

7 Workbook on the Permit Assistance Unit

Statutory References:

Government Code, Sections 12096.3 and 12996.3

Government Code, Section 12096.5

Government Code, Section 12100

Program Purpose: To provide one-on-one direct permitting assistance to prospective and current business owners. This assistance includes helping businesses understand and resolve permitting and licensing challenges, navigating the actual process, and helping resolve conflicts between the permitting or regulatory entity and the business applicant. GO-Biz staff also works with regulating entities to help improve the regulatory climate and streamline permit processes. In addition, GO-Biz mediates disputes and other types of controversies between business entities and regulating government agencies.

Program Narrative: The Permit Assistance Unit provides businesses with comprehensive permit, regulatory, and compliance assistance. Among other services, the unit schedules pre-application meetings between businesses and the appropriate regulatory agencies to help streamline the permitting process. In some instances, GO-Biz can assign a project manager to personally guide an applicant through the entire permit process. Services are confidential and provided without cost. The goal of the unit is to help businesses solve permitting and regulatory challenges.

The Office of Permit Assistance works in partnership with CalBIS and other GO-Biz units in serving employers, corporate executives, business owners, and site location consultants who are considering California for business investment and expansion.

The unit is also responsible for maintaining the California Government Online to Desktops (CalGOLD) website. At www.calgold.ca.gov businesses can obtain a list of the required federal, state, and local permits; webpage links; addresses; application forms and fees; and other contact information. In July 2015, GO-Biz launched the California Business Portal which expanded on the utility and availability of a searchable online application that could provide individualized information to businesses. The California Business Portal provides a foundation to better communicate regulatory requirements and connect state agencies that regulate business activities or provide business services. The portal is designed to help attract, retain, and grow businesses in California by consolidating all of the applicable business information currently hosted on various state websites. The California Business Portal should also save state resources and staff time by reducing duplicative business or regulatory inquiries.

<http://www.business.ca.gov/Programs/Permits.aspx>

Key Statutory Requirements:

- 1) Requires GO-Biz to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth.
- 2) Requires the Permits Assistance unit, beginning in January 1, 2017, to do all of the following:
 - a) Provide permitting and regulatory compliance assistance to businesses;

- b) Assist businesses in accessing information and resources related to permitting and regulatory compliance;
 - c) Provide mediation and third-party neutral facilitation to resolve conflicts between applicants and permitting and regulatory entities;
 - d) Work with federal, state, regional, and local permitting and regulatory entities to exchange best practices and implement improvements to modernize permitting processes;
 - e) Manage and regularly update the office's Internet web site; and
 - f) Work cooperatively with local, regional, federal, and other state public agencies and private sector business and economic development organizations.
- 3) Requires each member of the Governor's cabinet to identify a senior manager within his or her agency who shall coordinate business support activities with GO-Biz.
 - 4) Requires GO-Biz to maintain an Internet website that contains information on the licensing, permitting, and registration requirements of state agencies. The site is required to have information on the following:
 - a) The types of applications, forms, or other similar documents an applicant may need;
 - b) A direct link to a digital copy of all state licensing, permitting, and registration applications, forms, or other similar documents where made available for download;
 - c) Instructions for individuals on how and where to submit applications, forms, or other similar documents; and
 - d) Fee requirements and fee schedules, including how and where to submit fees.
 - 5) Requires each state agency that has licensing, permitting, or registration authority to provide GO-Biz with the direct links to that information.

Program Priorities in Statute: None

Small Business Focus in Statute: Yes

Program Authorities in Statute:

- 1) Authorizes GO-Biz to market the business and investment opportunities available in California by working in partnership with local, regional, federal, and other state public and private institutions to encourage business development and investment in the state.
- 2) Authorizes GO-Biz to support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business.
- 3) Authorizes GO-Biz to provide comments on all major regulation impact assessment documents and analyses.
- 4) Authorizes GO-Biz to provide, including, but not limited to, all of the following:
 - a) Economic and demographic data;

- b) Financial information to help link businesses with state and local public and private programs.
 - c) Workforce information, including, but not limited to, labor availability, training, and education programs;
 - d) Transportation and infrastructure information;
 - e) Assistance in obtaining state and local permits;
 - f) Information on tax credits and other incentives;
 - g) Permitting, siting, and other regulatory information pertinent to business operations in the state.
- 5) Authorizes GO-Biz to change a fee to cover the actual cost of providing the direct links to information on licensing, permitting, and registration through the Internet webpage. [*GO-Biz does not currently charge a fee for this serve*]
- 6) Authorizes GO-Biz to work cooperatively with local, regional, federal, and other state public and private marketing institutions and trade organizations in attracting, retaining, and helping businesses grow and be successful in California.

Reporting Requirements in Statute: None

Number of Businesses Served: The current client tracking system doesn't allow the unit to track every individual who contacts the unit. Some individuals only need a simple question answered or a referral to another government entity. However, based on the data that is available, 143.6 service requests from prospective and current business owners are answered on average each month by the permit assistance unit, and over 11,000 unique users reviewed information on CalGOLD and, on average, 1,304 unique users reviewed information on the California Business Portal per month.

Number of Out of State Businesses Served: The current client tracking system doesn't allow the unit to identify out of state businesses. In order to identify this number, significant staff time would need to be expended. Based on a monthly average, 383 number of unique users from out of state reviewed information on CalGOLD and 174 unique users from out of state reviewed information on the California Business Portal monthly.

Tracking Program Activity: When GO-Biz was codified in 2011, it had limited technology capabilities. Business services were largely tracked through unit-specific databases, which did not reflect instances in which a business received assistance through multiple units within GO-Biz. It is not unusual, as an example, for a business looking to relocate to California to work with the Permit Assistance Unit, the California Business Investment Services, and the Office of Innovation and Entrepreneurship.

GO-Biz recognizes these data collection and retrieval challenges and is currently in the process of transitioning to a new Customer Relationship Management computer-based platform. According to GO-Biz, the new system, related to the development of the California Business Portal, will allow for improved data management.

Current Regulatory Activities: The unit does not operate pursuant to regulations. The unit does, however, engage in the development of regulations and guidelines being developed by other state entities. Examples of current and previous regulation packages in which GO-Biz advised include:

- General Plan Guidelines, 2015 update
- California Environmental Quality Act Guidelines, 2016 update
- California State Rail Plan
- Sustainable Freight Action Plan, 2016

Background on Creation of the Program: The Permit Assistance Unit was established by GO-Biz, based on its statutory authority to provide assistance to businesses in obtaining state and local permits and support small businesses with complying with regulatory requirements, which may include permitting. In July 2017, the Governor signed legislation to codify the program, *AB 2605 (Nazarian), Chapter 78, Statutes of 2016*. Prior to the demise of the Technology, Trade and Commerce Agency in 2003, the state operated an Office of Permit Assistance and maintained small regional offices to help businesses obtain permits.

Selected Program Highlights:

- **Most Requested Service:** According to GO-Biz, the most frequently requested service from the unit was to assist in resolving complex permitting issues, as well as providing general information on how to start a business.
- **On-Line Permitting Information:** The Permit Assistance unit supports the operation of CalGOLD, the state's electronic on-line permit assistance center. Through CalGOLD, businesses can identify appropriate permit requirements, including contact information for the various agencies that administer and issue these permits. The website also provides information on general business questions, such as how to find information on state taxes, federal employer identification numbers and resale certificates, among other things. Prior to the platform being transferred to GO-Biz [*AB 2012 (John A. Pérez), Chapter 294, Statutes of 2012*], the CalGOLD network was maintained through California Environmental Protection Agency, where it was poorly overseen.
<http://www.calgold.ca.gov/>
- **Technical Support to other Agencies:** The Unit works collaboratively with departments across state government to modernize existing business processes that impact economic development. Examples include the Lean-6 Sigma program, which is currently in its third year of operation. In 2014, GO-Biz and the Government Operations Agency partnered together to offer Lean 6-Sigma implementation programs to state departments that address process-based issues that are causing delays in services to both internal and external stakeholders. Over a 6 month period, participants received training on complex analytical and statistical tools applied within Green Belt projects that identify waste and inefficiencies in processes.

GO-Biz reports that since the program's inception, 59 successful projects have been completed across several departments and agencies, resulting in improved effectiveness and efficiencies that translate to better customer service. Examples include:

- **Department of Toxic Substances Control:** Eliminated non value-added activities and simplified the DTSC technical portion of the permit process. Number of steps in the process was reduced from 33 steps to 7 steps. The department implemented a checklist to standardize, track, and review tasks.

- **Department of Resources, Recycling, and Recovery:** Reduced the solid waste facilities permit processing time. It was taking an average of 48 days and up to 92 days to complete the process and only 26 were completed within the 35 day target. The average permit completion time reduced from 48 days to 15 days with 95% of permits completed within the target of 35 days.
- **Central Valley Regional Water Quality Control Board:** Reduction in processing time for Non-15 waste discharge requirement permits (point discharges). Completion time statics for each process step were collected which revealed excessive times to obtain information that missing from the original permit application. Improvements included a clarification of the information that is required from the permit applicant. Elimination or rework loops, and streamlining of other non-value added process steps is expected to yield a completion time reduction of 73%. Project improvement executions show overall process reduction from 421 steps to 114 steps.

For a list of all projects, see link to program webpage here:

<http://business.ca.gov/Programs/Permits/Lean6SigmaTrainingProgram.aspx>

- **Major Regulations:** The Permit Assistance Unit also serves as a liaison to the Department of Finance (DOF) for purposes of reviewing major regulations, pursuant to *SB 617 (Calderon), Chapter 496, Statutes of 2011*. Regulations that are anticipated to have an economic impact of more than \$50 million are required to complete an enhanced economic analysis. DOF is required by regulation to provide notice to GO-Biz when a state agency submits the enhanced economic impact analysis. GO-Biz reviews the analysis, takes feedback from the related impacted community, and then provides informal feedback to DOF. GO-Biz has reviewed 17 Major Regulation Packages since implementation of the program in 2014.
- **California Business Portal:** In 2015, GO-Biz launched the California Business Portal, which is designed to serve as a one-stop-shop for assisting business owners through the different stages of business development. The California Business Portal was initially developed by the California Department of Technology's Information Technology Leadership Academy. GO-Biz served as the Executive Sponsor and the Franchise Tax Board, Secretary of State, Board of Equalization and Employment Development Department partnered on the development of the portal. There are currently five core features, including:
 1. **Businessportal.ca.gov** - The portal website and affiliated webpages provide businesses information and help to educate businesses about incentives, financial assistance programs, taxes, regulatory requirements, permits, certifications, licenses, and workforce.
 2. **Business Service Desk** - Provides answers to frequently asked questions related to business activity in California. Questions and answers are searchable through keywords. The Business Service Desk will also work with other state agencies to aggregate and responses to frequently asked questions. Users can submit questions to be answered by CBP Subject Matter Experts.
 3. **Quick Start Guides** - Two page starter kits that contain essential information for starting specific businesses in the State of California. GO-Biz has made 10 guides for the following industries / professions: Barber Shops/Beauty Salons, Building or Engineering Contractor, Restaurants and

Bars, Mobile Food Vendors, Retail Stores, Business Consultants, Catering Businesses, Fitness Centers, Nonprofit Corporations, Online Businesses.

4. **Business Mapping Tool** - Provides 65 different mapping layers related to business assistance organizations, permit authorities, and workforce information. Users can find specific location-based information for their business requirements.
5. **Business Navigator** - An application that guides businesses through a series of questions to provide customized regulation, permit, and business incentive information.
www.businessportal.ca.gov

State Agency and Nonprofit Advisory Boards

The Office of Permit Assistance works with a variety of state agencies in order to encourage more streamlined permitting protocols and to help facilitate individual businesses obtaining required permits. The Office also participates on advisory boards hosted by local governments and nonprofit boards. The chart below was provided by GO-Biz to identify the advisory boards on which the Office of Permit Assistance has participated.

Advisory Bodies on which the Office of Permit Assistance Participates		
Date	Organization	Description
2013	Advisory Body	California Forward (CA FWD) Permit Assistance Unit Deputy Director served as Vice Chair, CA FWD Regulatory Action Team Innovation and Entrepreneurship Deputy Director served as Vice Chair, CA FWD Advancing Manufacturing Action Team For more information: http://www.cafwd.org/pages/about-us
2014 - 2015	Advisory Body	California Roundtable on Agriculture and Environment Permit Assistance Unit staff served in an advisory capacity as a Regulatory and Institutional Partner For more information: http://www.aginnovations.org/project/california-roundtable-on-agriculture-and-environment
2014	Advisory Committee	California Department of Food and Agriculture, Dairy Digester Research and Development Program Permit Assistance Staff served as technical advisory committee members on implementation of program to incentivize the development and research of dairy digesters in California. Staff reviewed and scored applications for CDFA to administer funds to dairy digester implementation and research projects. For more information: https://www.cdfa.ca.gov/EnvironmentalStewardship/Dairy_Digesters.html
2015	Advisory Body	Air Resources Board 2030 Climate Change Scoping Plan Update Working Groups – Waste, and Natural and Working Lands / Agriculture. Permit Assistance Staff served as a technical advisory staff to both working groups. For more information: http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm
2015	Advisory Body	CalFire Tree mortality Task Force. Permit Assistance staff serves as technical advisory staff for the development of biochar business /government opportunities For more information: http://www.fire.ca.gov/treetaskforce/

2014-2015	Advisory Body	Fresno4Biz includes several local small business service providers. The group meets together to collaborate on opportunities and maximize resources to provide assistance to businesses. GO-Biz serves as a participating member on the board. For more information: http://www.fresno4biz.com/
2015-16	Advisory Body	State Interagency Drought Task Force provides a coordinated assessment of the state's water conditions and provide recommendations on current and future state actions to alleviate water shortages and its impacts. For more information: http://drought.ca.gov/
2015-16	Advisory Body	Sustainable Freight Action Plan is being developed by the California State Transportation Agency, California Environmental Protection Agency, Natural Resources Agency, California Air Resources Board, California Department of Transportation, California Energy Commission, and GO-Biz. The purpose of the Plan is to establish clear strategies to meet State sustainability targets and move California's freight system toward a more efficient and competitive future. For more information:

Source: GO-Biz February and July 2016

Summary of Related Reports: There are two major sources of data on the cost of regulatory compliance on businesses, the federal Small Business Administration and the Office of the Small Business Advocate (OSBA). For the last 10 years, the federal SBA has conducted a peer reviewed study that analyzes the cost of federal government regulations on different size businesses. This research shows that small businesses continue to bear a disproportionate share of the federal regulatory burden. On a per employee basis, it costs about \$2,400, or 45%, more for small firms to comply with federal regulations than their larger counterparts.

The first study on the impact of California regulations on small businesses was released by the OSBA in 2009. This first in-the-nation study found that the total cost of regulations to small businesses averaged about \$134,000 per business in 2007. Of course, no one would advocate that there should be no regulations in the state. The report, however, importantly identifies that the cost of regulations can provide a significant cost to the everyday operations of California businesses.

Regulatory costs are driven by a number of factors including multiple definitions of small business in state and federal law, the lack of e-commerce solutions to address outdated paperwork requirements, procurement requirements that favor larger size bidders, and a lack of technical assistance to alleviate these obstacles that inhibit small business success.

Selected Program Accomplishments:

- Update and Maintenance of CalGOLD in 2013 to the Present.
- Launch of the California Business Portal in 2015.
- 59 successful projects under the Lean-6 Sigma program.
- *GO-Biz may wish to identify additional accomplishments at the hearing.*

Areas of Possible Further Review

- **Measuring Progress:** Permit assistance is an important service to provide California businesses, including small businesses. Given resource limitations, understanding where those resources are deployed is central to achieving an integrated and comprehensive economic development program for the state. This is especially true when the state is utilizing a network approach to business and economic development. With no annual report, baseline measures and performance metrics, it is difficult to assess the impact of the unit. Members may wish to engage with GO-Biz about how priorities for the Permit Assistance Unit are set, monitored, and outcomes reported. Stakeholders may also be able to highlight successes and make recommendations on how to keep public and private stakeholder groups informed of new state initiatives and opportunities to collaborate on projects and business development services.
- **Website Audits:** The Office of Permit Assistance utilizes an increasing array of web-based applications. Members may want to talk with GO-Biz about what they have learned from auditing their sites, including the number of unique users, most reviewed information, and primary audience. Other questions may be, how often is the information updated, and the strategies GO-Biz is using to continue to engage other state partners in adding content and maintaining links.
- **Major Regulation Reviews:** As discussed above, the Office of Permit Assistance has the opportunity to comment on proposed new and amended regulations. According to GO-Biz, in making their evaluation they obtain feedback from the impacted community. Members may wish to talk with GO-Biz about how they identify and outreach to impacted business entities, as well as why their comments are informal.
- **Improving the Business Climate:** The Office of Permit Assistance has been very innovative in their leverage of resources and development of new products to meet niche business needs. Members may wish to inquire about new projects or additions that are planned for 2016 and how they see these projects and activities as contributing to a better business climate.

Related Legislation (*chronological order*):

- **SB 992 (Garamendi) Office of Permit Assistance:** This bill created the Office of Permit Assistance within the Office of Planning and Research and delegated certain responsibilities, including providing information to developers and mediating disputes. Status: Signed by the Governor, Chapter 1263, Statutes of 1983.
- **AB 2351 (Assembly Ways and Means) Permit Assistance at the Commerce Agency:** This bill, among other actions, eliminated the Office of Permit Assistance at the Governor's Office of Planning and Research and established the Department of Permit Assistance at the California Trade and Commerce Agency. The new department was vested with all of the duties and purposes of the Office of Permit Assistance. Status: Signed by the Governor, Chapter 56, Statutes of 1993.
- **AB 1102 (Jackson) Regional Permit Assistance Centers:** This bill defines the duties of the Deputy Secretary for Enforcement and the Deputy Secretary for External Affairs in the California Environmental Protection Agency. The bill also authorizes the establishment of Permit Assistance Centers, and environmental management system pilot projects. Status: Signed by the Governor, Chapter 65, Statutes of 1999.

- **AB 1756 (Assembly Budget Committee) Repeal of Commerce Agency and Permit Centers:** This bill eliminated the Technology, Trade and Commerce Agency, including the Office of Permit Assistance. Some programs were transferred to other agencies, including the Small Business Loan Guarantee Program and the California Business Investment Services. The bill also eliminated the authority for the regional Permit Assistance Centers. Status: Signed by the Governor, Chapter 228, Statutes of 2003.
- **AB 1327 (Cannella) Internet Website:** This bill requires GO-Biz to maintain an Internet website that contains information on the licensing, permitting, and registration requirements of state agencies. Status: Signed by the Governor, Chapter 763, Statutes of 2012.
- **AB 393 (Cooley) Internet Website:** This bill requires GO-Biz to maintain an Internet website that contains information on fee requirements and fee schedules of state agencies. Status: Signed by the Governor, Chapter 124, Statutes of 2013.
- **AB 2605 (Nazarian) Permit Assistance Program:** This bill codifies the Permit Assistance Program within GO-Biz. In addition, the bill updates code sections to reflect the previous legislative actions that eliminated the Office of Permit Assistance which had been administered through the Technology, Trade, and Commerce Agency and the Office of Permit Assistance which had been operated by the Governor's Office of Planning and Research. *The bill becomes effective January 1, 2017.* Status: Signed by the Governor, Chapter 78, Statutes of 2016.

Related Statute:

**Chapter 1 of the Government Code
Article 2. Powers and Duties of the Governor**

12019.5. (a) The Director of the Governor's Office of Business and Economic Development shall ensure that the office's Internet Web site contains information on the licensing, permitting, and registration requirements of state agencies, and shall include, but not be limited to, information that does all of the following:

- (1) Assists individuals with identifying the type of applications, forms, or other similar documents an applicant may need.
- (2) Provides a direct link to a digital copy of all state licensing, permitting, and registration applications, forms, or other similar documents where made available for download.
- (3) Instructs individuals on how and where to submit applications, forms, or other similar documents.

(b) The Director of the Governor's Office of Business and Economic Development shall ensure that the office's Internet Web site contains information on the fee requirements and fee schedules of state agencies, and shall include, but not be limited to, information that does all of the following:

- (1) Assists individuals with identifying the types of fees and their due dates.
- (2) Provides direct links to the fee requirements and fee schedules for all state agencies, where made available for download.
- (3) Instructs individuals on how and where to submit payments.

(c) The Governor's Office of Business and Economic Development shall ensure that the Internet Web site is user-friendly and provides accurate, updated information.

- (d) (1) Each state agency that has licensing, permitting, or registration authority shall provide direct links to information about its licensing, permitting, and registration requirements and fee schedule to the Governor's Office of Business and Economic Development.
- (2) A state agency shall not use the Internet Web site established under this section as the exclusive source of information for the public to access licensing requirements and fees for that agency.
- (e) The Governor's Office of Business and Economic Development may impose a reasonable fee, not to exceed the actual cost to provide the service, as a condition of accessing information on the Internet Web site established under subdivisions (a) and (b).

CHAPTER 1.6. of the Government Code

ARTICLE 3. Powers and Duties

12096.3. The office shall serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. In this capacity, the office may:

- (a) Recommend to the Governor and the Legislature new state policies, programs, and actions, or amendments to existing programs, advance statewide economic goals and respond to emerging economic problems and opportunities, and ensure that all state policies and programs conform to the adopted state economic and business development goals.
- (b) Coordinate the development of policies and criteria to ensure that federal grants administered or directly expended by state government advance statewide economic goals and objectives.
- (c) Market the business and investment opportunities available in California by working in partnership with local, regional, federal, and other state public and private institutions to encourage business development and investment in the state.
- (d) Provide, including, but not limited to, all of the following:
- (1) Economic and demographic data.
 - (2) Financial information to help link businesses with state and local public and private programs.
 - (3) Workforce information, including, but not limited to, labor availability, training, and education programs.
 - (4) Transportation and infrastructure information.
 - (5) Assistance in obtaining state and local permits.
 - (6) Information on tax credits and other incentives.
 - (7) Permitting, siting, and other regulatory information pertinent to business operations in the state.
- (e) Establish a well-advertised telephone number, an interactive Internet Web site, and an administrative structure that effectively supports the facilitation of business development and investment in the state.
- (f) Encourage collaboration among research institutions, startup companies, local governments, venture capitalists, and economic development agencies to promote innovation.
- (g) In cooperation with the federal government, foster relationships with overseas entities to improve the state's image as a destination for business investment and expansion.
- (h) Conduct research on the state's business climate, including, but not limited to, research on how the state can remain on the leading edge of innovation and emerging sectors.
- (i) Support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business.

12096.4. (a) Each member of the Governor’s cabinet shall identify a senior manager within his or her agency who shall coordinate business support activities with the office.

(b) For the 2012–13 fiscal year and subsequent fiscal years, the office shall develop a budget in coordination with the Department of Finance pursuant to the state budgeting process, including the permanent transfer of associated positions.

ARTICLE 4. California Business Investment Services Program

12096.5. (a) The California Business Investment Services Program is hereby created within the Governor’s Office of Business and Economic Development.

(b) The program shall be under the direct authority of the director.

(c) The purpose of the program is to serve employers, corporate executives, business owners, and site location consultants who are considering California for business investment and expansion.

(d) In implementing the program, the director shall establish and implement a process for convening teams on key business development situations, including, but not limited to, attracting new businesses, relocation of large manufacturers, or the closure of a large business employer.

(e) In implementing the program, the director shall work cooperatively with local, regional, federal, and other state public and private marketing institutions and trade organizations in attracting, retaining, and helping businesses grow and be successful in California.

ARTICLE 6.5. Local Economic Development

12100. (a) The Legislature finds and declares all of the following:

(1) California’s economic development organizations and corporations are an integral component of the state job creation effort because they are a critical link between state economic development activities and the statewide business community, providing an excellent opportunity to leverage state resources.

(2) Economic development corporations and organizations provide broad public benefits to the residents of this state by alleviating unemployment, encouraging private investment, and diversifying local economies.

(3) Economic development corporations engage in a wide range of programs and strategies to attract, retain, and expand businesses, including marketing the community, small business lending, and other financial services, a wide range of technical assistance to small business, preparation of economic data, and business advocacy.

(4) By using public sector resources and powers to reduce the risks and costs that could prohibit investment, the public sector often sets the stage for employment-generating investment by the private sector.

(b) For purposes of this chapter, all of the following definitions apply:

(1) “Local economic development organization” means a public or public-private job creation activity recognized by cities and counties as the lead agency within that city or county for planning and implementation of job creation involving business expansion, business retention, and new business development.

(2) “Regional economic development organization” means an organization comprised of any of the following:

(A) A single county.

(B) More than one county.

(C) A subregion within a county established by the cities and county within that subregion.

(D) An economic development corporation.

(3) “Economic development corporation” means a local or regional nonprofit public-private economic development organization recognized in a defined region by the public and private sector as the lead agency for the planning and implementation of job creation involving business retention and new business development.

(4) “Regional economic development corporation” means a corporation comprised of any of the following:

(A) A single county.

(B) More than one county.

(C) A subregion within a single county established by a group of cities and counties.

(5) “Economic development” means any activity that enhances the factors of productive capacity, such as land, labor, capital, and technology, of a national, state, or local economy. “Economic development” includes policies and programs expressly directed at improving the business climate in business finance, marketing, neighborhood development, small business development, business retention and expansion, technology transfer, and real estate redevelopment. “Economic development” is an investment program designed to leverage private sector capital in such a way as to induce actions that have a positive effect on the level of business activity, employment, income distribution, and fiscal solvency of the community.

(6) “Local economic development” is a process of deliberate intervention in the normal economic process of a particular locality to stimulate economic growth of the locality by making it more attractive, resulting in more jobs, wealth, better quality of life, and fiscal solvency. Prime examples of economic development include business attraction, business expansion and retention, and business creation.

(7) “Emerging domestic market” means people, places, or business enterprises with growth potential that face capital constraints due to systemic undervaluations as a result of imperfect market information. These markets include, but are not limited to, ethnic-owned and women-owned firms, urban and rural communities, companies that serve low-income or moderate-income populations, and other small- and medium-sized businesses.

(8) “Financial intermediary” means an institution, firm, organization, or individual who performs intermediation between two or more parties in a financial context, such as connecting sources of funds with users of funds. A financial intermediary is typically an entity that facilitates the channeling of funds between lenders, investors, foundations, or other entities that have money and are interested in connecting with businesses or communities where their money can be deployed. Financial intermediaries include, but are not limited to, banks, financial development corporations, economic developers, microbusiness lenders, and community development organizations.

(9) “Community development intermediary” means an institution, firm, organization, or individual that performs intermediation between two or more parties in a community development context, such as connecting people and organizations that have a stake in the future well-being of communities and individuals who may not easily have access to these stakeholders. A community development intermediary is typically an entity that channels financial and nonfinancial resources between government and foundations and other nonprofit organizations that have resources and are interested in connecting with small- and medium-size businesses and low- and moderate-income households and communities. Community development intermediaries include, but are not limited to, community development corporations, microbusiness lenders, and community development financial institutions.

(10) “Triple bottom line” means the economic, environmental, and social benefits arising from a project, investment, or community and economic development activity.

(11) “Small businesses” means a business with less than 100 employees and with a gross revenue of less than five million dollars (\$5,000,000), or a business that is otherwise targeted by or participating in a federal or state program engaged in programs or services for small businesses. Application of this definition may only be used pursuant to a direct reference.

(12) “Community development” means a process designed to create conditions of economic and social prosperity for the whole community, or a targeted subset of the whole community, with the fullest possible reliance on the community’s initiative and active participation.

(13) “Financial institution capital” means resources of a financial institution, including, but not limited to, a bank or credit union, that are legally available to be used to generate wealth for the financial institution.

(14) “California Council on Science and Technology” means the council established by California academic research institutions, including the University of California, the University of Southern California, the California Institute of Technology, Stanford University, and the California State University, in support of Assembly Concurrent Resolution No. 162 (Res. Ch. 148, Stats. 1988).

(15) “Microbusiness lender” means a nonprofit or nonbank lender that serves very small businesses in low- and moderate-income communities that experience barriers in accessing capital. These businesses are often owned by minorities, immigrants, women, and persons with disabilities. Microbusiness lenders generally provide loans under fifty thousand dollars (\$50,000) and offer business technical assistance, both preloan and postloan, to improve an applicant’s ability to qualify and successfully repay a loan.