DRAFT

INTER-REGIONAL PARTNERSHIP
Alameda County
Contra Costa County
San Joaquin County
Santa Clara County
Stanislaus County

Request for Proposals
for Inter-Regional Partnership
Jobs/Housing Opportunity Zone

I. General Program Information

Project Goals

The Inter-Regional Partnership (IRP) is a group of fifteen elected officials from five counties who have agreed to focus on issues related to jobs/housing balance, transportation and air quality which cut across county and regional boundaries. The Partnership includes one board of supervisor member and two city council members from Alameda, Contra Costa, San Joaquin, Santa Clara, and Stanislaus. The three councils of governments (COGs) for the Bay Area, San Joaquin County and Stanislaus County provide staffing, financial support and regional expertise.

The IRP was convened to establish a framework that allows local policy makers from the member counties and cities to address the interrelationships between future jobs/housing balance, and the concurrent impacts on transportation and air quality. The goals of the IRP include:

- Achieve a more equitable jobs/housing balance in the region.
- Improve transportation and air quality.
- Enhance the quality of life throughout the inter-regional area.
- Pursue inter-regional economic development opportunities.
- Establish more sustainable methods of moving people between their homes and distant jobs.

The IRP State Pilot Project, recently created through state legislation, mandates that **5 to 10 Jobs/Housing Opportunity Zones** (also referred to as Zone throughout the document) be equitably distributed across the IRP region to remedy the jobs/housing imbalance. The IRP region consists of Alameda, Contra Costa, San Joaquin, Santa Clara, and Stanislaus Counties.

By December 31, 2001, the IRP will ~~make preliminary recommendations~~forward final Jobs/Housing Opportunity Zone selections to the State Department of Housing and Community Development (HCD)~~ as to where the jobs/housing opportunity zones should be located~~.

Proposed development projects for the jobs/housing opportunity zones will need to be current and timely. Development projects with a timeline of greater than 5 years to completion will not be considered for this Pilot Program.

Incentive Program

Once chosen, development projects within the Jobs/Housing Opportunity Zones will be eligible for one or more incentives offered by regional and/or state agencies. The IRP will act as an incentives advocate for all final Jobs/Housing Opportunity Zones and work with state legislators to pass any necessary legislation to ensure incentives are available to Jobs/Housing Opportunity Zones.

Once the IRP has ~~made the final decision on~~selected the location of the Jobs/Housing Opportunity Zones, meetings will be set up with successful proposers to review and evaluate the incentives needed to ensure the completion of the project(s). The IRP has gathered extensive data on regional and state incentives available to promote economic and housing development and will work with the proposers to identify which incentives are most appropriate to the development proposal(s) intended for their respective Jobs/Housing Opportunity Zone. After the list of incentives has been identified, the IRP will ~~act as an advocate~~work with state legislators ~~for the proposers~~ to obtain those incentives.

II. Proposal Process

Proposal Due Date.
Proposals will be accepted from ~~July 26~~ September 1, 2001 through 5:00 p.m. on ~~September 7~~ October 15, 2001.

Submittal.
Submit one (1) original proposal to each Council of Governments (as indicated below) and ~~fifteen~~ ten ~~(15~~ 10) copies to the Council of Governments associated with the county in which the proposed jobs/housing opportunity zone is located:

Alameda County **Contra Costa County** **Santa Clara County**	The Inter-Regional Partnership c/o Alex Amoroso Association of Bay Area Governments P.O. Box 2050 Oakland, CA 94604-2050
San Joaquin County	The Inter-Regional Partnership c/o Julia E. Greene San Joaquin Council of Governments 6 South El Dorado Street, Suite 400 Stockton, CA 95202
Stanislaus County	The Inter-Regional Partnership c/o Gary Dickson Stanislaus Council of Governments 900 H Street, Suites C&D Modesto, CA 95354

Proposal Review and Evaluation Process.
All proposals will be reviewed by Inter-Regional Partnership based on compliance with the requirements of this Request for Proposals. Proposals will be scored and ranked according to the point system described in this Request for Proposals.

A shortlist of proposers will be invited to make a presentation to the Inter-Regional Partnership (to be changed to Evaluation Committee if the Partnership decides to form one). The Partnership will decide which proposals to ~~accept~~ select. Successful proposers will be notified in writing of their ~~awards~~ selection. Following notification, proposers will enter into a Memorandum of Understanding (MOU) with the Partnership ~~and with the appropriate state agencies outlining outcomes and incentives to be awarded for stated outcomes~~.

Final Filing Date	5:00p.m. ~~September 7~~ October 15, 2001
Request for Proposals Reviewed	~~10~~October 15, 2001 – November 2001

~~Anticipated Presentations and~~ Selections Finalized	February 2002

III. Eligible Proposers

Proposers for a jobs/housing opportunity zone **can** include:

- An individual city or county;
- Two or more cities or counties working in collaboration;
- One or more cities or counties working in collaboration with private companies (including private property developers), quasi-public, non-profit, or public agencies.

~~Proposers for a jobs/housing opportunity zone **cannot** include:~~

- ~~An individual property developer or other private, for profit entity. Developer or other private party can be a partner with a city or county applying to this RFP, but cannot be an applicant.~~
- ~~An individual non-profit entity. Non-profit can be a partner with a city or county applying to this RFP, but cannot be an applicant.~~

IV. Eligible Zone Sites

California Government Code 65891, the jobs/housing legislation, articulates base criteria that a potential jobs/housing opportunity zone must meet before being selected by the IRP. The criteria defined in the legislation include:

- Zones must be between 50 and 500 acres. (land is meant to be contiguous)
- Zones contain significant portions of land that are vacant, underutilized, and suitable for urban use.
- Zones are created for the purpose of either providing needed workforce housing if there is a surplus of jobs or providing jobs for the area's workers if there is a surplus of housing.
- Zones are eligible to receive incentives, subject to negotiation with appropriate resource agencies.
- Zones are serviced by adequate infrastructure and transit service, or have commitments to provide adequate infrastructure and transit service, to support significant proposed development.
- The location and development within zones will improve the jobs-housing imbalance across the five-county IRP area.

Please refer to Attachment 1 for definitions of the underlined terms and phrases.

V. Local Incentives Requirement

In order to qualify for a jobs/housing opportunity zone, the proposer must have already identified a number of local incentives that the proposer and partner(s) are willing to commit to.

Examples of local incentives include the following (this is not intended to be an exhaustive list):

~~Economic –~~	Economic Revitalization Manufacturing Property Tax Rebates
	Capital Investment Incentive Payments
	Local Financing Redevelopment Agency
	Local Revolving Loan Funds
~~Housing –~~	Master Planning
	Rezoning Density Bonuses
	Permit Fee Reductions and Waivers
	~~Tax Increment Financing~~
	Fast Tracking Project Permitting

VI. Proposal Contents

A proposal may include only one (1) zone location (i.e., submit a separate proposal for each proposed zone location). To be considered responsive, proposals must include, as a minimum, the following information:

1. Cover Letter. A cover letter, which includes the name, phone number and address of a contact person for the proposal process.

2. Proposal Team. List the names and addresses of the public, private, or non-profit agencies that are partnering with the proposer.

3. Local Incentives. **(10 points)** List and explain the local incentives that have been identified for the opportunity zone site. Describe any time constraints and other pertinent timing issues related to the proposed local incentives.

4. Zone Characteristics. (15 points)

a. Total acreage, percent of land that is vacant, underutilized, and zoned for urban use, and a map detailing these elements. Please include any ArcView or ArcView compatible digital maps that may be available for the proposed zone.

b. The current land use and zoning of the proposed zone and a map, including a general plan and zoning map. Please include any ArcView or ArcView compatible digital maps that may be available for the proposed zone.

c. Describe how the proposed zone location and development within the zone will relate to surrounding urbanized areas. The proximity of the zone to surrounding urbanized areas and the population and density of surrounding jurisdiction(s) should be included in the description.

d. Describe any constraints/barriers (land use, environmental, fiscal, etc.) that could impede development in the proposed Jobs/Housing Opportunity Zone. Describe mechanisms identified to overcome the constraints/barriers identified ~~in "d"~~.

5. Existing Jobs/Housing Imbalance. (10 points)

a. Describe why the proposed zone location is ideal for a jobs/housing opportunity zone.

b. Describe the existing jobs/housing imbalance faced in the jurisdiction, or county, where the proposed zone is located. Address how that imbalance impacts the jurisdiction, county, and/or ~~the~~ region, in terms of transportation, air quality, and quality of life.

6. Development Proposal (Including infrastructure and transit). (15 points)

a. Describe in detail the development proposal(s) that is planned for the proposed zone, including the timeline for development. Include any necessary tentative subdivision maps or other material that may assist in describing proposed development.

b. Describe existing or planned (including timetable for completion) transit services available in the proposed zone and the service's ability to support proposed development within the zone.

c. Describe how development within the zone will relate to, incorporate, or enhance public transportation in the jurisdiction ~~and region~~.

d. Describe the infrastructure improvements/installations required for development within the proposed zone. Include a description of any existing or planned infrastructure within the proposed zone, including water, roadways, sewer, etc. Explain how a zone designation can assist proposer in leveraging existing dollars for infrastructure development. Include timeline of planned infrastructure improvements.

e. Describe how the proposed zone location and development within the zone relate to the jurisdiction(s) Capital Improvement Program.

7. Jobs/Housing Impact. (40 points)

Housing Impact. *(Responded ONLY if the proposal is for a HOUSING or MIXED OPPORTUNITY ZONE)*

a. Describe how development within the zone addresses the existing and projected housing needs of the city or county ~~region~~. Include a detailed description of the mix of housing types and affordability planned for the zone.

Jobs Impact. *(Responded ONLY if the proposal is for a JOB or MIXED OPPORTUNITY ZONE)*

a. Describe how development within the zone addresses the existing and projected employment needs of residents in the jurisdiction ~~or region~~. Include a description of how the zone relates to any existing (or currently being developed) economic development strategic plan ~~and plans created by a local agency~~.

b. Describe the mix of business types that are planned for the zone and whether or not business clusters will be promoted.

8. Incentives. Describe the types of federal or state incentives that would be necessary to develop the jobs/housing opportunity zone.

9. Existing Commitments. (5 points) Describe any existing federal, state, regional, or local fiscal and/or non-fiscal commitments that have been secured (or are in the process of being secured) for the development projects described in this proposal. Include commitment status of all funds or non-fiscal commitments.

10. Experience in Administering and/or Implementing Similar Programs. (5 points) Describe any relevant experience in administering or implementing programs or development projects that address similar issues to attracting jobs or housing, or promoting development or redevelopment.

11. Performance Measures. Briefly explain criteria that can be used by the IRP to measure the performance of the proposed opportunity zone in accomplishing its intended objectives. These criteria may or may not be used to evaluate the performance of the completed project.

12. Other Relevant Information. Submit any other information that may assist the IRP in evaluating the merits of the proposed zone location.

VII. Proposal Evaluation Criteria

Proposals will be evaluated based on the following criteria and point system, as reflected above:

a. Local Incentives [10 points]

b. Zone Characteristics [15 points]

c. Existing Jobs/Housing Imbalance. [10 points]

d. Development Proposal (including infrastructure and transit) [~~10~~15 points]

e. Jobs/Housing Impact [40 points]

f. Existing Commitments [5 points]

g. Experience in Administering and/or Implementing Similar Programs [5 points]

VIII. Solicitation Disclaimer

Upon submission, all proposals become the property of the Inter-Regional Partnership. Cost of preparing, submitting, and presenting a proposal and participating in an interview is at the sole expense of the proposer. The IRP has the right to reject any or all of the proposals received as a result of this request. Solicitation of proposals in no way obligates the IRP to contract with any agency. The decision to award a~~n~~ Jobs/Housing Opportunity Zone designation is at the sole discretion of the Inter-Regional Partnership.

IX. Questions

Questions regarding this RFP should be directed to:

Alameda County **Contra Costa County** **Santa Clara County**	Alex Amoroso Senior Regional Planner, ABAG (510) 464-7955 AlexA@abag.ca.gov
San Joaquin County	Stephen VanDenburgh Senior Regional Planner, SJCOG (209) 468-3913 svandenburgh@co.san-joaquin.ca.us
Stanislaus County	Gary Dickson Executive Director, StanCOG (209) 558-7830 DCKSONG@mail.co.stanislaus.ca.us

Attachment 1: Criteria Guidelines and Definitions

California Government Code 65891, the jobs/housing legislation, articulates base criteria that a potential jobs/housing opportunity zone must meet before being selected by the IRP. The criteria defined in the legislation are listed below. The Interregional Partnership has provided definitions for the underlined phrases that serve as guidelines for determining a proposed opportunity zone's consistency with the legislation.

Criterion 1) Zones must be between 50 and 500 acres.

Criterion 2) Zones contain significant portions of land that are vacant, underutilized, and suitable for urban use.

Significant Portions of Land is defined as more than 50% of the land area within the proposed zone.

Vacant land is land that is not developed and is developable for residential, commercial or industrial use in conformance to local zoning law. All publicly owned and tax exempt land (federal, state, and local holdings, parks, open space, public and private school properties, wildlife refuges, wetlands, etc.) are not considered 'vacant'. The local planning department may further define a parcel's vacancy status.

Underutilized is land that is not developed to its full zoning potential, i.e. land use falls below maximum allowed floor-area ratio (FAR) or density as allowed in General Plan or zoning designation. *Source: California General Plan Guidelines, Office of Planning & Research*

Land that is **suitable for urban use** is land that is suitable for structures and that can be developed free of hazards to, and without disruption of, or significant impact on, natural resource areas. Suitable for urban use includes residential, commercial, or industrial land use in areas where urban services are available. Urban areas are generally characterized by moderate and higher density residential development (i.e., three or more dwelling units per acre), commercial development, and industrial development, and the availability of public services required for that development, specifically central water and sewer, an extensive road network, public transit, and other such services (e.g., safety and emergency response). Development not providing such services may be "non-urban" or "rural". *Source: California General Plan Guidelines, Office of Planning & Research; Government Code 65891*

Criterion 3) Zones are created for the purpose of either providing needed workforce housing if there is a surplus of jobs or providing jobs for the area's workers if there is a surplus of housing.

Workforce housing is housing that is affordable and available to individuals employed in the jurisdiction of the proposed jobs/housing opportunity zone. Affordable housing also includes housing capable of being purchased or rented by a household with very low, low, or moderate income, based on a household's ability to make monthly payments necessary to obtain housing. Housing is considered affordable when a household pays less than 30 percent of its gross monthly income (GMI) for housing including utilities.
Source: California General Plan Guidelines, Office of Planning & Research

A jurisdiction or ~~sub-region~~ county that has a **surplus of jobs** is one where there is a jobs to employed residents ratio greater than 1 or a jobs to housing units ratio greater than 1.5. *Source:*

California General Plan Guidelines, Office of Planning & Research; Government Code 65891; California State Department of Finance

A jurisdiction or ~~sub-region~~ county that has a **surplus of housing** is one where there is a jobs to employed residents ratio of less than 1 or a jobs to housing units ratio of less than 1.5. *Source: California General Plan Guidelines, Office of Planning & Research; Government Code 65891; California State Department of Finance*

A jurisdiction may also have a **surplus of housing** if the existing jobs in the city or county are not compatible with the skills of employed residents.

Criterion 4) Zones are eligible to receive incentives, subject to negotiation with appropriate resource agencies.

Incentives are fiscal or non-fiscal and are offered to developers to enable a jobs/housing opportunity zone to achieve its intended goal of addressing the inter-regional jobs/housing imbalance.

Incentives may include:

- Providing tax credit priority for development of multi-family residential construction in areas with job surpluses and for job generating projects in areas with housing surpluses; and
- Providing a return of property tax for development of affordable housing in areas with job surpluses and for job generating projects in areas with housing surpluses; and
- Pooling of redevelopment funds; and
- Tax-increment financing for jobs-housing opportunity zones based on the redevelopment model.
  Source: Government Code 65891

Criterion 5) Zones are serviced by adequate infrastructure and transit service, or have commitments to provide adequate infrastructure and transit service, to support significant proposed development.

Adequate infrastructure is public services and facilities (streets, sanitary sewers, storm water conveyance systems, parks, public buildings, wastewater treatment plants, etc.) that have the capacity to accommodate development within the proposed jobs/housing opportunity zone that meets the local jurisdiction(s) level of service requirements. If such capacity does not yet exist, the jurisdiction(s) must have existing commitments to provide adequate capacity to accommodate new development within the potential jobs/housing opportunity zone

Adequate transit service means that the proposed jobs/housing opportunity zone is served (or will be served at the completion of the development project) by at least one primary transit line that connects residences and employment centers. Transit serving the proposed zone should have the ability to accommodate increased ridership, or have financial commitments to increase ridership capacity associated with development in the zone and is a viable alternative to driving to and from work. Adequate transit service also means that individuals have adequate access to transit. This means that new development should be concentrated within one-quarter to one-half mile of a transit station/stop.
Source: Government Code 65891

Commitments to provide adequate infrastructure can be found in an adopted Capital Improvement Plan, a Regional Transportation Plan, an approved CalTrans project, or other infrastructure upgrade projects identified in an adopted plan.

Significant proposed development is the physical extension and/or construction of urban land uses. Development activities include: subdivision of land; construction or alteration of structures, roads, utilities, and other facilities; installation of septic systems; grading; deposit of refuse, debris, or fill materials; and clearing of natural vegetative cover (with the exception of agricultural activities). Development will also bring jobs, housing or both which will affect the jobs/housing relationship at the inter-regional level. *Source: California General Plan Guidelines, Office of Planning & Research*

Criterion 6) The location and development within zones will <u>improve the jobs-housing imbalance</u> across the five-county IRP area.

An **improvement in the jobs-housing balance** is based on an evaluation of the gap between jobs and housing in a given zone compared to its surrounding jurisdiction. The evaluation is done by comparing the ratio between the number of jobs and housing units or employed residents in a local jurisdiction with a designated IRP jobs/housing opportunity zone, before an opportunity zone project has been approved and after it has been completed. The assumed optimum jobs/housing balance is one and one-half jobs for one housing unit or one job for one employed resident, as defined by the California State Department of Finance and the California General Plan Guidelines. *Source: Government Code 65891; State Department of Finance; California General Plan Guidelines, Office of Planning & Research*

~~**Attachment 2: Sample of Economic and Housing Incentives (Fiscal & Non-fiscal)**~~
~~*Sample of Available Economic Development Incentives*~~

~~**Manufacturer's Investment Credit**~~
~~**Certain qualified manufacturers operating in California are eligible for a 6 percent manufacturers' investment credit (MIC). This credit is generally unlimited. The manufacturers' investment credit can be used to offset income or franchise tax based upon the purchase or lease of manufacturing and related equipment which is "depreciable" under certain federal regulations and has California sales or use tax paid on its purchase. The credit also includes certain capitalized "direct" labor costs. In addition "special purpose buildings and foundations," (i.e. clean rooms) for certain electronic manufacturers, semiconductor equipment manufacturers, commercial space satellite manufacturers, custom or prepackaged computer software manufacturers, and property related to specified pharmaceutical activity are eligible for this credit.**~~

~~**Partial Sales or Use Tax Exemption**~~
~~**California also provides "new" or start-up companies the option of a 5 percent partial sales/use tax exemption on all qualifying manufacturing property purchased or leased, generally during the company's first three years of operation. Purchases eligible for an exemption include tangible personal property used in manufacturing, processing, refining, fabricating or recycling. Research and development activities as described in Section 174 of the Internal Revenue Code and property used in maintaining, repairing, measuring or testing the above noted property are also eligible. Tax imposed above 5 percent remains due.**~~
~~**Research and Development Tax Credit**~~
~~**Designed to encourage companies to increase their basic research and development activities in California, the research tax credit allows companies to receive a credit of 12 percent for qualifying research expenses (research done in-house) and 24 percent for basic research payments (payments to an outside company), making it the highest in the nation. To qualify, research must be conducted within California and must not include research for the purpose of improving a commercial product for style, taste, cosmetic, or seasonal design factors.**~~

~~**Enterprise Zones**~~
~~**California's enterprise zone program is a partnership of state government, local government and private businesses. The enterprise zone program encourages business development in 39 designated areas through special zone incentives. Companies situated within enterprise zones can take advantage of state and local incentives and programs not available to businesses outside the enterprise zone.**~~

~~**Targeted Tax Area**~~
~~**The Tulare Targeted Tax Area (TTA) is a program very similar to Enterprise Zones. Targeted Tax Area (TTA) incentives are only available to companies located in the TTA and engaged in a trade or business within the following Standard Industrial Codes: 2000-2099 Food Processing, 2200-3999 Certain Other Manufacturers, 4200-4299 Trucking and Warehousing, 4500-4599 Air Transportation and 4700-5199 Transportation Services, Communications and Wholesale Trade. TTA State incentives include: tax credits for sales and use taxes paid on certain machinery, machinery parts, and equipment; tax credits for hiring qualified employees; fifteen year net operating loss carry-forward; and accelerated expensing deduction.**~~

~~**Job Referral and Placement**~~
~~**The Employment Development Department (EDD) provides services that include statewide job searches, recruitment, pre-screening, compilation of labor forecasts and labor market data**~~

~~specific to employers' needs. EDD is able to access the state's entire workforce as well as coordinate recruitment activities with local community-based organizations that target a specific group of unemployed individuals. Additionally, EDD will assist a private business in customizing on-site training, focused recruitment, relocation and placement of pre-qualified workers, referral to testing and assessment as necessary to match a business's requirements.~~

~~EDD Job Service~~

~~In its main function as an employment service, EDD's Job Service uses the latest computer technology to serve the needs of employers and job seekers. This automated system, called CalJOBS, matches qualified job applicants electronically with employers' job openings. Highly skilled Job Service specialists expertly screen the top-ranked computer selection and refer those most closely matching the specification of the job listing. Through its CalJOBS system, Job Service offers a statewide network that provides an instant link between employers and job seekers anywhere in California. This network provides employers with quick access to the largest available pool of job ready applicants.~~

~~Employment Training Panel~~

~~The Employment Training Panel (ETP) assists businesses in acquiring and retraining a highly skilled workforce with expertise in very specific fields in order to increase competitiveness and productivity. The ETP is supported by California employers through a small contribution to the California Employment Training Fund. It is the only program designed to train the existing workforce. Employers choosing to participate in the program can utilize the reimbursements provided by ETP to offset the costs of developing and implementing customized training for their new or existing employees. Training can be done on site by the employer or through other training organizations of their choice.~~

~~Industrial Development Bonds~~

~~California cities, counties and state government have the authority to offer low interest financing to businesses locating in their communities through the use of tax-exempt industrial development revenue bonds. An eligible bond project can be the construction of a new plant, or replacement of all or part of an existing plant. Industrial activities eligible for financing include assembly, fabrication, manufacturing and processing.~~

~~The proceeds from a bond issue can be used to pay for virtually all costs incurred by the company for its project including the financing of land acquisition, building construction, machinery and equipment, and other incidental costs as well as a portion of the expenses associated with the financing and issuance of the bonds.~~

~~Pollution Control Financing~~

~~The Pollution Control Financing Authority, located in the State Treasurer's Office, provides businesses in California with an affordable method of financing pollution abatement equipment, waste disposal and resource recovery facilities for the management of environmental pollution hazards. The Authority offers tax-exempt or taxable bonds and loan portfolio insurance to businesses seeking financing for qualified pollution control projects. The entire cost of a pollution control project, including land and buildings attributable to the project, equipment, engineering fees and related financial and administrative expenses, can be funded by the program.~~

~~Small Business Loan Guarantee~~

~~The Small Business Administration's loan guarantee program promotes job retention and creation and encourages small business entrepreneurship particularly among minority, women, and disabled persons. A "small business" is a manufacturer of 500 employees or less, or a~~

~~retailer with gross international sales ranging from $3.5 million to $14.5 million depending on the industry. The State of California's Small Business Loan Guarantee Program differentiates itself from the U.S. Small Business Administration's programs by providing a niche in guarantee financing on revolving lines of credit, small loans and agricultural loans.~~

~~**SBA 504 Loans**~~

~~**SBA (Small Business Administration) 504 loans are marketed, processed, closed and serviced by Certified Development Corporations (CDC) throughout California. Through the SBA 504 Program, CDC's provide 90 percent real estate financing with a special emphasis on rural areas and distressed urban areas. The second mortgage, long-term, fixed-rate financing nature of the program allows banks to participate in the business's expansion by reducing their risk on real estate exposure.**~~

~~**Eligible 504 loan proceeds include the purchase of land, existing buildings, new construction, and the acquisition of machinery and equipment with a ten-year useful life.**~~

~~**California Capital Access Program**~~

~~**The California Capital Access Program (CalCAP) encourages banks to make loans to California small businesses. The State Treasurer's Office, through the California Pollution Control Financing Authority (CPCFA), has committed to provide "loan loss" guaranty accounts to participating banks willing to make loans to small businesses with higher than conventional risk. With CalCAP's flexible guidelines, business assets and personal guarantees are acceptable as collateral when other collateral is not available.**~~

~~**California Technology Investment Partnership Program**~~

~~**The mission of the California Technology Investment Partnership Program (CalTIP) is to accelerate the development of new, globally competitive technology-based commercial products and services from California firms and consortia. The CalTIP program provides matching grants and technical assistance to California-based businesses, consortia, nonprofit organizations and public agencies for projects qualifying for federal funds through cost share technology-based projects from a variety of federal agencies.**~~

~~**The Regional Technology Alliances (RTAs) have primary responsibility for evaluating and ranking the proposals from their designated geographical areas. If a proposal is statewide in nature, or if no RTA has been designated for a geographical area, applications may be sent directly to the California Trade and Commerce Agency's Division of Science Technology and Innovation for evaluation and ranking.**~~

~~**Proposals are evaluated based on immediate and measurable ability to create jobs, clearly identified product line and market, inclusion of a training component for workers associated with the project, demonstrated links with other applicable programs, and whether the proposers and partners are small businesses.**~~

~~**California Export Finance Loan Guarantees**~~

~~**The California Export Finance Office (CEFO) helps small and medium-sized California companies finance their export sales by providing working capital loan guarantees to financial institutions. CEFO guarantees cover up to 90 percent of an export loan, allowing for a maximum guarantee of $750,000 and a loan of $833,000. CEFO offers the following export loan guarantees in support of short term (up to 18 months) transaction-specific working capital loans for:**~~

- ~~**Pre-Shipment and Post-Shipment Working Capital;**~~
- ~~**Letter of Credit financing;**~~
- ~~**Purchase Order financing;**~~
- ~~**Open Account financing;**~~
- ~~**Standby Letter of Credit financing for Performance Bonds;**~~

~~Easy access to Foreign Credit Insurance through government and private insurance agencies. Through co-guarantee agreements with both the U.S. Small Business Administration (SBA) and The Export Import Bank of the United States (Ex-Im Bank), CEFO can double its guarantee capacity to provide the exporter with a guaranteed loan of up to $1.6 million. Also, as a City/State Partner for Ex-Im Bank, CEFO has the authority to administer their loans, guarantees and insurance products for California companies.~~

~~California Infrastructure and Economic Development Bank~~

~~The California Infrastructure and Economic Development Bank (CIEDB) exists to promote economic development and the revitalization of California municipalities. Through the issuance of loans, the sale of bonds, and the provision of credit enhancements, the Bank provides vital financing to local government entities.~~

~~Eligible applicants for CIEDB loans include any local government subdivision, such as: cities, counties, departments, agencies, commissions, non-profit-corporations (formed on behalf of applicant), special districts, assessment districts, and joint powers authorities.~~

~~Eligible projects include: city streets, state and county highways, public transit, drainage and flood control, educational facilities, environmental mitigation, port facilities, sewage collection and treatment, solid waste collection and disposal, public safety facilities, water treatment and disposal, water treatment and distribution, defense conversion, parks and recreational facilities, power, and communications facilities.~~

~~Rural Economic Development Infrastructure Program~~

~~The Rural Economic Development Infrastructure Program (REDIP) is designed to promote the economic revitalization of rural California by financing public infrastructure improvements which lead to the creation or retention of permanent, private sector jobs through the retention, expansion and attraction of businesses in rural areas. The purpose of REDIP is to provide financing for the construction, improvement or expansion of public infrastructure with the intent of creating jobs in rural cities and counties with an unemployment rate either equal to or above the state's average unemployment rate.~~

~~Financing is available for publicly owned infrastructure required for the construction or operation of a private development. Eligible infrastructure projects include the construction, rehabilitation, alteration, expansion, or improvement, including but not limited to, sewer and water facilities, street storm drains, bridges, railroad spurs, utility connections, wastewater treatment plants, other public facilities or other infrastructure improvements necessary for industrial or commercial activity.~~

~~The maximum loan amount available per project is $1 million, at an interest rate equivalent to the True Interest Cost (TIC) of California General Obligation Bonds (approximately 5 percent) amortized over 20 years. Funding is available on a continuous basis.~~

~~Community Development Block Grants~~

~~The over-the-counter program component of the state Community Development Block Grant (CDBG) program allows qualified local governments to apply for grants toward the creation or retention of jobs for targeted income groups. To qualify, a local government must be a rural county in an unincorporated area with a population of less than 200,000 or an unincorporated city with a population of less than 50,000. Local governments apply to the California Department of Housing and Community Development on behalf of a business or developer. Eligible activities include land, building, or working capital loans, loan guarantees and grants for publicly owned infrastructure.~~

~~USDA Rural Development Programs~~

~~Rural Development is the lending arm of the U.S. Department of Agriculture. The program's goal is to enhance the quality of life for all rural Americans by providing leadership in building competitive businesses and cooperatives that can prosper in the global trading marketplace. The key financial services of the programs are:~~

~~Water and Waste Loans/Grants - construction and improvement of water, sewer, solid waste systems and storm drainage.~~

~~Business and Industry Guaranteed Loans - up to 90 percent guarantees of a commercial loan on the purchase of land, buildings, machinery and equipment, supplies or working capital up to $25 million.~~

~~Rural Business Enterprise Grants - to facilitate development of small and emerging businesses in rural areas with revolving loan programs, technical support, working capital, equipment, real estate, infrastructure and utilities.~~

~~Intermediary Re-lending Program - to fund revolving loan programs that finance rural businesses up to $150,000 per ultimate recipient in communities of less than 25,000 population.~~

~~Rural Technology Development Grants - research, development and commercialization of products, processes or services using uniquely rural resources.~~

~~Rural Economic Development Loans - zero interest loans up to $750,000 for 10 years to rural utilities service borrowers to promote job creation projects.~~

~~Business and Industry Direct Loans - up to $10 million per borrower available to those who cannot obtain credit from traditional sources.~~

~~Golden State Capital Network~~

~~The Golden State Capital Network (GSCN) addresses the critical funding needs of entrepreneurial ventures, which typically do not meet the investment criteria of most established large institutional funding sources. GSCN matches growing companies in need of funding with appropriate investors in search of opportunities with a focus on Northern California and under-served rural areas of the state. GSCN does not become involved in the discussion or negotiation process between the parties, differentiating itself from financial intermediaries or investment brokers.~~

~~GSCN provides a quick and cost-effective way for entrepreneurs to expose their companies to a variety of investment sources, most of which they would never have reached otherwise. Investors in turn benefit from the increased number of opportunities they receive in a timely, selective and confidential manner. By entering into financing agreements with promising ventures, investors can leverage the innovation and fast market response of small companies to their mutual advantage.~~

~~GSCN is a not-for-profit organization within the Tri-County Economic Development Corporation (TCEDC). TCEDC is also a federally recognized Economic Development District affiliated with the U.S. Department of Commerce, Economic Development Administration. The network has offices in Sacramento and Chico.~~

~~Manufacturing Extension Centers in California~~

~~The three Manufacturing Extension Centers (MECs) in California are not-for-profit organizations created to deliver state-of-the-art engineering, marketing, and human resource consulting services to the state's small and medium-sized manufacturing enterprises. The California Manufacturing Technology Center (CMTC) serves the Los Angeles basin, the Sacramento Valley and San Joaquin Valley. The Corporation for Manufacturing Excellence (Manex) serves the ten counties in the San Francisco Bay Area, and the San Diego Manufacturing Extension Center (SanMEC) serves the San Diego region.~~

~~In addition to offering services and assistance to manufacturers, the MECs link with other elements of the supporting infrastructure in California such as educational institutions,~~

~~complimentary service providers, local experts, industry groups, various state/local government agencies, as well as a national network of over 70 MECs.~~

~~Economic Revitalization Manufacturing Property Tax Rebates~~

~~Section 5108 of California Property Tax Law permits local governing bodies to rebate some or all of the property tax revenue that local agencies would receive from "economic revitalization manufacturing property" for a period of five fiscal years from the date the property was placed in service. Tangible personal property must be directly involved in the manufacturing process, the project must lead to the creation of 10 new full-time manufacturing jobs, the company must pay wages of at least $10 per hour and those jobs must be in continuous existence for the duration of the rebate. Local agencies include cities, the county, city and county, and special districts - except for school districts. These provisions sunset on January 1, 2003, unless extended by the Legislature.~~

~~Capital Investment Incentive Payments~~

~~In 1997, California initiated a program that permits cities and counties to negotiate property tax rebates with high-tech manufacturing companies. Under the new law, local governments could cap the taxable value of any new high tech manufacturing plant at $150 million annually for up to 15 years. Local government would then charge the manufacturer an annual "community services fee" of about $2 million. This program commenced in the 1998-99 fiscal year and can only be activated by a majority vote of the local governing body. The California Trade and Commerce Agency certifies that the capital investment exceeds $150 million and is a qualified manufacturing facility. Businesses described in Standard Industrial Classification (SIC) Codes 3500 to 3899 are eligible for the program. Special districts and school districts may also participate in the payment of capital investment incentive payments, although they may not make payment of an actual allocation.~~

~~A Community Services Agreement (CSA) dictates community service fee remittances, in amounts equal to 25 percent of the capital investment incentive amount calculated for that proponent for that fiscal year. This fee shall not exceed $2 million in any fiscal year. Employees at the facility specified in the CSA must be covered by an employer sponsored health benefits plan and the average weekly wage, exclusive of overtime, shall not be less than the state average weekly wage. The "state average weekly wage" means the average weekly wage paid by employers to employees covered under unemployment insurance, as reported to the Employment Development Department for the four calendar quarters ending June 30, 1997.~~

~~Local Revolving Loan Funds~~

~~Enterprising communities throughout California have recognized that revolving loan funds (RLF) are important economic development tools. RLF's are typically capitalized by the United States Economic Development Administration, Department of Agriculture and Housing and Urban Development's Community Development Block Grant Program. Their proceeds often provide critical capital to deserving small businesses which in turn, provide needed jobs in urban and rural areas throughout California.~~

~~Certain businesses may be targeted for assistance and most often the loan will be provided as part of an overall package in the form of gap financing. RLF's are guided by policies that outline loan or loan guarantee sizes, uses, rates, terms, special conditions and participation levels. The goals, objectives and priorities of the program are weighed against the portfolio's requirements and loans are approved or denied by a Loan Administration Board. Conventional lending is required with the RLF taking a second or third position. Personal and/or corporate guarantees are required.~~

~~**Sample of Available Housing Development Incentives**~~

~~**Predevelopment funding**~~
~~**HCD's urban predevelopment loan fund jobs/housing balance component has $ 4.85 million in new funding. It is of particular interest to the IRP because the funds must be used for pre-development activities related to jobs/housing balance. HCD issued a notice of funding availability (NOFA) for these funds on December 12, 2000.**~~
~~**HCD's new "Downtown Rebound" program has $ 2.375 million for planning grants and $ 21.375 million for project implementation. For qualifying IRP housing opportunity sites such as redevelopment of blighted urban land or adaptive reuse of old strip malls, downtown rebound funds could be used for site inventories, feasibility studies, updating zoning ordinances and other planning and pre-development activities. HCD issued a NOFA for Downtown Rebound planning funds on December 31, 2000. Applications for the funds will be accepted continuously until the funds are exhausted.**~~
~~**Another possible source of pre-development funding is from the California Housing Finance Agency (CHFA) Housing Enabled by Local Partnerships (HELP) program (California Housing Finance Agency 2000). CHFA has committed $100 million of its funds to the HELP program. The HELP program provides for loans of up to $2,000,000 for 10 years at a 3% simple interest rate. HELP could be used for predevelopment loans in IRP sites. A single loan pool might be reused several times during a ten-year loan period if the IRP establishes a revolving pre-development loan fund with HELP funds.**~~
~~**The HELP program is exceptionally flexible and the application process very simple than for many other programs. The loans carry minimal restrictions. Funds must address affordable housing needs, but CHFA allows localities discretion to define what affordable means in their local context. Thus HELP funds could be used to pay for pre-development activities related to development of housing with sale or rental limits higher than those permitted in many State and federal programs—limits which are often impossible to meet in very high cost areas within the IRP region. CHFA currently conducts two rounds of funding of $ 10 million each year—an annual total of $ 20 million. That cycle will continue through the IRP two-year period. The only selection criteria for the HELP program are that proposed activities must be:**~~
~~**1. readily implementable;**~~
~~**2. competitive in relative impact;**~~
~~**3. comprehensive, and;**~~
~~**4. innovative/original.**~~
~~**There must be local government involvement by counties or agencies within them such as redevelopment agencies. Until the fall, 2000 round, competition for HELP funds was moderate and almost all proposals have been funded. Competition for HELP funds is expected to increase in the future. Since the HELP program emphasizes innovative programs by partnerships the IRP should be well positioned to receive HELP funds.**~~
~~**Local sources of predevelopment funding include funds from the federal HOME and Community Development Block Grant (CDBG) programs, redevelopment tax increment and 20% housing set-aside funds, and other sources.**~~

~~**Community Based Transportation Planning (Infrastructure Funding)**~~
~~**The California State Department of Transportation (CALTRANs) is the most important potential source of transportation infrastructure funding because of its huge size. CALTRANS has recently created a Transportation Planning Program (TPP) specifically charged with bringing together land use and transportation planning. The Office administers a small Community Based Transportation Planning (CBTP) grant program that would be an appropriate source for funding IRP housing opportunity sites. The program's objectives specifically include projects which provides regional/interregional benefits, support livable**~~

~~community concepts and incorporate a collaborative planning process. The program favors infill, brownfield conversion, and adaptive reuse projects.~~

~~Infrastructure and Economic Development Bank~~

~~The California Infrastructure and Economic Development Bank (CIEDB) within the California Trade and Commerce Agency is a major new source of infrastructure funding. The CIEDB was created in 1994 to promote economic revitalization, enable future development, and encourage a healthy climate for jobs in California. The bank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. The legislature appropriated $475 million for the CIEDB in 2000. The bank has allocated $350 million of this amount to fund a two-tiered reserve fund leveraged loan program—the infrastructure State revolving fund program (CIEDB, 2000). This $350 million is in turn divided between $275 million in tier 1 funds for applicants which meet CIEDB's underwriting criteria and satisfy specified threshold eligibility requirements and tier 2 funds for projects in economically distressed communities. Once a significant portion of the total of the initial funding for Tier 1 and Tier 2 allocations have been committed, the CIEDB plans to issue revenue bonds to leverage the program in order to provide additional loan funds.~~

~~The CIEDB is now issuing loans in amounts ranging from $250,000 to $20 million at favorable lending rates. CIEDB loan repayment may come from voter-approved general fund debt, redevelopment project tax increment revenue, enterprise and special funds and other sources. Eligible infrastructure projects can include county highways, city streets, drainage and flood control, libraries, child care facilities, day care facilities, employment training facilities, other educational facilities, environmental mitigation measures, parks, recreational property and equipment, port facilities, power and communications facilities, sewage collection and treatment infrastructure, solid waste and disposal infrastructure, water treatment and distribution facilities, police stations, fire stations, court buildings, jails, juvenile halls, juvenile detention facilities, defense conversion infrastructure, and state highways (CIEDB, 2000).~~

~~Available Regional Agency Funds~~

~~Funding programs administered through Metropolitan Planning Organizations (MPOs) and county Congestion Management Agencies (CMAs) are other potential sources of housing infrastructure finance. Metropolitan Planning Organizations (MPOs) are metropolitan agencies that distribute federal and state transportation funding. In the IRP region MTC is the MPO for the three counties within the ABAG region--Alameda, Contra Costa, and Santa Clara counties—as well as other ABAG counties. Their transportation infrastructure funding plans are well developed (MTC 2000a, 2000c). STANCOG and SJCOG are the MPOs for Stanislaus and San Joaquin counties—they serve the function both of Councils of Governments (COGs) and MPOs.~~

~~First time homebuyer programs~~

~~There are many federal, state, and local first time homebuyers programs for households purchasing a home for the first time. The California Department of Housing and Community Development provides information on first time homebuyer programs, including a first time Homebuyer Directory (HCD, 1997). Their web based information clearinghouse identifies 27 first time homebuyer programs.~~

~~These programs provide incentives for households. They also encourage housing developers who will have greater confidence that their completed units will sell quickly and lenders because the homebuyers are better able to make loan payments and less likely to default. First time homebuyer programs in IRP sites would increase housing affordability so housing opportunity sites could include more first time homebuyers—typically moderate-income young homebuyers~~

~~including the sons and daughters of long time residents, firemen, policemen, paramedics, and teachers.~~

~~**Low income housing tax credits**~~

~~**Federal tax credits are currently the largest source of affordable housing subsidies in the United States and California supplements the federal program with a State tax credit program (California TCAC, 2000a).**~~

~~**A State-level Tax Credit Allocation Committee (TCAC) chaired by the State Treasurer (currently Phillip Angelides) oversees the tax credit programs. TCAC staff are located within the Treasurer's office.**~~

~~**The federal low income housing tax credit program was created in 1986 to enable low income housing sponsors and developers to raise project equity through the sale of tax benefits to investors. The program was made permanent in 1993. The program is contained in the federal tax code (U.S. IRS, 2000) and is administered by the Internal Revenue Service, which is part of the U.S. Treasury.**~~

~~**Since 1987 California has had a supplemental state low income housing credit program to augment the federal tax credit program. The state credit is only available to projects that also have federal tax credits. Investors take the federal tax credit over a ten-year period; the state credit over a four-year period.**~~

~~**Tax credits can only be used for rental housing projects and have both rent and income restrictions. When a project developer or sponsor applies for tax credits he or she irrevocably elects to set aside either: (a) a minimum of 40% of the units for households whose incomes are 60% or less of the area median gross income adjusted for family size, or (b) 20% of the units for households whose incomes are 50% or less of the area median gross income adjusted for family size. Sponsors often exceed these minimums in order to be competitive.**~~

~~**Federal tax credit projects must remain affordable for at least 15 years. California law generally requires a 55-year compliance period. They may be used for either new construction or rehabilitation. They may be combined with market rate and/or other subsidies such as section 8 certificates to produce mixed-income projects.**~~

~~**Federal and state housing subsidies**~~

~~**Currently the most important federal housing subsidy programs are: the HOME program, Section 8 certificates, and Community Development Block Grant (CDBG) funds.**~~

~~**Federal HOME funds are also allocated in the form a flexible block grant and can be used for many—but not all—costs associated with affordable housing. HOME funds are intended for projects assisting very low and low-income housing. They could provide an important piece of the funding for a mixed-income housing opportunity site project.**~~

~~**Section 8 certificates are awarded to households to pay the difference between 30% of household income and a federally-determined fair market rent (FMR) for an area adjusted for family size. Having some section 8 certificates within an IRP housing development would increase the resident income mix.**~~

~~**Federal CDBG funds are annual block grants that can be used for a variety of physical improvements that support affordable housing development, including site acquistion and site preparation costs. They cannot be used to subsidize rents. CDBG funds are flexible and any jurisdiction which choses to use a portion of their CDBG funds to support an IRP housing opportunity site could do so.**~~

~~**A new $ 180 million State multifamily rental housing program has been funded and HCD is currently conducting workshops and developing guidelines for distribution of the funds. HCD will award points for transit-oriented/smart growth projects in competition for these funds, so IRP projects should be competitive for funding from the State multifamily rental housing program.**~~

~~**Local housing trust funds**~~

~~**Several cities and counties within the IRP region have established housing trust funds. The Santa Clara County Housing Trust Fund (HTF) is a notable example in the IRP region and might offer a model for other jurisdictions to follow (Santa Clara County Housing Trust Fund Initiative, 2000).**~~

~~**The Santa Clara County HTF is a collaborative effort among public, private and nonprofit sectors to create a $20 million fund to assist housing for first time homebuyers, low income renters, and homeless people. The HTF is attempting to raise $20 million. They hope to house more than 1,000 homeless individuals and families, assist in building up to 3,000 affordable apartments, and help nearly 800 first-time home buyers. Each of the three groups will receive 30% of the fund. The remaining 10% may be used in any of the categories at the discretion of the administrative body established to govern the fund.**~~