

M e m o r a n d u m

To: Potential Applicants for 2006 Enterprise Zone Designation Round

Date: August 15, 2006

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

Subject: 51% Requirement--Addendum

On August 9, 2006, the Department of Housing and Community Development (Department) issued a memorandum, which addressed the requirement that applicants for Enterprise Zone designation must establish an application area that consists of an eligible area and one area zoned at least 51% commercial or industrial. Although the State's previous practice was to apply this requirement to the zone as a whole, the memorandum indicated the Department's willingness to consider application areas that are zoned less than 51% commercial or industrial.

After the Department issued the memorandum, several potential applicants indicated they planned to modify their proposed boundaries in response to the Department's clarification, but were concerned they would not be able to prepare all of the documentation required by these changes, such as the census and boundary maps, by the application deadline, September 6, 2006. In response to these concerns, although the application due date will remain September 6, 2006, the Department is prepared to allow applicants until October 4, 2006, to submit modifications to their proposed boundaries. This memorandum outlines the steps applicants must use if they choose to modify proposed boundaries.

As stated above, all applications for designation are due September 6, 2006. To be considered for designation, applicants must ensure that their application is received by the Department no later than 5:00 p.m. on this date. The application must be complete and include all of the elements listed in the Department's Application for Designation—2006 handbook.

Boundary Changes After the Deadline. If in response to the Department's memorandum on the 51% requirement, the applicant has determined it desires to change the boundaries identified in the application, the applicant should do the following:

- Include in the application a memorandum addressed to the Department stating the applicant's intent to change the boundaries as presented in the application. The memorandum does not need to describe the proposed boundary change. In addition, the applicant does not need to submit any of the supporting documentation for this change at this time.
- Submit to the Department by 5:00 p.m., October 4, 2006, all of the elements required for the revised enterprise zone boundary. These elements include a legal description of

the boundaries, street ranges for the application area, and all required resolutions and maps.

The Department will conduct a technical review of all of the applications based on the materials received on September 6, 2006. As part of this review, the Department will determine if any information or documents are missing from each application package. If the applicant has included a memorandum stating its intent to change the boundaries, the Department will determine which elements for the proposed boundary need to be provided and list them in a Technical Review Letter. The Department will also include in this letter any other elements that it determines are missing from the application package. The Department will send this letter to the applicant by September 20, 2006, and give the applicant 14 days, or until October 4, 2006, to submit these elements to the Department. The Department will subsequently score all applications based on the boundaries established by this date.

If you would like more information on boundary changes and how to ensure that your application properly includes them, please contact:

Frank Luera, Interim Manager
1-916.327-2862

or

Michelle Adams, Enterprise Zone Representative
1-916.327.0579