

M e m o r a n d u m

To: Potential Applicants for 2006 Enterprise Zone Designation Round

Date: August 9, 2006

From: **CALIFORNIA ENTERPRISE ZONE PROGRAM
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

Subject: 51% Requirement

This memorandum addresses an inquiry regarding the Enterprise Zone Application Requirements made by several potential applicants. Specifically, the applicants have inquired about the Department of Housing and Community Development's (Department) treatment of the 51% requirement for commercial or industrial land within the application area.

The regulations for Enterprise Zone designation require that applicants establish an application area that consists of an eligible area and at least one area zoned at least 51% commercial or industrial. In its workshops and guidance, the Department has interpreted this requirement in a manner consistent with the prior practice of the Enterprise Zone's predecessor agency which was that the 51% requirement applied to the zone as a whole. The Department recognizes that some applicants may have difficulty achieving this ratio on a zone-wide basis.

Please be advised that the Department will consider application areas for Enterprise Zones which are zoned less than 51% commercial or industrial provided the economic development and marketing plan as contained in the application addresses the needs of the entire application area and that the employment, economic, and physical infrastructure commitments proposed serve the entire application area to be included in the proposed Enterprise Zone.

If you are having difficulty with the 51% minimum requirement for commercial or industrial land and would like more information, please contact:

Frank Luera, Interim Manager

1-916.327-2862

or

Michelle Adams, Enterprise Zone Representative

1-916.327.0579