

## Chapter Thirteen

# Economic Development

To maintain a vital economy in California, counties support an economic development process that retains, expands, and recruits businesses while reducing regulatory barriers to such businesses. For example, regulatory barriers may include permitting issues, fees and taxes on business in California, and streamlining government.

### **Section 1: Economic Development Program Retention**

Counties believe that existing state economic development programs should be retained within existing resources. Job creation is important to counties and should help guide policy on such issues as investment in infrastructure and the allocation of state resources.

Currently, counties continue to advocate for the following programs to be retained within existing resources as budgeted by the State of California:

- 1) Office of Military Base Retention and Reuse. This office provides ongoing assistance and support to communities with closed bases, as well as communities with active installations, in an effort to ensure the continued viability and retention of the remaining bases in California.
- 2) Infrastructure Bank. The Infrastructure Bank is authorized 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 Bank also provides low-cost financing to public agencies for a wide variety of infrastructure projects that help create jobs in California.
- 3) Marketing Programs. These programs include Team California, which is a network of economic development professionals actively involved in business attraction, retention, expansion, and job creation efforts throughout the state.
- 4) Small Business Development Centers (SBDC). The SBDC program links federal, state, educational, and private resources designed for small businesses. They provide one-stop access to free business counseling, planning, marketing and training programs.
- 5) Tourism. The State Office of Tourism supports efforts to attract tourist dollars to the Golden State, and CSAC supports efforts to promote agricultural, historic, and natural resources tourism throughout the state.
- 6) Film Industry. The California Film Commission works to retain film production in the state, and CSAC supports partnerships and continued collaboration between the state and the efforts of regional and county film commissions.

- 7) Manufacturing Retention and Expansion Programs. Support tools to create and expand manufacturing jobs and capacity throughout California.

## **Section 2: Community Development Block Grant Program**

Counties recognize the importance of the Community Development Block Grant Program, which provides funding to small communities for economic development. This program is administered by the State Department of Housing and Community Development (HCD). Counties maintain that this program is very important to rural counties and provides significant investment in the rural economy.

Within the economic development portion of the CDBG program, counties believe that there should be less paperwork, more flexibility, more emphasis on economic development issues, and an increase in the availability of technical assistance provided by HCD.

The state should provide more guidance and technical assistance to those counties in need of additional resources in order to apply for these funds.

Key priorities for reform in the CDBG Program include the following:

- 1) Model the state Economic Development CDBG program to the greatest extent possible after the current federal entitlement community in order to streamline the program.
- 2) Renew HCD focus on technical assistance, specifically to those jurisdictions with limited resources. This could include assistance from CALED and Economic Development Corporations located throughout California.
- 3) Increase the focus on economic development including the possibility of having an economic development advocate within HCD.
- 4) Improve communication between HCD and rural counties. This would include providing counties with new directives from the United States Department of Housing and Urban Development (HUD), and alerting counties to best practices and funding provided by the CDBG program. Counties also maintain that this should also include better guidance on the re-monitoring and auditing of grant recipients.
- 5) Increase the flexibility in the CDBG program to enable smaller jurisdictions to limit the amount of paperwork and regulation that currently make this program difficult to implement.

## **Section 3: Military Base Retention and Reuse**

Counties support funding for and the retention and sustainability of military installations and their inextricably linked sea, air, and land operating areas in California. The Department of Defense (DoD) generates billions for the economy in California, providing thousands of quality jobs with real benefits

and career advancement opportunities. Counties believe that California is uniquely positioned to support military missions and operations and that the DoD provides a substantial economic benefit to the state. Therefore, counties vow to continue efforts to support, preserve, and enhance the military mission capabilities of areas throughout the state.

In the area of military base reuse, counties support programs and efforts to attract high quality technological businesses that can maximize existing facilities to further the economic development goals of local governments. Counties further affirm that flexibility at the local level to help communities develop reuse areas in a timely manner is critical to the successful reuse of former military installations.