

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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SEEDS MANAGEMENT MEMORANDUM

State Enterprise and Economic Development Section

Memorandum Number 8-03

Date: July 21, 2008

TO: Enterprise Zone Coordinators

**From: Frank Luera, Chief
State Enterprise and Economic Development Section**

SUBJECT: Monthly Report of All G-TEDAs

As part of an effort to accurately determine the vouchering levels at all of the Geographically-Targeted Economic Development Areas (G-TEDAs), the Department of Housing & Community Development (Department) is requesting that the Targeted Tax Area and all enterprise zones, Local Agency Military Recovery Areas (LAMBRAs), and Manufacturing Enhancement Areas use a newly-revised form to report all monthly activity. In contrast to the previous monthly report, the new form requires these economic development areas to separately report the results for each designated area, including former and current enterprise zones. The following sections describe the new reporting process.

Report Each Month Regardless of Activity Level

The Government Code currently requires all G-TEDAs to remit to the Department \$10 for every voucher application processed. To help the Department monitor this activity, it has established procedures that require the economic development areas to remit these fees on a monthly basis. Specifically, every G-TEDA must report by the 25th of each month the number of vouchers applications received in the previous month. As part of this report, G-TEDAs must include the payment due to the State for these applications.

Because the Department needs to verify the results for each economic development area, G-TEDAs must report to the Department regardless of the number of vouchers processed. That is, the economic development areas must report even if they processed no vouchers during the previous month. The Department requires this report to confirm that it accurately accounted for all activity during the month.

Separately Report Each G-TEDA

With the recent or pending designation of 31 new enterprise zones, the Department must now account for 84 G-TEDAs, representing both active and expired areas. Although many of the expired enterprise zones have corresponding active areas, they nonetheless constitute separate and unique G-TEDAs, not extensions of each other. This distinction is especially significant for enterprise zones because it supports the concept that each designation represents an entirely

new zone and not a re-designation of the previous zone. To reinforce this distinction, it is crucial that the Department and the economic development areas separately account for each area's activities to ensure that they identify the levels attributable to each G-TEDA, whether active or not.

Use New Form to Report Voucher Activity

Previously, the Department allowed jurisdictions to summarize the results for one or more G-TEDAs on the monthly remittance report. However, because the Department now needs to identify the results for each economic development area, it will require each reporting entity, such as the lead city or county, to separately identify the results for each G-TEDA in its authority. That is, the reporting entity must separately report the number of vouchers issued through each economic development area, both active and expired.

To help the Department and the G-TEDAs distinguish between the economic development areas during the monthly reporting process, the Department has revised the report form. See the Attachment for a copy of the new G-TEDA Monthly Report. An entity reporting on more than one economic development should separately list the results in Section III of the Monthly Report by describing each G-TEDA under its authority and the corresponding number of vouchers it issued. Remember, the reporting entity must list all of the economic development areas under its authority, both active and expired, regardless of their activity level.

Reporting Exception. The Department exempts from the monthly reporting requirement expired G-TEDAs that have discontinued all vouchering activities. At this time, only one economic development area (Bakersfield) has formally notified the Department that it has ceased its vouchering activities.

Implement Form in New Fiscal Year

As noted above, G-TEDAs must report voucher activity for each month by the 25th day of the following month. To minimize any confusion about the effective date for the new form and to allow the jurisdictions that administer these economic development areas an opportunity to make the necessary procedural adjustments, the Department will require the new form for the July 2008 report, which is due by August 25, 2008, and for subsequent reports. (G-TEDAs may use the either the original or new form to report the voucher activity for June, which is due by July 25, 2008.)

If you need more information about the monthly reporting process, please contact Lesley James at (916) 322-1112.