authority cited: Sections 7073 and 7076, Government Code; and Section 21082, Public Resources Code. Reference: Sections 7071, 7073, 7039.9 and 7075, Government Code.

**§ 8443.1. Modification of Application Area Boundaries; Agency Decision.**

(a) A final applicant shall not modify the boundaries of the application area contained in the preliminary application unless the Agency has approved of the modification prior to the final application due date contained in the Enterprise Zone Final Application Handbook.

(b) A final applicant shall not be permitted to add a geographic area to the application area contained in the preliminary application if the addition includes any area under the jurisdiction of a city, county or city and county that did not submit a section 8442.8 resolution as part of the preliminary application.

(c) A final applicant which desires to modify the boundaries of the application area contained in the preliminary application shall submit the following information to the Agency:

(1) Documents that show that any area(s) being proposed for addition to the application area:

(A) 1. For a new commercial area, is contained within or contiguous with, the application area contained in the preliminary application. As used this subsection (c)(1)(A) "new" means that the preliminary application did not contain a commercial or industrial area; or

2. For a new industrial area where one did not exist before, is contained within or adjacent to, the application area contained in the preliminary application; and

(B) Represent no more than five percent (5%) of the total geographic area of the application area contained in the applicant's preliminary application;

(2) If the area(s) to be added include commercial and/or industrial areas, documents that show that the area(s) are at least 51% zoned commercial and/or industrial and documents show that the modified application area contains both one eligible area plus one commercial and/or industrial area;

(3) If the area(s) to be added includes an expanded eligible area, evidence that shows that the eligible area complies with the petition or eligible area criteria contained in articles 4 and 5;

(4) An updated boundary description for the modified application area, and a zoning or land use map for the area(s) being added or deleted;

(5) A resolution by the governing body of each city, county or city and county that has jurisdiction within the geographic area being added or deleted approving of the modification to the boundaries of the application area. If a geographic area is being added, the resolution shall contain the findings required by section 7073(a) of the Government Code; and

(6) A statement containing the reasons for the change to the application area.

(d) The Agency shall approve or disapprove of a modification to the boundaries of an application area by mailing a written notification within fourteen (14) days of receipt of a request for modification. Approval or denial of the request shall be based upon the final applicant's compliance with subsection (c) above. The information required in the final application and by sections 8449 through 8449.7 shall reflect any modification approved for the application area.

Note: Authority cited: Sections 7073 and 7076, Government Code; and Section 21082, Public Resources Code. Reference: Sections 7071, 7073 and 7075, Government Code.

### **§ 8443.2. Final Economic Development Plan and Evaluation Criteria**

Each final application shall contain a Final Economic Development Plan. The Final Economic Development Plan shall contain the information and data specified in this section, except for a small cities enterprise zone, which shall contain both the information required by this section and section 8443.9. The Agency shall evaluate and numerically grade each Final Economic Development Plan on a competitive basis, based upon the categories and corresponding point values set forth below and, for small cities enterprise zones, the categories and point values set forth in section 8443.9, and the scoring method set forth in section 8444.2.

#### **(a) The data and information required by Section 8442.7: up to 950 points.**

The Final Economic Development Plan shall contain all of the data and information required by the Preliminary Economic Development Plan. The final applicant shall submit the original information and data as previously presented in its Preliminary Economic Development Plan and, if the final applicant desires, submit new or modified information and data in addition to that originally presented in the Preliminary Economic Development Plan.

#### **(b) Infrastructure: up to 150 points.**

The Final Economic Development Plan shall contain a detailed analysis and description of the availability and condition of the infrastructure within the industrial and commercial area. The analysis and description shall include the condition, capacity to deliver service and available capacity of:

- (1) Water supply;
- (2) Storm drainage;
- (3) Sewer and waste treatment plant;
- (4) Natural gas and electric; and
- (5) Streets and street lighting;
- (6) Any other indicators of the capacity, condition and availability of the infrastructure within the industrial and commercial area.

The Final Economic Development Plan shall describe all plans to expand or improve the infrastructure, including the projected costs, proposed financing and the time tables for completion.

**(c) Program Management: up to 150 points.**

The Final Economic Development Plan shall contain a detailed description of the annual budget(s), staff and organization for administration of the proposed enterprise zone. The description shall include:

- (1) The applicant's annual line item budget and the source of funding that the applicant will commit for the administration of the proposed enterprise zone.
- (2) The annual budgets (dollars) for each agency; or organization, other than the applicant, which has been identified in subsection (a) as providing marketing, job development, and other aspects of implementing the Final Economic Development Plan.
- (3) The names(s) of the person(s) who will act as the enterprise zone coordinator(s) and administer the proposed enterprise zone on a full time basis. The enterprise zone coordinator(s) shall spend at least half of his or her time contacting businesses.
- (4) An organization chart that shows all persons and organizations involved in all aspects of the proposed enterprise zone, including marketing, job development, financing and administration, together with their reporting relationship to the enterprise zone coordinator. The organization chart shall also define the coordinator's reporting relationship to or in the applicant jurisdiction(s). The organization chart shall show people by name and/or job title, and not the agency or agency identified as a general area.
- (5) Any other indicators of program management for the proposed enterprise zone.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7071 and 7073, Government Code.

**§ 8443.3. Additional Requirements for Final Applications**

Each final application shall contain the following information:

- (a) Letters from the administrators of all cities, counties, agencies, organizations, financial institutions and businesses which have been identified as program participants in the preliminary and final applications. The letters shall include the specific commitments that the

organization will make to the proposed enterprise zone, not general statements of support. The statements shall also identify staff, staff time, and/or funds committed to the proposed enterprise zone.

(b) A list containing the names and addresses of all businesses in the application area with twenty-five (25) or more employees.

(c) A list containing an inventory of all industrial and commercial buildings and sites for sale or lease in the application area.

(d) A list of the names and addresses of all commercial real estate brokers who will handle real estate transactions in the proposed enterprise zone.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7071 and 7073, Government Code.

#### **§ 8443.4. Number of Copies; Applicant Name; Principal Contact Person**

(a) Final applicants shall submit 6 copies, plus 1 signed and clearly identified original of the final application to the Agency.

(b) The final application shall contain:

- (1) The name(s) and address(es) of the applicant(s); and
- (2) The final applications shall include the name, address and phone number of the principal contact person.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

#### **§ 8443.5. Final Application Deadline**

(a) Final applications shall be received by the Agency no later than 5:00 pm on the one hundred and twentieth (120th) day after the day the final applications were mailed. The mailing and deadline dates shall be specified in the Enterprise Zone Final Application Handbook.

(b) The Agency shall reject any final application received after the due date for the final applications. The Agency shall mail to the applicant within ten (10) days of receipt of the final application a statement that the applicant's final application was received after the due date and was thereby rejected by the Agency.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073 Government Code.

### **§ 8443.6. Review Limited to Information in Final Application**

(a) The Agency shall review final applications solely upon the information received by the Agency on or before the due date for final applications.

(b) The Agency reserves the right to contact final applicants after the due date for final applications to obtain clarification of submitted information, but not to obtain additional information.

Note: Authority cited: Sections 7073 and 7076, Government Code; Section 21082, Public Resources Code. Reference: Sections 7071, 7073 and 7075, Government Code.

### **§ 8443.7. Selection of Final Applicants for Conditional Designation**

(a) Except for a small cities enterprise zone, the Agency shall award conditional designation to no more than eight (8) highest scoring final applications during each designation process. If there is a tie and more than one final applicant achieves the eighth highest score, the Agency shall disqualify from further competition each final applicant tied for the eighth position. For a small cities enterprise zone designation, the Agency shall award conditional designation to no more than the two (2) highest scoring final applications. If there is a tie and more than one final applicant achieves the second highest score, the Agency shall disqualify from further competition each final applicant tied for the second position.

(b) Notwithstanding subsection (a) above, the Agency shall designate a maximum of 25 enterprise zones plus 2 small cities enterprise zones.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7073.9, Government Code.

### **§ 8443.8. Notification of Agency Decision.**

The Agency shall notify all final applicants in writing within ninety (90) days from the date the final applications were due, stating which final applications have been awarded conditional designation status.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference Section 7073, Government.

### **§ 8443.9. Small Cities Enterprise Zone Information**

Final applicants for small cities enterprise zone designation shall supplement the section 8443.2 Final Economic Development Plan with the following information as part of the final application:

#### **(a) Job development: up to 175 points.**

A Final Economic Development Plan including a detailed explanation of the plan to identify, train and place application area unemployed and underemployed persons into the jobs created through the marketing of the application area. The Final Economic Development Plan shall also include the following information:

- (1) A list containing the names and addresses of all administrative agencies and/or contractors who will provide intake and/or job development services in the application area under the Job Training Partnership Act (JTPA) (29 USC Section 1501 et seq), Greater Avenues for Independence (GAIN) (Welfare and Institutions Code Section 11320 et seq), and Targeted Jobs Tax Credit (TJTC) ( 26 USC Section 51), and which will provide funds and staff for the implementation of the plan;
- (2) A detailed explanation of the specific contributions that each agency and/or contractor shall make for the implementation of the Final Economic Development Plan;
- (3) A detailed explanation of how the recipients of JTPA, GAIN, and TJTC services will be placed in enterprise zone jobs. The applicant shall include a detailed explanation of the coordination of marketing efforts with job development agencies and/or contractors;
- (4) Data that shows the track record of job placements by each agency and/or contractor over the two (2) years preceding the date the preliminary applications were mailed by the Agency;
- (5) A detailed organization chart showing all staff persons providing job development management and services for each agency and/or contractor identified in the Final Economic Development Plan as well as all job development coordination staff of the applicant; and
- (6) Any other indicators of the applicant's job development plans for the application area.

**(b) Local incentives: up to 125 points.**

The Final Economic Development Plan shall include a detailed description of the local incentives provided by the applicant and a detailed explanation of how the proposed local incentives will stimulate business investment in the application area. The following information shall be included in the Final Economic Development Plan:

- (1) An explanation of the plans to reduce fees for application area business, including development fees, license fees, and permit fees;
- (2) An explanation of methods to be employed to reduce the administrative processing time required for plan review and permit applications for application area businesses;
- (3) An explanation of the land use plan, together with maps of the application area that forecast local zoning plans for the next 5 to 10 years to ensure that the projected zoning plans are consistent with the plan; and
- (4) Any other indicators of the applicant's plans for application area incentives.

**(c) Financing programs: up to 100 points.**

The Final Economic Development Plan shall contain a detailed description of the current and proposed financing programs that will be targeted to businesses within the application area. The description shall include the following information:

- (1) A list containing the identity of all agencies, organizations and firms that will provide financial assistance to businesses within the application area;
- (2) An explanation of the types of services each entity identified in subsection (a)(1) above offers and a detailed record of the companies that have received financial assistance during the three (3) year period prior to the date the preliminary application was mailed by the Agency;
- (3) The identity of all financial institutions with facilities in or near the application area that have expressed an interest in making business loans to companies located in the application area, and a list of those financial institutions which are presently making loans guaranteed by the United States Small Business Administration;
- (4) A detailed explanation of the loans available through programs offered by the applicant, together with data showing the result of these loan programs for the three year period immediately prior to the date the final applications were mailed by the Agency; and
- (5) Any other indicators of the applicant's financing program.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7073 and 7073.9, Government Code.

**ARTICLE 8.  
APPLICATION EVALUATION AND SCORING**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8444. Technical Review of Applications.**

- (a) The Agency shall conduct a technical review of each application received on or before the due date specified in the Enterprise Zone Preliminary Application Handbook or in the Enterprise Zone Final Application Handbook. The Agency shall determine whether the application is complete.
- (b) The Agency shall mail an "application notification letter" to the applicant within twenty-one days after the due date. The application notification letter shall inform the applicant whether the application is complete. The application notification letter shall contain a list specifying any information or documents missing from the application and shall inform the applicant that the missing information or documents must be submitted to the Agency within fourteen (14) days after the date the application notification letter was mailed.
- (c) The Agency shall disqualify an applicant which fails to submit all items listed as missing in the application notification letter on or before 5:00 p.m. on the fourteenth (14th) day after the date the application notification letter was mailed.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**§ 8444.1. Preliminary Substantive Review of Applications.**

- (a) The Agency shall conduct a preliminary substantive review of each application received on or before the due date specified in the Enterprise Zone Preliminary Application Handbook or in the Enterprise Zone Final Application Handbook. The Agency shall determine whether there are any issues or questions in the application that require clarification prior to scoring the application.
- (b) If there are issues or questions that need clarification prior to scoring the application, the Agency shall mail a "preliminary substantive review letter" to the applicant within twenty-eight days after the application due date. The preliminary substantive review letter shall specify the issues or questions that need clarification prior to scoring the application and shall inform the applicant that the applicant must provide the Agency with information which will clarify the issues or questions identified by the preliminary substantive review within fourteen (14) days after the date the preliminary substantive review letter was mailed.
- (c) The Agency shall begin its evaluation and scoring of applications after 5:00 p.m. on the fourteenth (14th) day after the date the preliminary substantive review letter was mailed, regardless of whether or not information has been provided by the applicant and whether or not issues or questions concerning any application have been clarified.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

## **§ 8444.2. Scoring Applications**

After an evaluation, the Agency shall numerically grade each economic development plan criteria contained in the Preliminary Economic Development Plan, or the Final Economic Development Plan, based upon the following scoring method:

- (a) Excellent: 90% to 100% of the maximum points available for the economic development plan criteria.
- (b) Good: 80% to 89% of the maximum points available for the economic development plan criteria.
- (c) Fair: 70% to 79% of the maximum points available for the economic development plan criteria.
- (d) Satisfactory: 60% to 69% of the maximum points available for the economic development plan criteria.
- (e) Poor: zero (0) % to 59% of the maximum points available for the economic development plan criteria.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

## **§ 8444.3. Qualifying Scores; List of Scores**

- (a) The Agency shall disqualify from competition an application that receives a score that is less than sixty percent (60%) of either:
  - (1) The total number of points available for criteria specified in either the Preliminary Economic Development Plan or the Final Economic Development Plan; or
  - (2) The number of points available for any one (1) of the following economic development plan criteria:
    - (A) Marketing the zone;
    - (B) Available property and businesses; or
    - (C) Job development.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**ARTICLE 9.  
CONDITIONAL AND FINAL DESIGNATION**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8445. Conditional Designation**

(a) The Agency shall mail a "conditional designation document" to the final applicants which have been awarded conditional designation status.

(b) The Agency shall specify in the conditional designation document the conditions which must be satisfied prior to final designation. The conditions shall consist of providing to the Agency all street address ranges for the application area plus all items included in the final applicant's Final Economic Development Plan which have not been completed as of the date the conditional designation document was mailed. The conditions must be met within one hundred and eighty (180) days of the date the Agency mails the conditional designation document, unless an extension or modification of the conditional designation document is granted pursuant to section 8445.2.

(c) Failure to satisfy all of the conditions within one hundred and eighty (180) days will result in automatic forfeiture of conditional designation status, unless the final applicant receives an extension of the conditional designation deadline pursuant to section 8445.2.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**§ 8445.1. Effective Date of Enterprise Zone Designation.**

None of the benefits or responsibilities of designation as an enterprise zone shall become effective until final designation.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**§ 8445.2. Extension of Conditional Designation Deadline; Modification of Conditional Designation Document.**

(a) A final applicant which is awarded conditional designation shall be permitted to submit a request to the Agency to either:

(1) extend the time within which the final applicant must satisfy the conditions stated in the section 8445 conditional designation document; or

(2) modify the conditions. The request shall be received by the Agency prior to the expiration of the one hundred and eighty (180) day time period stated in the conditional designation document.

(b) The final applicant shall describe the actions taken by the final applicant to comply with the conditional designation document, and shall provide a detailed explanation of the reasons why the final applicant cannot satisfy all of the conditions precedent to final designation within one hundred and eighty (180) days.

(c) The Agency shall grant the request for an extension of time based upon a finding that the final applicant has substantially complied with the terms of the conditional designation document within the one hundred and eighty (180) day period, and that the final applicant requires an additional time period within which to comply with all of the terms of the conditional designation document or that the final applicant needs to modify the terms of the conditional designation document.

(d) Notwithstanding subsection (c) above, the Agency shall deny the request if a modification of the terms of the conditional designation document would result in the final applicant receiving a lower score on the section 8443.2 Final Economic Development Plan than attained when the final application was originally evaluated and scored.

(e) The Agency shall respond in writing to the request for a time extension within twenty-one (21) days after receipt of the request. If the Agency grants a time extension, the Agency's response shall specify the conditions which must be satisfied, together with the time deadline by which those conditions must be satisfied before the Agency will award final designation.

(f) Simultaneous to granting the request, the Agency shall amend the conditional designation document to include any amendments requested by the final applicant and approved by the Agency.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

### **§ 8445.3. Request for Final Designation.**

(a) Final applicants awarded conditional designation shall request final designation by mailing to the Agency, within the time limit specified in the conditional designation document, evidence that the final applicant has complied with all of the conditions precedent to final designation.

(b) The Agency shall respond in writing to the above described request within thirty (30) days after receipt of the request.

(c) The Agency's response shall either grant final designation to the final applicant with conditional designation, or specify the deficiencies which must be corrected within the time period specified in the conditional designation document before the Agency will award final designation.

(d) Final designation becomes effective on the day the letter awarding final designation is mailed to a final applicant with conditional designation.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Sections 7071 and 7075, Government Code.

**ARTICLE 10.**  
**EXPANSION OF EXISTING ENTERPRISE ZONES AND PROGRAM AREAS**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8446. Scope of Article**

For the purposes of this article:

- (a) The regulations contained in this article shall apply to programs established pursuant to chapter 12.8 (commencing with section 7070, Government Code) and to programs established pursuant to Chapter 12.9 (commencing with section 7080, Government Code).
- (b) "Expansion request" shall mean a written document that proposes to enlarge the geographic area previously designated as an enterprise zone or a program area.
- (c) "Expansion area" shall mean the geographic area to be made part of the geographic area that comprises the existing enterprise zone or program area.

Note: Authority cited: Sections 7073, 7076 and 7085, Government Code. Reference: Sections 7073 and 7085, Government Code.

**§ 8446.1. Expansion Requests; Fifteen Percent Expansion**

The Agency shall approve an expansion request, provided the expansion area meets all of the following requirements:

- (a) The expansion area for each city, county or city and county shall not exceed fifteen percent (15%) of the geographic area within its boundaries originally designated as an enterprise zone, or as a program area, but the expansion need not occur all at once.
- (b) An expansion request shall be submitted to the Agency by each city, county, or city and county with jurisdiction over the enterprise zone and or the program area and jurisdiction over the expansion area. The expansion request shall be in writing and shall contain the following information.
  - (1) A resolution adopted by the governing body of each city, county, or city and county agreeing to expand the enterprise zone or the program area to include the expansion area;
  - (2) The expansion area acreage and zoning;
  - (3) The total acreage of the original enterprise zone or program area within the boundaries of each city, county or city and county;
  - (4) A description of the revised enterprise zone or program area boundaries, together with maps showing the enterprise zone or program area and the expansion area. The

description and maps shall describe and show the geographic areas at the time the expansion request was filed with the Agency;

(5) Street address ranges and Agency supplied maps for the existing enterprise zone or program area must accurately reflect the current state of the geographic area at the time the expansion area request was filed with the Agency; and

(6) Documents that show that each area being proposed for the expansion of the existing enterprise zone or the program area is contiguous with the area of the existing enterprise zone or the program area.

Note: Authority cited: Sections 7073, 7076, and 7085, Government Code. Reference: Section 7073, 7076 and 7085, Government Code.

### **§ 8446.2. Expansion Request Decision; Notice**

(a) The Agency shall notify the city, county, or city and county which submitted the expansion request of its decision to approve or deny expansion request within thirty (30) days of receipt of the expansion request.

(b) For expansion requests approved by the Agency, the expansion shall be effective as of the date the approval letter is mailed.

(c) For expansion requests denied by the Agency, the notice shall specify deficiencies identified in the expansion area request. A jurisdiction whose expansion area request was denied shall not be precluded from submitting another expansion request.

Note: Authority cited: Sections 7073, 7076, and 7085, Government Code.  
Reference: Section 7073, 7076 and 7085 Government Code.

25 CCR § 8447  
Cal. Admin. Code tit. 25, § 8447

**ARTICLE 11.  
FINALITY OF AGENCY DECISIONS; MEETING WITH ENTERPRISE ZONE  
PROGRAM MANAGER**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8447. Finality of Agency Decisions; Meeting with Enterprise Zone Program Manager.**

(a) Agency decisions shall be final and no appeal is available within the Agency. An applicant shall not petition the Agency for rehearing nor request a written explanation of any Agency decision.

(b) Applicants shall have the right to request a meeting with the Agency's Enterprise Zone Program Manager, at which time the Agency's Enterprise Zone Program Manager shall explain the reasons for any of the Agency's decisions pursuant to this chapter.

Note: Authority cited: Sections 7073 and 7076, Government Code. Reference: Section 7073, Government Code.

**ARTICLE 12.  
TARGETED TAX AREA**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8448. Definitions**

The following definitions shall apply to the regulations contained in this article, in addition to the definitions contained in Government Code section 7072:

- (a) "Act" means the Targeted Tax Area Act, Government Code section 7097.
- (b) "Agency" means the Department of Housing and Community Development.
- (c) "Applicant" means a city, a county, or a city(ies) and county that submits an Application to the Agency to have a geographical area in its Jurisdiction designated as a Targeted Tax Area. A county and any cities within the county may apply jointly as a single Applicant provided that a portion of the Application Area is located within each Applicant's jurisdiction.
- (d) "Application" means the written application submitted to the Agency, by an Applicant. The Application shall contain the information described in sections 8448.4, 8448.5, 8448.6, 8448.7, and 8448.8.
- (e) "Application Area" means the geographical area for which the Applicant is seeking Conditional Designation. The Application Area shall be wholly contained within the Eligible Area identified in the Application.
- (f) "Community" means the geographical area within a county, a city, or a county and city(ies) within that county, where is all or part of the Eligible Area identified in the Application.
- (g) "Conditional Designation" means designation by the Agency of an Applicant's Application Area as a Targeted Tax Area, subject to the Final Applicant's completion of the conditions necessary for Final Designation specified in the Conditional Designation Document described in section 8448.12.
- (h) "Decennial Census" means the population survey of the United States conducted every ten years by the United States Department of Commerce, Bureau of the Census.
- (i) "Designation Process" means all steps described in sections 8448.1 through 8448.15 which are required for Final Designation, including determination of eligibility, submission of an Application, Conditional Designation and Final Designation.
- (j) "Distressed Area" means a geographical area that meets at least four of the following requirements:

- (1) The average unemployment rate exceeded 7.5 percent in 1995;
- (2) The average unemployment rate exceeded 7.5 percent in 1996;
- (3) The median family income does not exceed \$32,700, using the most currently available data at the time of Application deadline.
- (4) The percentage of persons below the poverty level is at least 17.5 percent, using the most currently available data at the time of Application deadline;
- (5) The geographical area ranks in the top quartile among California counties, in the percentage of population receiving Aid for Families with Dependent Children benefits, based on the Cash Grant Caseload Movement and Expenditures Report, July 1995 to June 1996 published by the California Department of Social Services.

(k) "Eligible Area" means a geographic area that meets the requirements of section 8448.2.

(l) "Targeted Tax Area" means an Application Area contained in an Application awarded Final Designation status by the Agency.

(m) "Final Applicant" means the Applicant which has been awarded Conditional Designation status by the Agency.

(n) "Final Designation" means that the Applicant with Conditional Designation status has completed, to the satisfaction of the Agency, all conditions of the Conditional Designation and that designation of the Applicant's Application area as a Targeted Tax Area is final and complete. The Agency shall provide notice of Final Designation to the Final Applicant.

(o) "Infrastructure" means the physical systems and services which support development and people, including, but not limited to, streets, and highways, transit services, airports, and water and sewer systems.

(p) "Jurisdiction" means the geographic area where the Applicant has authority to enforce ordinances and resolutions.

(q) "Median Family Income" means the median family income for that Jurisdiction using the most currently available data at the time of Application.

(r) "Percentage of Persons Below Poverty" means the percentage for that Jurisdiction using the most currently available data at the time of Application.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097, Government Code.

### **§ 8448.1. Targeted Tax Designation Process**

(a) The Agency shall designate one Application Area as a Targeted Tax Area provided each of the following requirements is satisfied:

(1) A county and/or city(ies) located within the Application Area submits an Application to the Agency pursuant to section 8448.4.

(2) The Agency has awarded the Application Area both Conditional and Final Designation status, pursuant to sections 8448.12 and 8448.15.

(b) In designating the Targeted Tax Area, the Agency shall compare all of the Applications submitted, and award the Targeted Tax Area designation to the Applicant which proposes the most effective, innovative, and comprehensive programs and incentives to attract private sector investment.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a), (d), and (f), Government Code.

### **§ 8448.2. Eligible Area**

(a) To be eligible for designators as a Targeted Tax Area, a geographic Area shall meet the following requirements:

(1) The geographic area shall be Distressed, pursuant to section 8448(j).

(2) The geographic area shall be wholly contained within the Applicant's Jurisdiction(s).

(3) The geographic area shall be included in the Application of only one Applicant.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (f), Government Code.

### **§ 8448.3. Address of Agency**

The following is the Agency mailing address for any and all correspondence, Applications, petitions, documents, and other materials concerning Targeted Tax Areas:

Enterprise Zone Program Manager  
Department of Housing and Community Development  
P.O. Box 942054  
Sacramento, California 94252-2054

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a), Government Code.

#### **§ 8448.4. Application Process**

(a) The Agency shall mail a letter describing the Application process and Application deadlines on the first day of the Application time period to each entity or person who has previously requested receipt of an Application.

(b) Each Applicant shall submit a letter to the Agency stating their intention to submit an Application, "Letter of Intent." The Letter of Intent shall be received by the Agency no later than 5 p.m., thirty (30) days following the mailing of the letter described in subsection (a). The Letter of Intent shall also contain documentation that the Applicant meets the eligibility requirements described in subsection 8448(c).

(c) Applicants shall submit to the Agency, one (1) clearly signed original and two (2) copies of the Application, plus one additional copy of the section 8448.6 Economic Development Plan, with each part of the Plan, as described in subsections 8448.6(a) through 8448.6(e), bound separately. Applications shall be received by the Agency no later than 5 p.m. on the due date described in the subsection (a) letter. The Agency shall reject any Application received after the due date described in the subsection (a) letter. The Application shall include the following items:

- (1) The names(s) and address(es) of the Applicant(s).
- (2) The name, address, phone number, and if available, e-mail address of the principal contact person for the Application.
- (3) A description of the Application Area, pursuant to section 8448.5.
- (4) An Economic Development Plan, pursuant to section 8448.6.
- (5) An environmental impact report, pursuant to section 8448.7.
- (6) A resolution, pursuant to section 8448.8.

(d) The Agency shall only review information received by the due date described in the subsection (a) letter, except as provided for in sections 8448.10 and 8448.14. However, the Agency shall be authorized to contact Applicants after the due date to obtain clarification of previously submitted information.

(e) No later than sixty (60) days following the due date described in the subsection (a) letter, the Agency shall mail a letter notifying each Applicant of the results of the Application evaluation. The notice shall include the score attained by the Applicant.

(f) No later than fourteen (14) days following the due date described in subsection (e), the Agency shall mail a Conditional Designation document to the Final Applicant specifying the conditions the Final Applicant shall satisfy prior to Final Designation.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (d), Government Code.

## **§ 8448.5. Description of the Application Area**

(a) The Application shall include a description of the proposed Application Area which includes the following items:

- (1) A map or other documentation identifying the exact geographic location of the Application Area.
- (2) A map which indicates that the Application Area is wholly contained within an Eligible Area.
- (3) A street map that identifies the streets, or jurisdictional limit lines that mark the boundaries of the Application Area.
- (4) A copy of both the existing general zoning and land use maps for the Application Area and the area immediately surrounding the Application Area.
- (5) A list containing the names and addresses of all eligible businesses in the Application Area with twenty-five (25) or more employees. Eligible businesses are those with the following Standard Industrial Classification codes (United States Office of Management and Budget, Standard Industrial Classification Manual, 1987) 2000-2099, 2200-3999, 4200-4299, 4500-4599, and 4700-5199.
- (6) A list containing an inventory of all industrial buildings and sites for sale or lease in the Application Area.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (f), Government Code.

## **§ 8448.6. Economic Development Plan**

Each Application shall include an Economic Development Plan. The Agency shall evaluate and numerically grade each Economic Development Plan on a competitive basis, based upon the categories and the corresponding point values set forth below and the scoring method described in section 8448.11. The Economic Development Plan shall include the items described in subsections (a) through (e) below:

### **(a) Marketing the Targeted Tax Area: up to 300 points.**

The Economic Development Plan shall contain a detailed marketing plan for the Application Area. The marketing plan shall include the following information:

- (1) An explanation of the specific marketing goals and the course(s) of action to be taken in order to attain the specified goals:
- (2) A detailed description of the plans to:
  - (A) Keep existing businesses from leaving the Application Area; and
  - (B) A detailed description of the plan to help existing businesses to expand;

- (3) A detailed description of the plans to attract new businesses into the Application Area. In the description, the Applicant shall identify the types of industries targeted for attraction.
- (4) A detailed description of the role of the local economic development corporation, or similar organization;
- (5) A detailed description of the sales plan for on-site visits to existing and/or new businesses;
- (6) A detailed analysis of the advertising and promotional strategy, including a media analysis and samples of existing advertising and promotional materials;
- (7) A detailed analysis of the staff, organization and budgets to be committed to the marketing plan by all organizations;
- (8) Specific examples of successful efforts by the corporations or organizations identified in subsection (a)(4) above to attract and/or retain businesses;
- (9) A list of all Application Area commercial real estate brokers who will handle real estate transactions within the Application Area; and
- (10) Infrastructure: a detailed analysis and description of the availability and condition of the infrastructure within the industrial or commercial (as appropriate according to the type of businesses identified in subsection (a)(3) above) area. The analysis and description shall include the condition, capacity to deliver service, and available capacity of:
  - (A) Water supply;
  - (B) Storm drainage;
  - (C) Sewer and waste treatment plant;
  - (D) Natural gas and electric; and
  - (E) Streets and street lighting;
  - (F) Any other indicators of the capacity, condition and availability of the infrastructure within the Application Area.
- (11) A description of all plans to expand or improve the infrastructure, including the projected costs, proposed financing and the time tables for completion.
- (12) A list of all agencies, organizations and firms that will provide financial assistance to businesses within the Application Area.
- (13) An explanation of the types of services each entity identified in subsection (a)(14) offers and a detailed record of the companies that have received financial assistance during the three (3) year period prior to the date the section 8448.4(a) letter was mailed by the Agency.

(14) A list of all financial institutions with facilities located in or near the Application Area that have expressed an interest in making business loans to companies located in the Application Area. A list of those financial institutions which are presently making loans guaranteed by the United States Small Business Administration.

(15) A detailed description of the loans available through programs currently offered by the Applicant, together with data showing the result of these loan programs for the three (3) year period immediately prior to the date the section 8448.4(a) letter was mailed by the Agency.

(16) A description of any other financial incentive programs currently in existence.

**(b) Job development: up to 200 points.**

The Economic Development Plan shall contain a detailed description of the Applicant's plan to identify, train, issue vouchers, and place unemployed and under-employed persons residing in the Application Area into the jobs created through the marketing of the Application Area, "Job Development Plan". The Job Development Plan shall include the following items:

(1) A detailed description of the process for issuing hiring tax credit vouchers and placing employees in Targeted Tax Area jobs, including a discussion of the role of the one-stop hiring center in this process.

(2) A description of the Applicant's plan to implement the goals and objectives of CalWORKs (Chapter 2, commencing with section 11200, of Part 3 of Division 9 of the Welfare and Institutions Code).

(3) A detailed explanation of the specific resources that each agency and/or contractor shall contribute to the implementation of the Economic Development Plan.

(4) A detailed explanation of the coordination of marketing efforts with job development agencies and/or contractors.

(5) Data that shows the track record of job placements by each agency and/or contractor over the two (2) years preceding the date the Applications were mailed by the Agency.

(6) A detailed organization chart showing all staff persons providing job development management and services for each agency and/or contractor identified in the Economic Development Plan. The organization chart shall include the Applicant's job development coordination staff.

(7) Any other plans the Applicant will implement to develop jobs in the Application Area.

**(c) Local Incentives; up to 300 points.**

The Economic Development Plan shall include a detailed description of the local incentives to be provided by the Applicant and a detailed explanation of how the proposed local

incentives will stimulate business investment in the Application Area. The following information shall be included in the Economic Development Plan:

- (1) A description of any plans to reduce fees for businesses located in the Application Area, including development fees, license fees, and permit fees.
- (2) A description of any plans to reduce the administrative processing time required for plan reviews and permit applications for businesses located in the Application Area.
- (3) A description of any other incentives that will be offered through other entities such as Private Industry Councils or energy suppliers.
- (4) A description of the land use plan, together with maps of the Application Area, that forecast local zoning plans for the next 5 to 10 years to ensure that the projected zoning plans are consistent with the Economic Development Plan.
- (5) A description of any other incentives the Applicant will offer to businesses located in the Application Area.

**(d) Program Management: up to 200 points.**

The Economic Development Plan shall contain a detailed description of the annual budget(s), staff and organization for administration of the Application Area. The description shall include:

- (1) The Applicant's proposed annual line item budget and the source of funding that the Applicant will commit for the administration of the Application Area.
- (2) The annual budgets for each agency; or organization, other than the Applicant, which has been identified in subsection (e) as providing marketing, job development, and other aspects of implementing the Targeted Tax Area.
- (3) The name(s) of the person(s) who will act as the Targeted Tax Area coordinator(s) and administer the Targeted Tax Area.
- (4) An organization chart that shows all persons and organizations involved in all aspects of the Application Area, including marketing, job development, financing and administration, together with their reporting relationship to the Targeted Tax Area coordinator. The organization chart shall also define the coordinator's reporting relationship to or in the Applicant Jurisdiction(s). The organization chart shall identify persons involved in administering all aspects of the Application Area by name and/or job title, and not by the agency with whom they are affiliated.
- (5) A detailed description of plans to ensure ongoing collaboration between the entities in multi-jurisdictional zones.
- (6) Any other program management strategies for the proposed Targeted Tax Area.

**(e) Letters from the administrators of all cities, counties, agencies, organizations, financial institutions and businesses which have been identified as program participants in subsections (a) through (d).**

The letters shall include the specific commitments that the organization will make to the Application Area, not general statements of support. The statements shall also identify staff, staff time, and/or funds committed to the Application Area.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (d), Government Code.

**§ 8448.7. Environmental Impact Report**

(a) Upon filing an Application, each City and/or County constituting the Applicant, shall submit an initial study and, if appropriate, the notice of preparation to the Agency, the state clearinghouse, and all responsible agencies involved in the proposed Targeted Tax Area. The initial study and notice of preparation shall address the designation and implementation of the Targeted Tax Area.

(b) The Final Applicant shall prepare, or cause to be prepared, a negative declaration or draft environmental impact report, which shall set forth potential environmental impacts on the Application Area.

(c) Prior to Final Designation by the Agency, the Final Applicant shall complete and certify the negative declaration or final environmental impact report.

(d) All negative declarations or environmental impact reports submitted to the Agency shall comply with the information disclosure provisions and the substantive requirements of Division 13 (commencing with Section 21000) of the Public Resources Code.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a), (d) and (f), Government Code.

**§ 8448.8. Resolution Required.**

(a) Each Application shall include a certified original resolution adopted by each city or county having jurisdiction over any portion of an Application Area. An Application without a resolution(s) shall be rejected and no further review of the Application shall be conducted, except as provided for in sections 8448.10 and 8448.14. For each city or county that is an Applicant, the resolution(s) shall contain the following information:

(1) A finding that the Application Area is a Depressed Area, and that designation of the Application Area as a Targeted Tax Area is necessary in order to attract private sector investment to the Application Area; and

(2) A statement that the city(ies) and/or county agrees to perform all actions described within the Application which apply to its Jurisdiction should the Application be awarded Conditional Designation.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (f), Government Code.

### **§ 8448.9. Invalid Application Areas; Addendum to Application**

(a) The Agency shall send a notice by certified mail to each Applicant whose Application contains an invalid area. The notice shall contain a description of the invalid area, and an explanation as to why the area is invalid. For the purposes of this section, "invalid area" means an Application Area, or portion thereof, that is included in the Application of more than one Applicant or is not wholly contained within the boundaries of an Eligible Area.

(b) The Agency shall permit an Applicant whose Application contains an invalid area an opportunity to submit an addendum to the Application ("addendum"). The addendum shall indicate whether or not the boundaries of the originally proposed Application Area have been changed.

(c) The addendum shall be signed by a majority of the members of each governing body with Jurisdiction in the Application Area.

(d) The Applicant shall submit the original of the addendum, together with three (3) copies thereof, to the Agency no later than 5 p.m., fourteen (14) days after the subsection (a) notice is mailed by the Agency. The Agency shall reject, without review, any addendum submitted after the due date.

(e) If, after the Agency's review of the addendum received on or before the due date described in subsection (d), the Application Area continues to contain an invalid area, the Agency shall disqualify the Application and no further review of the Application shall be conducted.

(f) If, after the Agency's review of the addendum, the Application Area identified in the Application no longer contains an invalid area, the Application, with the amended boundaries, shall be qualified to undergo further review by the Agency.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (f), Government Code.

### **§ 8448.10. Technical Review of Applications**

(a) The Agency shall conduct a technical review of each Application received on or before the due date described in section 8448.4(b).

(b) The Agency shall mail an 'application notification letter' to inform the Applicant of the results of the technical review. The application notification letter shall indicate whether the following items are missing from the Application:

- (1) A description of the Application Area, pursuant to section 8448.5,
- (2) An environmental impact report, pursuant to section 8448.7,
- (3) A resolution, pursuant to section 8448.8.

(c) Any missing information or documents listed in the application notification letter shall be submitted to the Agency no later than seven (7) days following the date the application notification letter was mailed. The Agency shall disqualify any Applicant which fails to submit all items listed as missing in the application notification letter by 5:00 p.m. on this date.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (f), Government Code.

### **§ 8448.11. Economic Development Plan Evaluation**

(a) The Agency shall evaluate and assign a numerical score to each Economic Development Plan criteria described in subsections 8448.6(a) through (d), or to the Economic Development Plan as a whole. The following scoring method shall be used:

- (1) Excellent: 90% to 100% of the maximum points available for the Economic Development Plan criteria.
- (2) Good: 80% to 89% of the maximum points available for the Economic Development Plan criteria.
- (3) Fair: 70% to 79% of the maximum points available for the Economic Development Plan criteria.
- (4) Satisfactory: 60% to 69% of the maximum points available for the Economic Development Plan criteria.
- (5) Fail: zero (0)% to 59% of the maximum points available for the Economic Development Plan criteria.

(b) The Agency shall disqualify from competition an Application that receives a score that is less than sixty percent (60%) of the number of points available for any of the Economic Development Plan criteria described in subsections (b)(1) through (b)(4). The Agency shall award the Conditional Designation to the Final Applicant receiving the highest score.

- (1) Marketing the Targeted Tax Area, pursuant to subsection 8448.6(a).
- (2) Job development, pursuant to subsection 8448.6(b).
- (3) Local incentives, pursuant to subsection 8448.6(c).
- (4) Program management, pursuant to subsection 8448.6(d).

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a) and (d), Government Code.

### **§ 8448.12. Conditional Designation**

(a) The Agency shall mail a "Conditional Designation document" to the Final Applicant.

(b) The Conditional Designation document shall specify any conditions which must be satisfied prior to Final Designation. The conditions shall include providing the Agency with all street address ranges for the Application Area, plus fulfilling all commitments made in the Final Applicant's Economic Development Plan which were contingent upon receiving conditional designation and have not been completed as of the date the Conditional Designation document was mailed. The conditions must be met no later than sixty (60) days following the date the Agency mails the Conditional Designation document.

(c) Failure to satisfy all conditions by the date specified in subsection (b) will result in automatic forfeiture of Conditional Designation status, unless the Applicant receives an extension to the Conditional Designation deadline pursuant to section 8448.14.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a), Government Code.

### **§ 8448.13. Effective Date of Targeted Tax Area Designation**

None of the benefits or responsibilities of designation as a Targeted Tax Area shall become effective until the date of Final Designation described in subsection 8448.15(d).

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a), Government Code.

### **§ 8448.14. Extension of Conditional Designation Deadline; Modification of Conditional Designation Document.**

(a) An Applicant which is awarded Conditional Designation shall be permitted to submit a request to the Agency to either:

- (1) Extend the deadline by which the Final Applicant must satisfy the conditions stated in the section 8448.12 Conditional Designation document; or
- (2) Modify the conditions.

(b) The request for extension or modification shall be received by the Agency prior to the expiration of the deadline described in subsection 8448.12(b).

(c) The Final Applicant shall submit a letter to the Agency describing the actions taken by the Final Applicant to comply with the Conditional Designation document. The letter shall also include a detailed explanation of the reasons why the Final Applicant cannot satisfy all of the conditions by the deadline described in subsection 8448.12(b).

(d) The Agency shall grant the request for an extension of the deadline described in subsection 8448.12(b) upon a finding that the Final Applicant has substantially complied with the terms of the Conditional Designation document, and that the Final Applicant requires an additional time period to comply with the remaining terms of the Conditional Designation document or that the Final Applicant needs to modify the terms of the Conditional Designation document.

(e) Notwithstanding subsection (d) above, the Agency shall deny the request if a modification of the terms of the Conditional Designation document would result in the Final Applicant receiving a lower score on the Economic Development Plan criteria described in subsections 8448.6(a) through (d) than attained when the Application was originally evaluated and scored.

(f) The Agency shall respond in writing to the request for a time extension no later than thirty (30) days following receipt of the request. If the Agency grants a time extension, the

Agency's response shall specify the conditions which must be satisfied and the time deadline by which those conditions must be satisfied.

(g) Simultaneous to granting the request, the Agency shall amend the Conditional Designation document to include any amendments requested by the Final Applicant and approved by the Agency.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a), Government Code.

#### **§ 8448.15. Request for Final Designation.**

(a) The Final Applicant shall request Final Designation by mailing to the Agency, within the time limit specified in the section 8448.12 Conditional Designation document, evidence that the Applicant has complied with all of the conditions necessary for Final Designation.

(b) The Agency shall respond in writing to the above described request no later than thirty (30) days following receipt of the request.

(c) In the response described in subsection (b) above, the Agency's shall either grant Final Designation to the Final Applicant, or specify the deficiencies which must be corrected within the time period specified in the section 8448.12 Conditional Designation document before the Agency will award Final Designation.

(d) Final Designation becomes effective on the first day of the month following the day the letter awarding Final Designation is provided to the Final Applicant.

Note: Authority cited: Section 7097(a), Government Code. Reference: Section 7097(a), Government Code.

## **ARTICLE 13. ENVIRONMENTAL REVIEW**

This database is current through 7/31/09, Register 2009, No. 31

### **§ 8449. Environmental Review Definitions**

The definitions set forth at division 13, chapter 2.5, section 21060 et seq. of the Public Resources Code and division 6, chapter 3, article 20, section 15350 et seq. of Title 14 of the California Code of Regulations shall apply to Government Code section 7075 and this article, unless otherwise indicated by the context. The definition of "applicant" contained in section 15351 of the CEQA guidelines shall not apply to Government Code section 7075 or this article. The following supplemental definitions shall also apply to Government Code section 7075 and this article.

- (a) "CEQA" means the California Environmental Quality Act, division 13, section 21000 et seq. resources Code.
- (b) "CEQA guidelines" mean the regulations in division 6, chapter 3, section 15000 et seq. of Title 14 of the California Code of Regulations.
- (c) "EIR" means an environmental impact report prepared pursuant to CEQA and the CEQA guidelines.
- (d) "Enterprise zone EIR" means an EIR prepared by a city, county, or city and county pursuant to Government Code section 7075 and this article.

Note: Authority cited: Section 7076, Government Code; and Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

### **§ 8449.1. Applicability of CEQA**

Except as otherwise provided by Government Code section 7075 and this article, the provisions of CEQA and the CEQA guidelines shall apply to the environmental documents prepared in connection with the enterprise zone application process.

Note: Authority cited: Section 7076, Government Code; and Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

### **§ 8449.2. Lead Agency**

- (a) If a preliminary application is submitted by a single applicant, then the lead agency for purposes of Government Code section 7075 and this article shall be the applicant.
- (b) If a preliminary application is a joint application submitted jointly by more than one city, county, or city and county, then the lead agency for purposes of Government Code section

7075 and this article shall be determined in accordance with article 4 of the CEQA guidelines.

Note: Authority cited: Section 7076, Government Codes; and Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

### **§ 8449.3. Initial Study and Notice of Preparation**

Each preliminary applicant shall submit two copies of the initial study and notice of preparation to the Agency with the preliminary application. A preliminary application shall not be eligible for final application status if the designated number of copies of the initial study and notice of preparation are not received by the Agency by the deadline for submitting preliminary applications set forth in the Enterprise Zone Preliminary Application Handbook.

Note: Authority cited: Section 7076, Government Code; Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

### **§ 8449.4. Means of Avoiding Redundancy in Preparing EIR**

(a) In preparing the enterprise zone EIR, the applicant shall not be precluded from using where applicable:

- (1) an earlier EIR or EIRs prepared in connection with an earlier project or projects in accordance with and subject to section 15153 of the CEQA guidelines;
- (2) tiering in accordance with and subject to section 15152 of the CEQA guidelines;
- (3) incorporation by reference in accordance with and subject to section 15150 of the CEQA guidelines; or
- (4) a subsequent EIR, supplement to an EIR, or an addendum to an EIR in accordance with and subject to sections 15162, 15163, and 15164 of the CEQA guidelines.

(b) If an applicant is to use an EIR or EIRs from an earlier project or projects, then all of the following shall apply:

- (1) the notice of preparation shall explain that the applicant intends to use an EIR or EIRs from an earlier project or projects for the enterprise zone application;
- (2) the notice of preparation shall not be required to be distributed, circulated, or sent to any persons, except the Agency;
- (3) instead of preparing, circulating, and submitting two copies of a notice of completion of draft EIR, the applicant shall prepare, circulate, and submit two copies of a notice pursuant to section 15153(b)(2) of the CEQA guidelines;
- (4) instead of preparing and submitting two copies of a draft enterprise zone EIR, the applicant shall submit two copies of the EIR or EIRs relied on from an earlier project or projects; and
- (5) instead of preparing and submitting two copies of a final enterprise zone EIR, the applicant shall prepare and submit two copies of the responses to comments prepared in accordance with section 15153(b)(3) of the CEQA guidelines.

c) If an applicant is to use a subsequent EIR, supplement to an EIR, or an addendum to an EIR, then the subsequent EIR, supplement, or addendum shall serve as the enterprise zone EIR.

(d) If an applicant is to use tiering or incorporation by reference, they shall be used in conjunction with a newly prepared enterprise zone EIR.

Note: Authority cited: Section 7076, Government Code; and Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

#### **§ 8449.5. Draft Enterprise Zone EIR.**

(a) If a preliminary applicant is not selected as a final applicant, then it shall have no duty or obligation to complete the draft or final enterprise zone EIR or to complete the EIR process.

(b) Each final applicant shall submit two copies of the draft enterprise zone EIR and notice of completion to the Agency with the final application. This regulation states that a final application shall not be eligible for conditional designation if the designated number of copies of the draft enterprise zone EIR and notice of completion are not received by the Agency by the deadline for submitting final applications set forth in the Enterprise Zone Final Application Handbook.

(c) If any boundary of the proposed enterprise zone is located within 10 miles of the boundary of an area that has been designated as an enterprise zone under the Act or a program area under the Employment and Economic Incentive Act (Government Code section 7080 et seq.), then the enterprise zone EIR shall consider and analyze whether the location of a new enterprise zone near an existing enterprise zone or program area will result in adverse environmental effects on the existing enterprise zone or program area. This discussion shall include a consideration and analysis of whether the potential economic changes related to the new enterprise zone may translate into physical environmental changes in the existing enterprise zone or program area, as discussed by the California courts of appeal in *Citizens for Quality Growth v. City of Mount Shasta* (1988) 198 Cal.App.3d 433, 445-446, and *Citizens Association for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 Cal.App.3d 151, 169-171.

Note: Authority cited: Section 7076, Government Code; and Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

#### **§ 8449.6. Final Enterprise Zone EIR**

(a) If a final applicant is not awarded conditional designation status, then it shall have no duty or obligation to complete the final enterprise zone EIR or to complete the EIR process.

(b) If a final applicant is awarded conditional designation status, then, within 90 days after the date the Agency mails the conditional designation document referred to in section 5614, each final applicant shall do all of the following:

- (1) Complete the final enterprise zone EIR and the final EIR review and project approval process under CEQA and the CEQA guidelines; and
- (2) Submit two copies of the following documents to the Agency:

(A) Final enterprise zone EIR (if the draft enterprise zone EIR is a separate and severable part of the final EIR, then the applicant does not need to resubmit any more copies of the draft EIR);

(B) Written certification pursuant to section 15090 of the CEQA guidelines;

(C) Written findings, if any, pursuant to sections 15091 and 15093 of the CEQA guidelines;

(D) Written project approval pursuant to section 15092 of the CEQA guidelines, including conditions of approval, if any; and

(E) Notice of determination pursuant to section 15094 of the CEQA guidelines.

(c) If a final applicant fails to submit all of the documents listed under subsection (b)(2) within the time specified in this section, then the final applicant shall be disqualified from receiving final designation. (d) The items listed under subsections (b)(2)(B), (C), and (D) may be one or more separate documents. Two copies of each of the documents listed under subsection (B)(2) shall be mailed or delivered to the Agency, and shall be received by the Agency within 90 days after the date the Agency mails the conditional designation document referred to in section 5614.

Note: Authority cited: Section 7076, Government Code; and Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

#### **§ 8449.7. Review of Final Enterprise Zone EIR by the Agency**

Upon timely receipt of the documents listed in section 5630(b)(2), and prior to granting final designation, the Agency, as a responsible agency, shall review and consider the information in the final enterprise zone EIR and decide whether or how to approve the project in accordance with a responsible agency's duties and responsibilities under CEQA and the CEQA guidelines.

Note: Authority cited: Section 7076, Government Code; and Section 21082, Public Resources Code. Reference: Section 7075, Government Code.

**ARTICLE 14.**  
**ENTERPRISE ZONE ADMINISTRATION AND ISSUANCE OF VOUCHERS**

This database is current through 7/31/09, Register 2009, No. 31

**§ 8460. Applicability**

(a) With respect to the application for and issuance of vouchers, the provisions of this Article shall apply to voucher applications submitted after the effective date of these regulations and vouchers issued pursuant to such applications.

(b) Notwithstanding subdivision (a), the provisions of this Article shall not apply to voucher applications, and vouchers issued pursuant thereto, for employees hired prior to July 1, 2000, which are based on an employee's eligibility for or receipt of services under the federal Job Training Partnership Act.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

**§ 8461. Definitions**

The following definitions shall apply to this Article 14 only. Unless noted otherwise or the context otherwise requires, the term "Subdivision," for purposes of this Article, refers to the same subdivision of both Revenue and Taxation Code Section 17053.74 and Revenue and Taxation Code Section 23622.7.

(a) "Applicant" means a "taxpayer" as defined in subdivision (b)(5) of Revenue and Taxation Code Sections 17053.74 and 23622.7.

(b) "Application" means an application for a voucher, which shall contain the information required by Section 8464 and the documentation required by Section 8466 in a format provided by the Department.

(c) "Conflict of interest" means that it is reasonably foreseeable that a decision that a zone manager, zone staff, or third party entity as permitted by subdivision 8463 participates in or influences will have a material financial effect, distinguishable from its effect on the public generally, on the zone manager, zone staff, or third party entity, a member of his or her immediate family, or a business entity in which the zone manager, zone staff, or third party entity is directly or indirectly involved.

(d) "Economically disadvantaged individual" or "economically disadvantaged youth" means an individual who is at least 14 years of age, and resides in a household with a total family income not exceeding the very low income category adjusted for family size and location, as set forth in the latest edition of the Income Limits published periodically by the Department

pursuant to CCR Title 25, Section 6932, or in the latest edition of the Section 8 Income Limits published periodically by the U.S. Department of Housing and Urban Development. For purposes of this subdivision, "family" means two or more persons related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories: (i) A husband, wife, and dependent children; (ii) A parent or guardian and dependent children; (iii) A husband and wife. The employee's income shall be verified by the providers of the income or by third party entities. Verification shall include the following information in a format provided by the department:

1. Name of the employee
2. Name, address and telephone number of the income provider or the third party entity verifying the income information, and the signature of the person who filled out the form.
3. Date of verification, which shall be no earlier than 90 days prior to the filing of the voucher application
4. The form of income verified (hourly wages, salary, interest, pension, public assistance, self-employment, social security, unemployment compensation, or identified other)
5. The amount of income paid to the employee immediately preceding the date of verification (i.e., within the preceding 90 days)
6. The employee's signed certification, if applicable, of self-employment income, or of no income.

(e) "Ex-offender" means an individual who has been convicted of a felony or a misdemeanor offense punishable by incarceration, or a person charged with a felony offense or a misdemeanor offense punishable by incarceration but placed on probation by a state court without a finding of guilt. "Ex-offender" does not include an individual whose record has been expunged.

(f) "Household" means one or more persons who occupy a single dwelling unit.

(g) "Immediately preceding" means within the previous 90 days.

(h) "Long-term unemployed" means current and continuous unemployment lasting for 15 weeks or more.

(i) "Veteran" means an individual who served in the active military, naval, or air service of the United States.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7072, 7076, 7076.1 and 7086, Government Code; and Sections 17053.74(c) and 23622.7(c), Revenue and Taxation Code.

## **§ 8462. Designation of Zone Manager and Staffing**

- (a) Each enterprise zone governing body shall designate an enterprise zone manager and shall notify the Department, in writing, of its designee. If the zone manager is not an employee, department, or agency of the city, county, or city and county in which the enterprise zone is located, the governing body shall enter into a written agreement with the zone manager requiring, at a minimum, compliance with this Article 14.
- (b) The governing body of each zone shall ensure that its zone is budgeted or staffed at a level that will ensure compliance with the voucher program requirements of this Article 14.
- (c) The enterprise zone governing body shall not reduce the budget or staff allocation of its zone manager from the levels indicated in its current MOU without prior written approval from the Department.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076, 7076.1 and 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

## **§ 8463. Administration of a Vouchering Program**

(a) Each enterprise zone shall have and maintain a vouchering plan containing policies and procedures for the operation of a vouchering program. The plan shall meet the following criteria:

- (1) The plan shall have written vouchering policies and procedures that ensure compliance with Revenue and Taxation Code Sections 17053.74 and 23622.7, Government Code Section 7070 et seq., California Code of Regulations title 10, chapter 7.8 commencing with Section 5600, and this subchapter 21.
- (2) The plan shall require any Applicant requesting a voucher to provide documentary evidence to substantiate that the employee for whom a voucher is requested satisfied immediately preceding the commencement of employment, the requirements of subdivision (b)(4)(A)(iv) of Revenue and Taxation Code Sections 17053.74 or 23622.7 as a qualified employee.
- (3) The plan shall require the zone manager and zone staff to retain and keep confidential a copy of each voucher application received and each voucher issued and their supporting documentation. These records shall include the date the application was received, whether the application was approved or denied, and a statement signed by the zone manager of the basis for the decision on each voucher application. Unless otherwise required by law these records shall be accessible only to the zone manager and zone staff, the zone governing body, the Franchise Tax Board, the Department, and Applicants (or their designees) who may access only their own applications. All applications and voucher records shall be maintained for a minimum of five years from the date an application for a voucher is received.
- (4) The plan shall require the zone to certify that the zone manager, zone staff, and any third party entities designated pursuant to subdivision (a)(7) of this section, are free of any conflicts of interest with Applicants or with the zone's obligations to objectively evaluate and process applications.

(5) The plan shall require the zone to certify that vouchering policies and procedures are administered consistently.

(6) The plan shall include an annual affirmative marketing procedure to make businesses aware of the opportunities to participate in the enterprise zone program and of the vouchering plan.

(7) A zone governing body may designate a third party entity to process voucher applications if the plan expressly provides for this designation and the third party entity enters into a written agreement with the zone, which agreement requires compliance with this Article 14 and the third party entity certifies that it is free of any conflict of interest as defined in this Article. The zone shall keep copies of all vouchers and applications processed by a third party.

(b) Zone managers shall apply to the Department for allocations of voucher numbers, and shall sequentially number vouchers issued using numbers in the allocation provided.

(c) Notwithstanding the designation by an enterprise zone governing body of an enterprise zone manager, or of a third party entity to process voucher applications, the enterprise zone governing body shall remain responsible for compliance with the requirements of this Article 14.

(d) Compliance with this Article 14 shall be evaluated as part of any Department audit of an enterprise zone program.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076, 7076.1, 7085 and 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

#### **§ 8464. Content of an Application and a Voucher**

(a) A voucher application shall contain all of the following:

(1) Employee's name, home address, telephone number (if applicable), social security number or other identifying number approved by the Department, job title, date of commencement of employment, starting hourly wage or salary, whether the employee was hired into a new position or an existing position, and date of termination if no longer employed by the Applicant.

(2) Employer's name, address, address of business location in the zone if different, telephone number, e-mail address (if applicable) and federal tax identification number.

(3) Identification of the "qualified employee" eligibility category under which the Applicant is applying. For purposes of this Article, "eligibility category" means the specific Revenue and Taxation Code subdivision under which the employee qualifies (e.g., 17053.74(b)(4)(A)(iv)(IV)(bb), 23622.7(b)(4)(A)(iv)(VII)(cc), or 23622.7(b)(4)(A)(iv)(IX)).

(4) All of the Information and documentation required by Section 8466.

(5) A statement by the Applicant, stating that it provided the priority for employment required by subdivision (b)(4)(B) of Revenue and Taxation Code Sections 17053.74 and 23622.7.

(6) A statement by the Applicant that it is engaged in a trade or business within the zone.

(b) A voucher shall contain all of the following:

(1) The name of the enterprise zone issuing the voucher, and the address, phone number, and e-mail address of the zone manager at the zone office.

(2) The employee's name, home address, telephone number (if applicable), e-mail address if available, social security number or other identifying number approved by the Department, date of commencement of employment, and date of termination if no longer employed by the Applicant.

(3) The Applicant's name, Applicant contact name, address, address of business location in the zone if different (if applicable), telephone number, e-mail address (if applicable) of the appropriate contact person, and federal tax identification number.

(4) The "qualified employee" eligibility category under which the voucher is being issued.

(5) The name and signature of the zone manager and the date of issuance.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

#### **§ 8465. Issuance of a Voucher**

(a) An enterprise zone manager shall issue a voucher if all of the following criteria are satisfied:

(1) The voucher is requested by an eligible Applicant

(2) The voucher application contains all the information required by Sections 8464 and 8466.

(3) The voucher application demonstrates that the employee meets the eligibility requirements of Subdivision (b)(4)(A)(iv).

(b) After the zone termination date, the zone manager may continue to issue vouchers for applications for qualified employees who are employed by the Applicant within the enterprise zone within the 60-month period prior to the zone expiration date, provided that the criteria in subdivision (a) are satisfied. If the zone manager of the local government administering the enterprise zone is no longer issuing vouchers, an Applicant may request a voucher from the local county or city WIA administrative entity, or the local county Work Opportunity Tax Credit office or social services agency, who may issue vouchers for applications for qualified employees who are employed by the Applicant within the enterprise zone within the 60-month period prior to the zone expiration date, provided that the criteria in subdivision (a) are satisfied.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

## § 8466. Acceptable Documentation

(a) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(I), (b)(4)(A)(iv)(II), or (b)(4)(A)(iv)(XI), the Applicant shall provide one of the following documents pertaining to the employee's status immediately preceding commencement of employment with the Applicant:

- (1) A document issued by the local CalWORKS administrator stating that the employee was eligible for CalWORKS.
- (2) A document issued by the local WIA case manager or administrator stating that the employee is enrolled in, or eligible for, WIA Intensive Services or Core B.
- (3) A document issued by the Work Opportunity Tax Credit or successor program's "designated local agency" (as defined in Internal Revenue Code Section 51(d)(15)) stating that the employee was a member of a targeted group, as defined in Internal Revenue Code Section 51(d), or its successor.

(b) To demonstrate that the employee is a qualified employee as an economically disadvantaged individual under Subdivision (b)(4)(A)(iv)(III), the Applicant shall provide:

- (1) An official identification card or other document issued by the federal government or any state or local government that shows the employee's age or date of birth, and indicates that the employee is at least 14 years of age; and
- (2) Documentation that, immediately preceding the commencement of employment with the Applicant, the employee was an economically disadvantaged individual or economically disadvantaged youth as defined in subdivision 8461(d).

(c) To demonstrate that, immediately preceding the commencement of employment with the Applicant, the employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(aa), the Applicant shall provide at least one item from each of subdivisions (1), (2) and (3) below:

- (1) To document that an employee has been terminated, laid off, or received a notice of termination or layoff:
  - (A) Copy of a termination notice or other company documentation of employee's termination or layoff.
  - (B) Employer or union representative letter identifying the employee's termination date.
  - (C) Photocopy of printed media article or announcement, including the name and date of the publication, describing the layoff, along with a copy of the employee's last payroll check prior to hire by the Applicant.
  - (D) Separation or Termination Report, or equivalent, signed by the employee's former employer.
  - (E) Document showing that the employee is eligible for or has exhausted entitlement to unemployment insurance benefits as specified in subdivision (c)(2) below.
- (2) To document that the employee is eligible for or has exhausted entitlement to unemployment insurance benefits:
  - (A) Unemployment insurance records.

(B) Statement by an Unemployment Insurance representative.

(3) To demonstrate that the employee is unlikely to return to his or her previous industry or occupation:

(A) Screen print of California Employment Development Department Labor Market Information Division screens that indicates limited opportunities for employment in the same or similar occupation such that the employee is unlikely to return to that occupation.

(B) Doctor's statement indicating employee's inability to return to previous industry/occupation due to physical limitations.

(C) Vocational rehabilitation counselor's statement indicating the employee's inability to return to previous industry/occupation due to physical limitations.

(D) Other third-party documentation that demonstrates the unavailability of similar employment in the employee's previous industry or profession.

(d) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(bb) due to plant, facility, or enterprise closure, the Applicant shall provide at least one item from each of subdivisions (1) and (2) below:

(1) To document that there has been a permanent plant, facility, or enterprise closure or substantial lay off:

(A) Bankruptcy documents, if declared under Chapter 7, Title 11 U.S.C., Notice of Foreclosure or a similar document provided by a financial institution when such document clearly shows that a closure or mass layoff will occur as a result of its issuance.

(B) Copy of a printed media article/announcement, including the name and date of the publication, describing the closure/mass layoff.

(C) Statement from the employer or the union representative.

(D) Statement from the employer's bank official, attorney, supplier, or accountant.

(E) WARN (Worker Adjustment and Retraining Notification Act) notice.

(2) To document that an employee has been terminated, laid off, or received a notice of termination or layoff, the Applicant shall provide one of the following documents verifying that the employee was employed at the plant, facility, or enterprise identified in (d)(1) above:

(A) Copy of a notice of termination or layoff or other company documentation of employee's termination.

(B) Employer or union representative letter identifying the employee's termination date.

(C) Separation or Termination Report, or equivalent, signed by the employee's former employer.

(D) Evidence that the employee is or was employed by the plant, facility, or enterprise identified in subdivision (d)(1).

(E) WARN notice.

(e) To demonstrate that an employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(cc) as long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, the Applicant shall provide at least one item from each of subdivisions (1) and (2) below:

(1) To document that the employee is long-term unemployed, one of the following dated at least 15 weeks prior to commencement of employment with the Applicant:

(A) Proof of receipt of unemployment benefits for at least 15 weeks prior to commencement of employment or proof that unemployment benefits were exhausted.

(B) Unemployment insurance verification (benefits records).

(C) Unemployment insurance award letter with claim history.

(D) Workers Investment Act Displaced Worker Unit Verification.

(E) Statement by an Unemployment Insurance representative.

(F) Documentation that qualifies the employee as a dislocated worker under subdivision (c) or as a dislocated worker due to plant, facility, or enterprise closure under subdivision (d) showing long-term unemployment for at least 15 weeks prior to commencement of employment.

(2) To document that the employee has limited opportunities for employment or reemployment in the same or a similar occupation:

(A) Screen print of California Employment Development Department Labor Market Information Division screens that indicates limited opportunities for employment or reemployment in the same or similar occupation.

(B) Doctor's statement indicating employee's inability to return to previous industry/occupation due to physical limitations.

(C) Vocational rehabilitation counselor's statement indicating the employee's inability to return to previous industry/occupation due to physical limitations.

(D) Other third-party documentation that demonstrates the unavailability of similar employment in the employee's previous industry or profession.

(f) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee as a dislocated former self-employed worker under Subdivision (b)(4)(A)(iv)(IV)(dd), the Applicant shall provide a combination of the following or other documents sufficient to demonstrate that the employee previously was self employed and was unemployed prior to the commencement of employment due to economic conditions in the community or due to natural disaster:

- (1) Bankruptcy documents listing both the name of the business and the employee's name.
- (2) A business license or permit listing the employee's name.
- (3) Copy of articles of incorporation or documentation of dissolution for the business listing the employee as an owner.
- (4) Prior year's income tax return.

(g) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(ee) as a dislocated civilian employee of the Department of Defense employed at a military installation being closed or realigned under the Defense Base Closure and Realignment Act of 1990, the Applicant shall provide a copy of the employee's termination notice and either a copy of a media article or announcement describing the layoff or closure, or an employer or union representative letter describing the layoff or closure.

(h) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(ff) as a dislocated worker who was an active member of the armed forces or National Guard as of September 30, 1990, and was involuntarily separated or separated pursuant to a special benefits program, the Applicant shall provide one of the following documents demonstrating that the employee meets the above qualifications:

- (1) Report of separation or discharge from the armed services or the National Guard.
- (2) Veterans Administration documentation.
- (3) Verification by State Veterans Agency.

(i) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(gg) as a dislocated worker due to seasonal unemployment, the Applicant shall provide one of the following documents demonstrating that the employee was a seasonal or migrant worker:

- (1) Documentation of employee's migrant employment in a seasonal occupation.
- (2) Employer or union representative letter describing seasonal layoff in employee's seasonal occupation.
- (3) Copies of termination notices identifying employer and employee.
- (4) Copies of employee's pay stubs identifying seasonal employer.

(j) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(hh) as a dislocated worker due to Clean Air Act compliance, the Applicant shall provide a copy of the employee's termination notice and either a photocopy of a media article or announcement describing the reason for the layoff, or an employer or union representative letter stating that compliance with the Clean Air Act was the reason for the layoff.

(k) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is qualified as a disabled individual under Subdivision (b)(4)(A)(iv)(V), the Applicant shall provide the documentation required either by (1) or (2):

(1) The Applicant shall provide one of the following documents demonstrating that the employee was disabled and is eligible for, enrolled in, or has completed a state rehabilitation plan:

- (A) Physician's statement.
- (B) Rehabilitation plan.
- (C) Vocational rehabilitation letter.
- (D) Verification by state or federal rehabilitation counselor.
- (E) Letter from a state drug or alcohol rehabilitation agency.
- (F) Medical records.
- (G) Social Security Administration disability records.
- (H) Social Service records/referral.

(2) The Applicant shall provide one of the following documents demonstrating that the employee is a service-connected disabled veteran:

- (A) DD-214 Defense Department Report of Separation.
- (B) Veterans Administration documentation.
- (C) Verification by State Veterans Agency.

(l) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(V) as a Vietnam era veteran or a veteran recently separated from military service, the Applicant shall provide one of the following documents demonstrating that the employee meets the above qualifications:

- (1) Report of separation or discharge from the armed services or the National Guard.
- (2) Veterans Administration documentation.
- (3) Verification by State Veterans Agency.

For purposes of this subdivision, "recently separated" means within 48 months preceding commencement of employment with the qualified taxpayer; and the term "Vietnam era veteran" means a veteran any part of whose active military service occurred between August 5, 1964, and May 7, 1975.

(m) To demonstrate that an employee is a qualified employee as an ex-offender under Subdivision (b)(4)(A)(iv)(VI), the Applicant shall provide one of the following documents verifying that immediately preceding commencement of employment the employee was an ex offender as defined in subdivision 8461:

- (1) Court documents.
- (2) Letter of parole.

- (3) Letter from probation officer.
- (4) Police records.
- (5) A copy of a background check report or independent court records report showing the employee as an ex-offender as defined in subdivision 8461(e), signed by a background checking business or independent court records business, licensed and/or certified if required by California or federal law.
- (6) Other government document verifying ex-offender status, such as a letter from the Board of Prison Terms, or a letter from the Governor's Office.

(n) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(VII) as a recipient of, or eligible for, public assistance, the Applicant shall provide one of the following documents verifying that the employee was receiving, or was eligible to receive, the assistance immediately preceding the commencement of employment:

- (1) Public assistance award letter.
- (2) Benefit printout.
- (3) Current food stamp identification card or award letter.
- (4) Social Security Insurance award letter or check stub.
- (5) Refugee Cash Assistance.
- (6) Verification by Department of Social Services.
- (7) Written statement from county welfare office or telephone verification by zone manager.
- (8) Public assistance records/printout.

(o) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(VIII) as a Native American, Native Samoan, Native Hawaiian, or member of another group of Native American descent, the Applicant shall provide one of the following documents:

- (1) Native American tribal record document.
- (2) Certified Degree of Indian Blood (CDIB) card, issued by the Bureau of Indian Affairs.
- (3) Documentation that the employee is a Native Samoan, Native Hawaiian, or a member of another group of Native American descent.

(p) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IX) as a resident of a targeted employment area ("TEA"), as defined in Section 7072 of the Government Code, the Applicant shall provide a copy of the officially listed TEA address range and one of the following documents, verifying that the employee resided in a TEA immediately preceding the commencement of employment:

- (1) Form I-9, U.S. Department of Justice, Immigration and Naturalization Service.
- (2) Driver's license or State Identification Card.

- (3) Landlord statement.
- (4) Lease or rental agreement.
- (5) Utility bill.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

### **§ 8467. Voucher Appeals.**

Appeal of a denial of a voucher application shall be made in accordance with the provisions of this Section.

(a) All appeals shall be in writing and shall include the following information:

- (1) Name and address of the business, and, if applicable, the business's representative for the purposes of the appeal;
- (2) Signature of the business or the business's authorized representative;
- (3) Narrative discussion of why the denial should be reversed and any additional information or documentation not previously provided in support of the application; and,
- (4) A copy of all denial notices.

(b) A denial issued by a zone manager may be appealed to the zone manager within 60 calendar days of the date of the denial. The zone manager shall respond to the appeal, with a final decision in writing, within 60 calendar days of receipt of the appeal. The zone manager's final decision shall set forth the basis for the zone manager's decision to accept or reject the appeal and shall be sent to the Applicant and the Department.

(c) A final decision by a zone manager denying an application may be appealed to the department within 30 calendar days of the date of the final decision by the zone manager. The Department shall have 90 calendar days from receipt of an appeal from an Applicant to issue a written response granting or denying the appeal.

(d) The decision of the Department shall be final, shall be rendered in writing, and shall be sent to the Applicant, the Applicant's authorized representative if applicable, and the zone manager. If the Department grants the appeal, the zone manager shall issue a voucher to the appealing party.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086(d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.