



MORENOVALLEY

ACCELERATING OPPORTUNITIES



BUSINESS INCENTIVES



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INTRODUCTION

MORENO VALLEY BUSINESS INCENTIVES

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Incentives Make Sweet Deals Even Sweeter

Moreno Valley offers some of the most innovative and competitive incentives in California to help relocate or expand your business.

Moreno Valley Utility (MVU) provides electricity rate reductions – your business can save up to 30.5%! Plus, MVU's Business Energy Efficiency Rebates provide real energy savings, reducing your operating expenses.

Moreno Valley is a Recycling Market Development Zone and a designated Foreign Trade Zone. For businesses, that means incentives and programs that add up to significant cost savings when you import / export products or use recycled material in your processes.

When you develop new large facilities, the City's Time & Materials program helps you save on post-entitlement plan check, application, permit, and inspection expenses.

The City of Moreno Valley is committed to your business' success and partners with you through every phase of the development process. Moreno Valley's Economic Development Team can help connect you to a variety of federal, state, and regional incentives and assistance.

Whether a business relocation, construction of a new facility, or the launch of an entrepreneur's small business dream, our special concierge service will walk you through the process from identifying a site to your grand opening.

Moreno Valley's incentives, combined with an ideal location, business-friendly atmosphere, fast-track concierge service and motivated workforce, are why so many Fortune 500 and international companies have already said "Yes!" to Moreno Valley.

MORENO VALLEY INCENTIVE PROGRAMS

MORENO VALLEY UTILITY RATE INCENTIVE PROGRAM

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HOST ORGANIZATION

Moreno Valley Utility (MVU)

SUMMARY

With this incentive program, qualifying businesses can capture major energy savings. Discounts range from 7% to 26.5% and terms range from 5 to 16 years.

ELIGIBILITY

Target Industries	Tiers
<ul style="list-style-type: none"> Logistics/Distribution Medical/Healthcare Auto Dealerships 	<ul style="list-style-type: none"> <u>Tier 1</u>: 150 – 499 jobs <u>Tier 2</u>: 500 – 999 jobs <u>Tier 3</u>: 1,000+ jobs <u>Tier 4</u>: 350+ jobs and \$40,000+ sales tax revenue <u>Tier 5</u>: 200+ jobs and regional corporate office and 200,000+ sq. ft. perishable space

	Tier 1	Tier 2	Tier 3	Tier 4
Year 1	19%	21.5%	24%	26.5%
Year 2	16%	18.5%	21%	23.5%
Year 3	13%	15.5%	18%	20.5%
Year 4	10%	12.5%	15%	17.5%
Year 5	7%	9.5%	12%	14.5%

Tier 5	
Years 1-4	20%
Years 5-8	15%
Years 9-12	10%
Years 13-16	5%

PROCESS

Moreno Valley Utility works with businesses every step of the way, from efficient design through construction, to ensure a quality project.

CONTACT

Moreno Valley Utility		951.413.3500	mvutility@moval.org
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Link to Program Page:

http://www.moval.org/resident_services/utilities/pdfs/utility-flyer0514.pdf

HIRE MOVAL

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HOST ORGANIZATION

City of Moreno Valley

SUMMARY

The award winning Hire MoVal program encourages Moreno Valley businesses to make a good faith effort to hire qualified residents. Businesses can demonstrate their Hire MoVal support in the following ways:

- Using the Employment Resource Center’s no cost workforce recruitment services. The ERC can assist with:
 - Job announcements
 - Applicant testing
 - Interviews
 - Job Fair support
- Providing job announcements so the City can help publicize these events.
- Adopting a “First Source” hiring practice that gives residents advance notice about recruitments.

Hire MoVal works with the Moreno Valley Utility Rate Incentive Program to provide an extra incentive to qualified new businesses served by Moreno Valley Utility. Eligible businesses under the Economic Development Rate that hire Moreno Valley residents can access an additional 2-4% electrical rate discount.

ELIGIBILITY

Everyone is eligible to utilize the resources provided under Hire MoVal. For the electrical rate discount, contact Moreno Valley’s Economic Development Department.

PROCESS

Contact the Economic Development Department for more information, to see if you qualify and to get the application process started.

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	<u>edteam@moval.org</u>
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Link to Program Page:

<http://www.moreno-valley.ca.us/edd/hire-moval.html>

HIRE MOVAL 2 FOR SMALL BUSINESS

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HOST ORGANIZATION

City of Moreno Valley

SUMMARY

Hire MoVal has been extended to provide even more benefits to Moreno Valley's small businesses.

- Fee waiver on your business license fee
- Access to exclusive job recruitment services at the Moreno Valley Employment Resource Center
- Free one-on-one expert business counseling services and workshops with the Inland Empire Small Business Development Center (SBDC)

ELIGIBILITY

Moreno Valley small business customers with gross revenues less than \$200,000 per year that hire at least 40% of their employees from Moreno Valley residents may be eligible for a business license application fee waiver.

PROCESS

For the business license application fee waiver, contact Business License (information below).

CONTACT

Moreno Valley Business Licenses		951.413.3080	businesslicense@moval.org
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Link to Program Page:

<http://www.moreno-valley.ca.us/edd/hire-moval.html>

HIRE MOVAL 3 HIRE A GRAD

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HOST ORGANIZATION

City of Moreno Valley

SUMMARY

Hire MoVal – Hire a Grad program awards local businesses a stipend of \$1,000 for each recent Moreno Valley resident, up to five new hires, who has recently graduated or earned a certificate from an accredited college or university or eligible program.

ELIGIBILITY

Moreno Valley businesses must:

- Have a current business license
- Hire a Moreno Valley resident who has received a degree, certificate, completed a training program or course of study from an accredited educational institution within the past 2 years (24 months) beyond a secondary (K-12) education
- Retain the employee for at least six months for a minimum of 20 hours per week

PROCESS

For more information, please contact the Hire MoVal program for program guidelines.

CONTACT

Hire MoVal		951.413.3475	<u>hiremoval@moval.org</u>
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Link to Program Page:

<http://www.moreno-valley.ca.us/edd/hire-moval.html>

NEW CONSTRUCTION AND MAJOR TENANT RENOVATION

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HOST ORGANIZATION

Moreno Valley Utility (MVU)

SUMMARY

MVU offers rebates for new construction and major tenant renovation to encourage energy saving designs. Maximum rebate per project is \$25,000 unless specifically approved by the City Manager, and may be subject to City Council approval.

ELIGIBILITY

- Projects exceeding Title 24 by at least 10% will be eligible for incentives upon construction completion. Rebates will be based on the whole building performance of 10% over Title 24 baseline design standards and must be calculated using Energy Pro.
- Incentives are paid at a rate of \$0.05 per kWh of annual savings in excess of Title 24 standards for electric-saving measures only.
- Customer is responsible for providing documentation of savings that are at least 10% above Title 24 baseline through an energy modeling software. Calculations must be signed by a licensed mechanical engineer.

PROCESS

To get started, contact Moreno Valley Utility for more program and application information.

CONTACT

Moreno Valley Utility	14331 Frederick Street Suite 2 Moreno Valley, CA 92553	951.413.3500	mvutility@moval.org
Moreno Valley Utility Customer Service		844.341.6469	
Program Manager Michael McLellan		951.413.3511	

Link to Moreno Valley Utility:

http://www.moreno-valley.ca.us/resident_services/utilities/index-util.shtml

COMMERCIAL ENERGY EFFICIENCY PROGRAM

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HOST ORGANIZATION

Moreno Valley Utility (MVU)

SUMMARY

The Direct Install program provides eligible small- or medium-sized business customers with an onsite energy audit, energy-saving measures and equipment upgrades at no cost, providing a value up to \$3,000.

MVU will fund the energy audit, report preparation and cost of installation of measures up to a maximum of \$3,000 per site. Each customer site may participate one time regardless of change of tenancy or ownership.

ELIGIBILITY

This program is only available to qualified businesses that have electrical demand that does not exceed 100 kW for three consecutive months in a twelve-month period. The program is provided on a first-come, first-served basis until program funds are no longer available. This program may be modified or terminated without prior notice.

PROCESS

Complete and submit an application (link below). Contact the Program Manager (information below) at Moreno Valley Utility for more program and application information.

MVU will send a certified energy resource manager to the customer's facility to conduct an onsite energy audit provide an audit report to the customer that lists recommended retrofits and behavioral change measures. Each recommendation will include the cost to perform the retrofit, anticipated annual energy savings, and a simple payback period calculation. Business customers can select recommendations they would like to install and MVU's certified installers will complete the work at the facility.

If the customer elects to install measures above the MVU funding cap, then the customer may use the MVU contract installation service provider at the MVU negotiated pricing. The customer may also be eligible for an MVU rebate on their investment of measures beyond the cap under the Custom or Commercial Energy Efficiency Program.

COMMERCIAL ENERGY EFFICIENCY PROGRAM

CONTACT

Moreno Valley Utility	14331 Frederick Street Suite 2 Moreno Valley, CA 92553	951.413.3500	mvutility@moval.org
Moreno Valley Utility Customer Service		844.341.6469	
Program Manager Michael McLellan		951.413.3511	

Link to Moreno Valley Utility:

http://www.moreno-valley.ca.us/resident_services/utilities/index-util.shtml

CUSTOM ENERGY EFFICIENCY PROGRAM

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HOST ORGANIZATION

Moreno Valley Utility (MVU)

SUMMARY

The Custom Energy Efficiency Program encourages energy efficiency through a broad selection of measures. The Program includes a calculation of the expected savings that the customer will achieve and offers an incentive for making improvements specific to the economics of the project that the customer installs. Typically, custom programs are used for larger commercial and industrial (C&I) customers, but they are sometimes also used for Comprehensive Portfolio residential retrofit programs.

Custom incentives depend on the type of retrofit conducted and are capped at 25% of the installed cost of the measure. Incentives are paid at \$0.05 per kilowatt-hour saved over a one-year period. The annual customer rebate total may not exceed \$25,000.

ELIGIBILITY

The applicant must be a commercial Moreno Valley Utility customer.

PROCESS

To qualify for rebates, customers must schedule onsite inspections, one prior to installation and one post verification of installation. Customers must provide completed rebate applications, including energy savings calculations performed by a licensed mechanical engineer and paid invoices within four months of the project completion date in order to be eligible for rebate consideration.

Contact Moreno Valley Utility for more information, to see if you are eligible and to get the application process started.

CONTACT

Moreno Valley Utility	14331 Frederick Street Suite 2 Moreno Valley, CA 92553	951.413.3500	mvutility@moval.org
Moreno Valley Utility Customer Service		844.341.6469	
Program Manager Michael McLellan		951.413.3511	

Link to MVU: http://www.moreno-valley.ca.us/resident_services/utilities/efficiency.shtml

TIME & MATERIALS PROGRAM

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HOST ORGANIZATION

City of Moreno Valley

SUMMARY

The City of Moreno Valley offers a Time & Materials program (T&M) that provides eligible development projects the opportunity for significant savings on post-entitlement Planning, Building & Safety, Land Development, and Fire Prevention fees.

How it Works	
Customer Accounts	City Offices
Deposit an Initial Advance of \$100,000 or 50% of the Fixed Fee estimate, whichever is less, prior to submittal of the first plan check application.	Do not collect separate fees, but charge each Customer Account for work, consultants, and materials.
Maintain a minimum total balance of \$10,000 or 10% of the Initial Advance, whichever is less.	Issue monthly statements for Customer Accounts.
	Refund surplus Customer Account funds after the project is completed.

ELIGIBILITY

The T&M Program applies to non-residential plan check application, permit, and inspection expenses. Program eligibility is based on:

- *Building valuation* – Minimum valuation of \$25 million. Valuation is estimated by the City’s Building & Safety office, based on project type and size.
- *Improvement Valuation* – If a project’s building valuation does not meet the \$25 million threshold, the City may consider the added value of the public improvements the developer installs with the Project. Valuation is determined by the City’s Land Development office, based on the development engineer’s projected cost estimate.
- *Job Creation* – Of 150 or more, regardless of minimum project valuation. Job creation is not a factor if a project’s minimum valuation threshold is met.
- *Director’s Discretion* – Based on Economic Development Action Plan priorities.

PROCESS

Start by contacting the City of Moreno Valley’s Economic Development Department for questions about applying, eligibility and next steps.

TIME & MATERIALS PROGRAM

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92552	951.413.3460	edteam@moval.org
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Link to Program Page:

<https://www.morenovalleybusiness.com/wp-content/uploads/2017/10/ED-Time-and-Materials-10-2-17.pdf>

COUNTY/REGIONAL INCENTIVES

HERO PROGRAM

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HOST ORGANIZATION

Western Riverside Council of Government (WRCOG)

SUMMARY

The HERO Program provides financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Financing is paid back through a lien placed on the property tax bill.

The HERO Program was initiated in December 2011 and has been expanded (an effort called “California HERO”) to allow for jurisdictions throughout the state to join WRCOG’s Program and allow property owners in these jurisdictions to participate.

ELIGIBILITY

Improvements must be permanently fixed to the property and must meet certain eligibility criteria, such as installing solar power or drought resistant landscaping.

PROCESS

To apply, go to the Samas Commercial Program website (link below) to learn more about the program, eligible products, and how to apply.

For the residential program, see the residential website (link below) and select “Apply Now.”

CONTACT

WRCOG Offices	4080 Lemon Street 3 rd Floor, MS 1032 Riverside, CA 92501-3609	951.955.7985	<u>wrcoginfo@wrcog.co.ca.us</u>
		951.787.7991 (FAX)	
SAMAS Commercial		800.645.0687	<u>info@samascapital.com</u>

Link to WRCOG HERO Program Page:

<http://programs.dsireusa.org/system/program/detail/5181>

RIVERSIDE COUNTY WORKFORCE DEVELOPMENT CENTER

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HOST ORGANIZATION

County of Riverside

SUMMARY

Funds allocated to the Riverside County Workforce Development Board (WDB) support job training, placement, and business services delivered at these locations.

The WDB provides oversight for the Workforce Innovation and Opportunity Act (WIOA) programs in the county. The WDB acts as a catalyst to provide seamless services among various workforce programs and provides community leadership around workforce issues.

There are five ways that the WDB carries out their role:

- *Convener* – Bringing together business, labor, education, and economic development to focus on community workforce issues
- *Workforce Analyst* – Developing, disseminating, and understanding current labor market and economic information and trends
- *Broker* – Bringing together systems to solve common problems or establishing new relationships with businesses and workers
- *Community Voice* – Advocating for the importance of workforce policy and providing perspective about the need for skilled workers
- *Capacity Builder* – Enhancing the region’s ability to meet the workforce needs of local employers

Other services offered are:

- Business Analysis – Assess your business and workforce needs
- Business Resources & Referrals – A wide variety of resources and referrals to assist your business
- Recruitment Services – Pre-screening, candidate testing and posting of job openings to find skilled, qualified candidates
- Training Incentive Programs – Offset the cost of training new employees or retraining existing ones
- Outplacement Services – Resources and referrals for businesses and workers affected by a layoff or closure
- Labor Market Services – Information about labor market trends, statistics and economic and demographic data
- Human Resource Information & Resources – Information on HR-related topics such as news, trends, employee policies and problem resolution
- Government Resources – Information on federal programs such as OSHA, Social Security, IRS, wage reporting, labor statistics and commerce

RIVERSIDE COUNTY WORKFORCE DEVELOPMENT CENTER

- Tax Incentives – Local, state or federal tax incentives, like the Welfare to Work and Work Opportunity Tax Credit (WOTC, see incentive in Federal Incentive Section)

ELIGIBILITY

The Workforce Development Center is open to the public and does not exclude any person or business based on any criteria.

PROCESS

Get in contact with Wendy Merlino or Alexia Nevens at the Workforce Development Center to find out more about the services and programs it oversees.

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
Wendy Merlino, Riverside Workforce Development Center	1325 Spruce Street Suite 110 Riverside, CA 92507	951.955.9742	wmerlino@rivcoeda.org
Alexia Nevens		951.955.3160	anevens@rivcoeda.org

Link to Program Page:

<http://www.rivcoworkforce.com/Business.aspx>.

ON-THE-JOB TRAINING PROGRAM

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HOST ORGANIZATION

County of Riverside

SUMMARY

On-the-Job Training allows a business to hire and train a new employee in the basic skills necessary to perform the job while working in the job. A business can receive reimbursement of up to 50% of the employee’s wages for a maximum of 480 hours of training to help offset the cost of training and the loss of productivity.

ELIGIBILITY

To qualify:

- Job must be full time (minimum of 32 hours/weekly)
- Trainee must be covered by Worker’s Compensation
- The job may not be temporary or seasonal
- The job may not be under a layoff or hiring freeze
- The wage must be the prevailing rate for persons employed in similar positions with the business
- The wage must not be based on commission or piecework
- Working conditions must not endanger the health or safety of a trainee
- The position must be in a high demand industry or occupation
- The trainee must be new to the company and registered with the Workforce Development Centers prior to employment
- Companies must pay into the California Unemployment Insurance Fund and be issued a California State Tax ID Number.

PROCESS

The program is overseen by the County’s local Workforce Development Center. Contact Wendy Merlino or Alexia Nevens for information and to begin the application process.

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
Wendy Merlino, Riverside Workforce Development Center	1325 Spruce Street Suite 110 Riverside, CA 92507	951.955.9742	wmerlino@rivcoeda.org
Alexia Nevens		951.955.3160	anevens@rivcoeda.org

Link to Program Page:

<http://www.rivcworkforce.com/Business/Incentives.aspx>

STATE INCENTIVES

GO-BIZ PERMIT ASSISTANCE

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HOST ORGANIZATION

Governor’s Office of Business and Economic Development (GO-Biz)

SUMMARY

GO-Biz serves as California’s single point of contact for economic development and job creation efforts.

GO-Biz includes the following units: business development (CalBIS), Permit Streamlining, Small Business Assistance, Innovation and Entrepreneurship and International Affairs and Trade Development.

The Permit Assistance unit provides permit streamlining for business owners struggling with local, state and federal permitting for major job creating projects. The permitting team also administers the state’s electronic on-line permit assistance center, CalGOLD.

ELIGIBILITY

All businesses in the State of California can receive permit assistance.

PROCESS

Use the resources provided on GO-Biz’s webpages and contact them for assistance.

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
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Link to Program Page:

<http://www.business.ca.gov/>

CALIFORNIA EMPLOYMENT TRAINING PANEL

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HOST ORGANIZATION

State of California Employment Training Panel (ETP)

SUMMARY

The Employment Training Panel program provides funding to employers to assist in upgrading the skills of their workers through training that leads to good paying, long-term jobs. While the need for workforce training is critical, businesses generally reserve capacity-building dollars for highly technical and professional occupations – limiting investment in training for frontline workers who produce goods and deliver services. ETP helps to fill this gap by funding training that is targeted to the frontline workers.

ELIGIBILITY

ETP can contract directly with the following entities:

- Single Employers
- Groups of Employers
 - Chambers of Commerce
 - Joint Apprenticeship Training Committees
 - Trade Associations
 - Economic Development Corporations
- Training Agencies
 - Community College or Community College District
 - University or University foundations
 - Adult School
 - Regional Occupational Program
 - Private training agency
- Workforce Development Boards
- Workforce Investment Act (WIA) Grant Recipients or WIA Administrative Entities

PROCESS

1. Basic registration on the program website.
2. Orientation in person or via telephone
3. Preliminary Application
4. Visit and Meeting at Regional Office
5. Application for Funding
6. Approval

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
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Link to Program Page:

<https://www.etp.ca.gov/>

CALIFORNIA COMPETES TAX CREDIT

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HOST ORGANIZATION

California Governor's Office of Business and Economic Development (GO-Biz)

SUMMARY

The California Competes Tax Credit is an income tax credit available to businesses that want to come to California or stay and grow in California.

The tentative amount of credits that can be allocated by GO-Biz is as follows: \$200 million in each fiscal year 2015-16 through 2022-23.

ELIGIBILITY

Any business can apply for the California Competes Tax Credit. The credit is available statewide to all industries. However, while there are no geographic or sector-specific restrictions, the purpose of the California Competes Tax Credit is to attract and retain high-value employers in California in industries with high economic multipliers and that provide their employees good wages and benefits.

PROCESS

1. Create an account through the program's website.
2. Complete and submit an application.
3. The Phase I cost-benefit ratio will be evaluated relative to other applicants. The business will be informed within a few days if its application is advancing to the next stage.
4. Phase II applies additional evaluative criteria.
5. If the business is recommended for a tax credit, a contractual agreement will be prepared. The business will be given the details of its tax credit.
6. The tax credit award will be submitted to the California Competes Tax Credit Committee for final approval.

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
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Link to Program Page:

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

**CALIFORNIA HYBRID & ZERO-EMISSION TRUCK AND BUS VOUCHER
INCENTIVE PROJECT**

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HOST ORGANIZATION

California Air Resources Board (CARB) / CALSTART

SUMMARY

The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) offers point-of-sale incentives for clean trucks and buses in California. HVIP dealers offer reduced-price vehicles directly to purchasers. Purchasers do not need to submit proposals, complicated paper work or wait to be reimbursed. Incentives are locked in at the time of the purchase order. Dealers process the required documentation.

HVIP’s innovative voucher approach provides a meaningful “kick-start” to the low-carbon clean truck and bus industry. By offering attractive voucher incentives for efficient and clean vehicles, HVIP helps fleet and vehicle owners move into trucks and buses that reduce emissions, fuel consumption and support California’s goals to promote a clean climate future.

ELIGIBILITY

Must be:

- Stakeholder supporting California’s future climate
- Fleet or vehicle owner interested in clean trucks and buses
- Vendor or dealer of vehicles wishing to participate in the program
- Manufacturer interested in low to zero emission vehicles

Eligible Vehicles

- Battery-electric
- Fuel cell
- Hybrid
- Electric PTO
- Ultra low-Nox natural gas engines (coming May 2016)

PROCESS

Purchasers apply for vouchers through HVIP authorized dealers, which handle most of the paperwork. See the link to the approved vendor list.

CONTACT

Assistance		888.457.4847	info@californiahvip.org
Chase LeCroy			clecroy@calstart.org

Link to Program Page: <http://californiahvip.org/>

CALIFORNIA SALES & USE TAX EXCLUSION

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HOST ORGANIZATION

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)

SUMMARY

This program offers a sales and use tax exclusion to manufacturers that promote alternative energy and advanced transportation. Manufacturers create tens of thousands of high-paying, permanent jobs that bolster the state's economy. The California Sales & Use Tax Exclusion (STE) program is currently authorized through 2020.

The CAEATFA Sales and Use Tax Exclusion (STE) Program (the "Program") excludes purchases of Qualified Property from sales and use taxes.

ELIGIBILITY

The STE is available to the following four categories of manufacturers in California:

- Alternative Source product manufacturers
- Manufacturers of Advanced Transportation Technologies
- Advanced Manufacturers
- Manufacturers that process recycled feedstock or utilize recycled feedstock in the production of another product or soil amendment.

Manufacturers of components of Alternative Sources and Advanced Transportation Technologies are also eligible if the component constitutes a "Green Component," defined as the component or system within Advanced Transportation Technologies or Alternative Source products that is responsible for or required to enable the increase in energy efficiency, Alternative Source generation, or pollution reduction.

PROCESS

Applications have two parts and are submitted to CAEATFA@treasurer.ca.gov

- A. Project description, legal questionnaire and contact information
- B. Self-scoring Excel spreadsheet that scores projects financial and environmental benefits

CONTACT

Assistance		916.651.8157	
James Shimp		916.654.5103	

Link to Program Page:

<http://www.treasurer.ca.gov/caeatfa/index.asp>

CALIFORNIA STATE RESEARCH & DEVELOPMENT TAX CREDIT

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HOST ORGANIZATION

State of California Franchise Tax Board (FTB)

SUMMARY

The California Research Credit reduces income or franchise taxes. You receive 15% of the excess of current year research expenditures over a computed base amount. You may carry over any unused amount to future years until none remains. In addition, combined reporting group members may assign credit to an affiliated corporation that is a member of the same group.

ELIGIBILITY

Per California Revenue and Taxation Code §§ 17052.12 and 23609, in order for an activity or project to qualify for the research credit, the taxpayer must show that it meets all of the requirements in Internal Revenue Code § 41(d). In order to claim the research credit, the research activity must satisfy a four-part test:

- The research must have qualified as a business deduction
- The research must be undertaken to discover information that is technological in nature
- The taxpayer must intend to use the information to develop a new or improved business component.
- The taxpayer must pursue a process of experimentation during substantially all of the research

PROCESS

Fill out form FTB 3523 to claim the credit (link below)

CONTACT

Automated Phone Support		800.338.0505	
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Link to Program Page:

<https://www.ftb.ca.gov/businesses/credits/rd/>

MANUFACTURING AND RESEARCH & DEVELOPMENT EQUIPMENT EXEMPTION

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HOST ORGANIZATION

California Department of Tax and Fee Administration (CDTFA)

SUMMARY

Manufacturers and certain research and developers may qualify for a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases and leases.

ELIGIBILITY

To be eligible for this partial exemption, you must meet all three of these conditions:

- Be engaged in certain types of business, also known as a “qualified person.”
- Purchase “qualified property.”
- Use that qualified property for the uses allowed by this law.

Requirements are extensive and complex. Please see the website for all of the details (link below).

PROCESS

If a buyer meets the eligibility requirements, form BOE-230-M (link below) can be filled out and submitted to the seller of manufacturing or research and development equipment. The equipment can then be sold on a partially tax exempt basis.

CONTACT

Board of Equalization Main	State board of Equalization PO Box 942879 Sacramento, CA 94279	800.400.7115	
Local Office	3737 Main St Suite 1000 Riverside, CA 92501-3395		

Link to Program Page:

<https://www.cdtfa.ca.gov/industry/manufacturing-exemptions.htm>

CALIFORNIA FILM COMMISSION TAX CREDIT

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HOST ORGANIZATION

California Film Commission

SUMMARY

The Commission offers a tax credit to qualifying independent and non-independent films and television series. Tax credits will be allocated each fiscal year according to designated funding:

ELIGIBILITY

More detailed information can be found in the link below.

Can Apply	Cannot Apply
<ul style="list-style-type: none"> • Independent film • Non-Independent Feature • TV Series 	<ul style="list-style-type: none"> • Commercials • Music videos • News programs • Talk shows • Sporting events • Documentaries

PROCESS

The application proceeds in two parts.

- Phase I: During a certain period, interested parties can submit their applications through the website (link below), accompanying it with the required documentation.
- Phase II: The highest ranking projects will be invited to submit another application.

CONTACT

California Film Commission Office	7080 Hollywood Blvd Suite 900 Hollywood, CA 90028	323.860.2960	filmca@film.ca.gov
		800.858.2960	
Program Emails			IncentiveProgram@film.ca.gov
			IncentiveProgram2@film.ca.gov

Link to Program Page: <http://www.film.ca.gov/Incentives.htm>

RECYCLING MARKET DEVELOPMENT ZONES (RMDZs)
REVOLVING LOAN PROGRAM

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HOST ORGANIZATION

State of California Department of Resources Recycling and Recovery

SUMMARY

This program provides attractive loans, technical assistance, and free product marketing to businesses that are located in a zone and use materials from the waste stream to manufacture their products. The zones cover roughly 88,000 square miles of California from the Oregon border to San Diego.

Companies that manufacture with these materials have found that making recycled content products can be less expensive and just as high quality, if not higher, than when using raw materials. Depending on your needs and in which zone you are located, there are many ways that the RMDZ program can assist your business:

- Locating manufacturing materials (feedstock)
- Permitting referral
- Siting
- Offering an attractive loan program
- Finding markets for products
- Providing current market conditions/trends
- Evaluating technology and equipment
- Providing geographical data on demographics, waste streams, and economics
- Marketing products for free via the Recycle Store

ELIGIBILITY

In order to be considered, a project must meet the following criteria and be one of the types of projects described below:

- Highest priority given to projects that demonstrate increased demand for a recyclable material, which is normally disposed of in California.
- Priority given to projects that satisfy additional statewide recycling market development objectives and priorities that are determined by CalRecycle.
- Construction & demolition debris, plastics, organics, and paper are priority materials
- The project must be located within a Recycling Market Development Zone.
- Each project must result in the diversion of non-hazardous solid waste from California landfills.
- The project must involve reducing manufacturing waste or making new products out of recycled material.
- Projects using post-industrial materials must meet the definition of secondary waste material.

PROCESS

A series of documents must be collected in preparation. Applicants are recommended to speak with loan staff. Submit an initial application which includes the required information (link below). If approved, further applications and approvals will follow.

CONTACT

Moreno Valley Economic Development Department	1477 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
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Link to Program Page:
<http://www.calrecycle.ca.gov/rmdz/>

INDUSTRIAL DEVELOPMENT REVENUE BOND PROGRAM

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HOST ORGANIZATION

California Infrastructure and Economic Development Bank (IBank)

SUMMARY

Industrial Development Bonds (IDBs) are tax-exempt securities issued up to \$10 million by a governmental entity to provide money for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities for private companies. IDBs can be issued by the I-Bank, local Industrial Development Authorities, or by Joint Powers Authorities.

ELIGIBILITY

- The project financed by the bonds must be a facility used for the manufacturing, production or processing of tangible property. No more than 25% of the bond proceeds can be applied to ancillary office, warehouse or other space.
- At least 95% of the bond proceeds must be spent on qualifying costs, generally capital expenditures such as land, building and equipment and other depreciable property (and can also include capitalized interest during construction).
- No more than 25% of the bond proceeds can be used to acquire land.
- The acquisition of an existing facility (including manufacturing equipment) can be financed if at least 15% of the portion of the bond amount used to purchase the facility is spent on eligible rehabilitation expenditures within a two-year period.
- Bond proceeds cannot be used to acquire used equipment.
- The average maturity of the bonds cannot exceed 120% of the average economic life of the assets financed.
- Bond proceeds cannot be used to finance working capital or inventory.
- The capital expenditures for the project cannot exceed \$20,000,000.
- A borrower and certain users may not be the beneficiary of more than \$40,000,000 of certain tax-exempt bonds during a three year period after the facility being financed is placed in service.
- The project financed by the bonds must meet certain public benefit criteria established by the California Debt Limit Allocation Committee (CDLAC), which include, among other things, the creation or retention of jobs (See link below)
- Generally, the borrower needs to secure a letter of credit in the amount of the bonds from a bank with a long-term credit rating of at least "A3" from Moody's Investors Service (Moody's), or an "A-" from Standard & Poor's (S&P) or Fitch Ratings, Inc. (Fitch). Bonds can also be sold directly to Qualified Institutional Buyers or Accredited Investors, without a rating, so long as IBank conditions for direct purchases or private placements are met.

PROCESS

Complete the application (link below) and submit it via email to Fariba Khoie (contact information below).

Applications can be submitted at any time and are reviewed on a semi-monthly basis by the IBank Board. The application, approval and issuance process usually takes about 120-150 business days.

1. Prequalification
 - a. Pre-Application
 - b. Federal Requirements
 - c. State Requirements
2. Approvals
 - a. Inducement Resolution by Issuer
 - b. Application to Issuer for Final Approval
 - c. Noticed Public Hearing
 - d. Letter of Credit Commitment from Bank
 - e. State Tax-Exempt Allocation Approvals
3. Bond Issuance
 - a. Documentation
 - b. Final Resolution of Issuance by Issuer
 - c. Bond Sale
 - d. Funding

CONTACT

Bond Programs Manager Fariba Khoie	1325 J Street Sacramento, CA 95812-2830	916.341.6644	Fariba.Khoie@ibank.ca.gov
	PO Box 2830 Sacramento, CA 95812-2830		

Link to Program Page:

<http://www.ibank.ca.gov/industrial-development-bond-financing/>

NEW EMPLOYMENT HIRING TAX CREDIT

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HOST ORGANIZATION

State of California Franchise Tax Board (FTB)

SUMMARY

The New Employment Credit (NEC) is for a qualified taxpayer that hires a qualified full-time employee on or after January 1, 2014, and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area, and that receives a tentative credit reservation for that qualified full-time employee.

ELIGIBILITY:

Business	Employee
<ul style="list-style-type: none"> • Operating within a designated high poverty and high unemployment area • Not sexually oriented. Unless a small business, temporary help service, retail trade, food service or alcohol sales based. Not a theater, dinner theater, casino or casino hotel company 	<p style="text-align: center;">All of the following:</p> <ul style="list-style-type: none"> • Hired on or after January 1, 2014. • At least 50% of the work for the employer takes place in the designated high poverty and high unemployment area. • Starting wages exceed 150% of the state minimum wage. • Paid for at least 35 hours per week or salaried for a full-time position <p style="text-align: center;">Any one of the following:</p> <ul style="list-style-type: none"> • Was unemployed for at least 6 months at the time of hire. If a degree or course of study was completed, it must have been finished at least 12 months before the hire date. • Veteran out of the armed forces for at least 12 months • Recipient of the federal Earned Income Credit the previous taxable year • Ex-offender convicted of a felony • Current recipient of CalWORKS or county general assistance

PROCESS

The first step is to obtain a New Employment Credit Reservation (link below). When the credit is claimed on a tax return, it will be subject to audit.

CONTACT

Moreno Valley Economic Development Department	1477 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
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Link to Program Page:

https://www.ftb.ca.gov/online/New_Employment_Credit_Reservation/index.shtml

CALIFORNIA MANUFACTURING ADVANTAGE

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HOST ORGANIZATION

California Manufacturing Technology Consulting (CMTC)

SUMMARY

CMTC is a non-profit consulting firm that determines ways to assist in the achievement of improvements in productivity and profitability at businesses in the County of Riverside.

You can use CMTC to help grow your company with services such as:

- Marketing
- Innovating new products and forging new markets
- Optimizing supply chain performance
- Increasing product quality and lowering costs
- Improving workforce skills
- Enhancing energy efficiency

ELIGIBILITY

- Business must be a manufacturer
- Business must have receipt totals between \$500,000 and \$10,000,000.

PROCESS

Go the program website (link below) and fill out the Request Consultation form, which is submitted electronically. After being approved, a client advisor will come to the business site for a facility assessment and to make recommendations.

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
CMTC Offices		310.263.3060	
Inland Empire Client Advisor Dennis Sonney	690 Knox Street Suite 200 Torrance, CA 90502	951.892.5414	dsonney@cmtc.com

Link to Program Website:

<http://www.cmtc.com/california-manufacturers-advantage>

SMALL BUSINESS LOAN GUARANTEE PROGRAM

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HOST ORGANIZATION

State of California Infrastructure and Economic Development Bank (IBank)

SUMMARY

The California Small Business Loan Guarantee Program (SBLGP) works to help businesses create and retain jobs, while at the same time encouraging investment into low- to moderate-income communities. Business size eligibility for the SBLGP generally follows the U.S. Small Business Administration 7(a) program guidelines. The SBLGP provides loans to small businesses that experience capital access barriers. Through this program, a small business can establish a favorable credit history with a lender and obtain access to future loans on its own, independent of the program.

Guarantee Terms	Acceptable Loan Purpose
<ul style="list-style-type: none"> • Available to loans no greater than \$20 million • Maximum Loan Guarantee Liability \$2.5 million • Maximum Loan Guarantee Percentage 80% • Maximum Loan Guarantee Term 7 years • Loan Guarantee fee 2.5% • Loan Documentation fee \$250 • Business Size: Must target an average borrower-size of 500 or fewer employees as defined in 13 CFR 121.106 and cannot extend credit support to borrowers with more than 750 employees. Non-profit organizations also qualify to participate in the loan guarantee program 	<ul style="list-style-type: none"> • Business purposes such as expansion into new facilities • Purchase of equipment • New market development • Working capital • Lines of credit • Franchise fees • New construction or renovation • Refinancing of existing loan debt (with conditions) • SBA 504 gap financing before the SBA debenture is available

ELIGIBILITY

Small businesses must be located in the state of California and use the proceeds of the loan in the state of California. Non-profit organizations qualify for the guarantee provided the loan is for an eligible business use and it has at least one full time employee.

PROCESS

Contact a Financial Development Corporation (FDC) in order to find out information on how to obtain a small business loan. Visit the website (link below) for more information.

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
IBank	1325 J Street 18 th Floor Sacramento, CA 95814	916.341.6600	SBFC@ibank.ca.gov
	PO Box 2830 Sacramento, CA 95812-2360 MAILING	916.322.6314 FAX	

Link to Program Page

<https://www.business.ca.gov/Programs/SmallBusiness/FinancialDevelopmentCorporationPrograms.aspx>

ENERGY EFFICIENCY CUSTOMIZED SOLUTIONS

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HOST ORGANIZATION

Southern California Edison (SCE)

SUMMARY

Customized Solutions services offer tailored equipment upgrades that can help you attain deeper savings and higher incentive payments. Incentives are based on how much energy you save over a 12-month period, not to exceed 50% of the total project cost. The energy savings may translate into lower energy bills. While Customized Solutions services are available to all business customers regardless of size or energy use, tailored equipment is most often found in mid- to large-sized businesses.

ELIGIBILITY

As an SCE customer, your commercial, industrial, agricultural, or non-profit business is automatically eligible for Customized Solutions. Self-generation customers may also qualify for incentives.

PROCESS

The Customized Solutions application process requires you to complete an application and calculate your estimated savings before installation. To simplify this process, the online application tool will calculate energy savings for common Customized Solutions.

Upon receipt of your application, an SCE contractor will arrange a pre-inspection of existing equipment. The SCE contractor will review the application and if approved, a Project Approval Letter and Installation Report will be sent to you for signing. You can then proceed to install the project exactly as proposed in your approved application. Once installed, complete the Installation Report and return it to SCE along with all other required supporting documentation.

CONTACT

Southern California Edison Energy Efficiency Department		800.736.4777	EMSApplication@sce.com
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Route to Program Page:

Go to www.sce.com and select “Your Business,” then “Savings & Incentives,” followed by “Energy Efficiency Customized Solutions.”

POLLUTION CONTROL TAX-EXEMPT BOND FINANCING PROGRAM

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HOST ORGANIZATION

California State Treasurer

SUMMARY

The Pollution Control Tax-Exempt Bond Financing Program provides private activity tax-exempt bond financing to California businesses for the acquisition, construction, or installation of qualified pollution control, waste disposal, waste recovery facilities, and / or the acquisition and installation of new equipment.

Financing is performed in conjunction with allocation from the California Debt Limit Allocation Committee (CDLAC). The allocation is required by federal tax law for private activity tax-exempt bonds to be issued.

Tax-exempt bond financing provides qualified borrowers with lower interest costs than are available through conventional financing mechanisms.

ELIGIBILITY

The following types of projects are eligible for financing:

Large Business	Small Business
Provides financing to California business, irrespective of company size, for the acquisition, construction, or installation of qualified pollution control, waste disposal, and resource recovery facilities.	Provides financing to California businesses that meet the size standards set forth in Title 13 of the Code of Federal Regulations or are an eligible small business, which is defined as 500 employees or less, including affiliates, for the acquisition, construction or installation of qualified pollution control, waste disposal, and resource recovery facilities.

PROCESS

1. Potential Borrowers submit an application for Initial Resolution
2. Qualified projects will be submitted to the CPCFA board members for approval of an Initial Resolution (IR).
3. A Final Resolution (FR) authorizes a bond sale for a project within a certain period (usually 180 days).
4. After FR approval potential borrowers, via CPCFA, request “allocation” from the California Debt Limit Allocation Committee.
5. Once projects receive allocation the Office of the State Treasurer schedules the bonds for sale. CPCFA utilizes a Bond Trustee to distribute the bond proceeds to the borrower and, on behalf of bondholders, to collect and disburse bond payments.

CONTACT

California Pollution Control Financing Authority	915 Capitol Mall Room 457 Sacramento, CA 95814	916.654.5610	CPCFA@treasurer.ca.gov
Deanna Hamelin, Bond Program Manager			dhamelin@treasurer.ca.gov

Link to Program Page:

<http://www.treasurer.ca.gov/cpcf/bondfinancing.asp>

ELECTRIC VEHICLE CHARGING STATION FINANCING PROGRAM

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HOST ORGANIZATION

California State Treasurer

SUMMARY

Loans in the Electric Vehicle Charging Station Financing Program (EVCS) can be used for the design, development, purchase, and installation of qualified electric vehicle charging stations in the State of California.

Funded by the California Energy Commission, the California Capital Access Program (CalCAP) may provide up to 100% coverage to lenders on certain loan defaults. Borrowers may be eligible to receive a rebate of 10-15% of the enrolled loan amount.

The maximum enrolled loan amount is \$500,000 per qualified borrower and loans can be insured for up to four years (though the actual term of the loan can be longer). Lenders set the terms and conditions of the loans and decide which loans to enroll into the EVCS Program. The EVCS Program contributes 20% of the principal balance enrolled to a loss reserve account. CalCAP will contribute an additional 10%, up to a maximum of 30%, if the installation is in a multi-unit dwelling or located in a disadvantaged community as designated in the CalEnviroScreen 2.0.

ELIGIBILITY

For small business borrowers:

- The borrower is a small business defined as: a company, corporation, partnership, firm, or other entity or group of entities that together with its affiliates, has 1,000 or fewer employees.
- The borrower has legal control of the EVCS installation site for a term that is equal to or greater than the length of the enrolled loan.
- The EVCS installation is located within the boundaries of the State of California.

Furthermore, individual lenders determine the eligibility of a borrower.

For those wishing to participate as a lender, any federal or state-chartered bank, savings association, certified Community Development Financial Institutions (CDFI), or credit union is eligible to participate in CalCAP. A lender must certify that it is in good standing with its regulatory body (Federal Reserve, Federal Deposit Insurance Corporation (FDIC), Comptroller of Currency, Thrift Supervision, National Credit Union Administration (NCUA), or state banking authority). Finance Lenders and others may also be eligible.

PROCESS

Borrower	Lender
<ul style="list-style-type: none"> • Business applies to a Participating Financial Institution for a loan. • After business repays the loan, or after 48 months with no more than one 30 day late payment, the borrower is eligible for a rebate of half the enrolled contribution amount. • Example: on a \$10,000 loan for a charging station in a multi-unit dwelling, the EVCS Program will contribute \$3,000 to a lender’s loan loss reserve program to cover any loan defaults in their portfolio of loans. After the borrower successfully repays the loan, or after 48 months with no more than one 30 day late payment, the borrower will receive a rebate of \$1,500 (half of the loan loss reserve contribution). 	<ul style="list-style-type: none"> • Applies to the California Pollution Control Financing Authority (CPCFA) to participate in CalCAP. • Enrolls each loan with CalCAP. • At the time of loan enrollment approval, CPCFA pays a premium into the lender’s loan loss reserve account. The premium is 20% of the loan amount with an additional 10% for installations at multi-unit dwellings and in disadvantaged communities. Loan enrollment applications must be received at CPCFA within 15 business days of the “Date of First Disbursement” (Date of Loan). • At the time of loss, CPCFA approves claims submitted by the lender up to the amount in the lender’s loss reserve account. • For Borrowers eligible for a rebate, the rebate will be funded from the lender’s loan loss reserve account.

CONTACT

California Pollution Control Financing Authority	915 Capitol Mall Room 457 Sacramento, CA 95814	916.654.5610	CPCFA@treasurer.ca.gov
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Link to Program Page:

<http://www.treasurer.ca.gov/cpcf/calcap/evcs/summary.asp>

ON-ROAD HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM

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HOST ORGANIZATION

California State Treasurer

SUMMARY

The CalCAP Heavy-Duty Vehicle Air Quality Loan Program is a form of loan guaranty, which may provide up to 100% coverage on losses from certain loan defaults. With CalCAP portfolio insurance, a lender is able to cover portions of loans that exceed the risk threshold normally set for business loans.

If you are an owner of a small fleet of heavy-duty diesel trucks and need to upgrade an engine or exhaust system, you may receive more favorable loan terms from a lender if your loan is enrolled in this program.

ELIGIBILITY

Borrowers	Lenders
<ul style="list-style-type: none"> • The borrower’s fleet size must be 0-10 on-road heavy-duty diesel vehicles at the time of loan. • The borrower’s business vehicle usage must affect California air quality due to usage in the State at least 51% of the time. • The small business must be classified as a small business under U.S. Small Business Administration guidelines (Title 13 of the Code of Federal Regulations) and have 100 employees or fewer. • The business annual revenues must be \$10 million or less, averaged over a three year period. 	<p>Any federal or state-chartered bank, savings association, certified Community Development Financial Institutions (CDFI), or credit union is eligible to participate in CalCAP. A lender must certify that it is in good standing with its regulatory body (Federal Reserve, Federal Deposit Insurance Corporation (FDIC), Comptroller of Currency, Thrift Supervision, National Credit Union Administration (NCUA), or state banking authority). Finance Lenders and others may also be eligible.</p>

PROCESS

- Businesses apply to a Participating Financial Institution (link below) for a loan or TRAC lease.
- Lenders apply to the California Pollution Control Financing Authority (CPCFA) to participate, then enroll each loan with CalCAP.

At the time of loan enrollment approval, CPCFA pays a premium into the lender’s loan loss reserve account. The premium is 14% of the enrolled loan amount until the lender has received \$500,000 in total contributions. Thereafter, the premium is 7% until the lender has received \$1,500,000 in contributions, and then it is 4%. Loan enrollment

applications must be received at CPCFA within 15 business days of the “Date of First Disbursement” (Date of Loan).

At the time of loss, CPCFA approves claims submitted by the lender up to the amount in the lender’s loss reserve account.

CONTACT

State Treasurer’s Office	300 S Spring Street Suite 8500 Los Angeles, CA 90013	213.620.4467	cpcf@treasurer.ca.gov
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Link to Program Page:

<http://www.treasurer.ca.gov/cpcf/calcap/arb/>

ECONOMIC DEVELOPMENT RATE PROGRAM

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HOST ORGANIZATION

Southern California Edison (SCE)

SUMMARY

SCE offers discounts through their Economic Development Rate (EDR) program to help you retain, expand, or locate your business operations in their service territory versus out of state. It’s the ideal fuel injection to get your business where you want it to go, quickly and cost-effectively.

As an eligible business customer, you may benefit from one of the following five-year discount options that are applied to your electric bill:

- 1) Standard Option 12% discount
- 2) Enhanced Option 30% discount

ELIGIBILITY

Criteria	Caps
<ul style="list-style-type: none"> • Your minimum requirement for load must be at least 200 kilowatts (kW) • You are not identified as a residential, state, or local government customer • You must present a business case demonstrating your critical need for the EDR program and present a viable out-of-state option, including facility closure • The California State Office of Business Investment Services (CalBIS) must perform an independent review that is separate from our review of eligibility • For the EDR-R rate, you must sign an affidavit attesting that “but for” this rate, your business would not retain its load within California • For the Enhanced EDR option, you must satisfy the eligibility requirements of the Standard EDR option and be located in, or cite your prospective business location in, a city or county with an unemployment rate of 125% of the prior year’s statewide average 	<ul style="list-style-type: none"> • The EDR program is available until the 200 MW cap is met or until the day before SCE’s 2018 GRC Phase 2 rates are implemented, whichever comes first • There is also a sub-cap of 40 MW (of the 200 MW) for the Enhanced EDR option • Within the 40 MW sub-cap, there is an additional sub-cap of 10 MW for areas that have been deemed “constrained”. Constrained area refers to a large area spanning from Los Angeles to Orange County as defined on the Western LA Basin map.

PROCESS

Contact Michael Curley, SCE Economic Development Consultant for more information.

CONTACT

Southern California Edison Economic Development Services		626.862.1114	
Economic Development Consultant Michael Curley		626.633.4856	Michael.curley@sce.com

Southern California Edison Economic Development Department Web Page:
www.sce.com/economicdevelopment

FEDERAL INCENTIVES

FOREIGN TRADE ZONES

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HOST ORGANIZATION

March Joint Powers Authority (MJPA)

SUMMARY

A foreign-trade zone (FTZ) is a designated location in the United States where companies can use special procedures that help encourage U.S. activity and value added - in competition with foreign alternatives - by allowing delayed or reduced duty payments on foreign merchandise, as well as other savings:

- Deferral of Duties
- Reduction of Duties
- Elimination of Duties
- Elimination of Drawback
- Zone-to-Zone Transfer
- Not subject to state and local ad valorem taxes
- US Quota Restrictions do not apply

A site that has been granted zone status may not be used for zone activity until the site has been separately approved for FTZ activation by local U.S. Customs and Border Protection (CBP) officials. The zone activity remains under the supervision of CBP. FTZ sites and facilities remain within the jurisdiction of local, state or federal governments or agencies.

ELIGIBILITY

Eligibility is geographic, depending on whether or not a business location falls within a Foreign Trade Zone. All of Moreno Valley is contained with FTZ #244.

PROCESS

1. *Pre-Docketing.* A pre-docketing copy of a complete application is submitted following notification by the FTZ that the application is sufficient.
2. *Docketing.* When an application is docketed by the FTZ Staff, a notice is published in the Federal Register for public comment on the proposal.
3. *Review.* During this period, the application is being reviewed by the FTZ.
4. *Interagency Clearance.* Once the FTZ completes the review, the application is sent to CBP headquarters, the Department of the Treasury, and the Department of Commerce

CONTACT INFORMATION

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
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Link to Program Page: <http://enforcement.trade.gov/ftzpage/index.html>

EB-5 IMMIGRANT INVESTOR PROGRAM

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HOST ORGANIZATION

US Citizenship and Immigration Services

SUMMARY

Under this program, entrepreneurs and investors (and their spouses and unmarried children under age 21) are eligible to apply for permanent residency.

ELIGIBILITY

Investments must:

- Create 10 new full-time jobs or preserve 10 full-time jobs in a troubled business
- Create or preserve direct or indirect jobs

The investment must be made in a commercial enterprise that was either:

- Established after November 29, 1990
- Established on or before November 29, 1990 but purchased and restructured such that a new commercial enterprise was created or increased 40% in net worth or number of employees as a result of an investment

PROCESS

1. Complete Form I-526 and submit for approval
2. File either:
 - a. Form I-485
 - b. Form DS-230 or DS-260
3. Conditional permanent residency for the applicant and family is granted for two years
4. 90 days before the two year period ends, file Form I-829 to remove conditions, allowing unconditional permanent living and working privileges in the US

CONTACT

Moreno Valley Economic Development Department	14177 Frederick St Moreno Valley, CA 92553	951.413.3460	edteam@moval.org
National Customer Service Center		800.375.5283	ipostakeholderengagement@uscis.dhs.gov

Link to Program Page: <https://www.uscis.gov/eb-5>

VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

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HOST ORGANIZATION

US Department of Veterans Affairs (VA)

SUMMARY

In the interest of assisting US military veterans disabled by their service find employment, this program can pay up to half the salary of a qualifying worker when the business incurs qualifying expenses as a result of hiring a veteran.

ELIGIBILITY

The applicant must be a veteran who has filed a disability claim believing that he or she has sustained an injury caused by military service. The claim must have been reviewed by the Department of Veterans Affairs, which must designate the injury as at least 10% service connected.

PROCESS

It is important to note that the veteran is responsible for most of the application process and for demonstrating eligibility. After being approved for the program, a veteran will complete training and go into a job ready services phase. An employment coordinator will work with employers with regard to setting up special incentives.

CONTACT

Gary Monji, Assistant for Vocational Rehabilitation and Employment		310.235.7722	
Department of Veteran Affairs Regional Office	Federal Building 11000 Wilshire Blvd Los Angeles, CA 90024	310.235.6248 (FAX)	
Department of Veteran Affairs		800.827.1000	

Link to Program Page:

<http://www.benefits.va.gov/VOW/for-employers.asp>

BUSINESS ENERGY INVESTMENT TAX CREDIT

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HOST ORGANIZATION

US Internal Revenue Service (IRS)

SUMMARY

The Business Energy Investment Tax Credit (ITC) is a U.S. federal corporate tax credit that applies to commercial, industrial, utility, and agricultural sectors. Eligible technologies for the ITC are solar water heat, solar space heat, solar thermal electric, solar thermal process heat, photovoltaics, wind, biomass, geothermal electric, fuel cells, geothermal heat pumps, CHP/cogeneration, solar hybrid lighting, microturbines, and geothermal direct-use.

ELIGIBILITY

Applicable Sectors	Eligible Technologies
<ul style="list-style-type: none"> • Commercial • Industrial • Investor-Owned Utility • Cooperative Utilities • Agricultural 	<ul style="list-style-type: none"> • Solar Water Heat • Solar Space Heat • Geothermal Electric • Solar Thermal Electric • Solar Thermal Process Heat • Solar Photovoltaics • Wind (All) • Geothermal Heat Pumps • Municipal Solid Waste • Combined Heat & Power • Fuel Cells using Non-Renewable Fuels • Tidal • Wind (Small) • Geothermal Direct-Use • Fuel Cells using Renewable Fuels • Microturbines

PROCESS

Fill out Form 3468 (link below) to claim the credit and refer to the instructions (link below). Contact the IRS for further information.

CONTACT

IRS Main	1111 NW Constitution Ave Washington, DC 20224	800.829.1040	
Direct Assistance		800.829.0582 EXT 652	
Business Questions		800.829.4933	

Link to Program Page: <http://programs.dsireusa.org/system/program/detail/658>

WORK OPPORTUNITY TAX CREDIT

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HOST ORGANIZATION

US Department of Labor (DOL)

SUMMARY

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment.

Employers can earn a tax credit equal to 25% or 40% of a new employee's first-year wages, up to the maximum for the target group to which the employee belongs. Employers will earn 25% if the employee works at least 120 hours and 40% if the employee works at least 400 hours.

ELIGIBILITY

Qualifying employees are disadvantaged groups of people who fall within designated geographic locations, receive certain forms of welfare benefits, or have a criminal or military service history.

- Unemployed Veterans
- Temporary Assistance for Needy Families (TANF) Recipients
- Food Stamp (SNAP) Recipients
- Designated Community Residents (see empowerment zones link)
- Vocational Rehabilitation Referred Individuals
- Ex-Felons
- Supplemental Security Income Recipients
- Summer Youth Employees (see empowerment zones link)

PROCESS

For the state of California, employers with 25 or more employees must enroll in Employer Services Online (link below) to request a WOTC Application. Employers with 24 employees or less have the option of submitting paper applications via mail (information below). If a business has already enrolled, they should login and submit a new application through eWOTC directly (link below)

CONTACT

Mailing and Contact	Attn: Work Opportunity Tax Credit Authorization Center 2901 50 th Street Sacramento, CA 95817	866.593.0173	WOTCsupport@edd.ca.gov
		916.227.5140 (FAX)	

Link to Program Page:

<https://www.doleta.gov/business/incentives/opptax/>

NEW MARKETS TAX CREDIT PROGRAM

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HOST ORGANIZATION

US Department of the Treasury

SUMMARY

The New Markets Tax Credit (NMTC) Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs). The credit totals 39% of the original investment amount and is claimed over seven years.

CDEs are financial intermediaries through which private capital flows from an investor to a qualified business located in a low-income community. CDEs use their authority to offer tax credits to investors in exchange for equity in the CDE.

The NMTC Program helps businesses access financing that is flexible and affordable. Investment decisions are made at the community level, and typically involve more favorable terms and conditions than the market offers. Terms can include lower interest rates, flexible provisions, lower origination fees, higher loan-to-values, lower debt coverage ratios, and longer maturities.

ELIGIBILITY

CDEs are responsible for recruiting investors. Contact your local CDE or CDFI (information below) for help finding one. Also see the list of CDE's (link below).

PROCESS

Interested parties should contact their area's CDE. Contact the CDFI (information below) for help finding a CDE right for you. Also see the list of CDE's (link below). After making investments, investors go to the IRS and request a write-off.

CONTACT

Questions		202.653.0421	cdfihelp@cdfi.treas.gov
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Link to Program Page:

www.cdfifund.gov/nmtc

OPPORTUNITY ZONES

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HOST ORGANIZATION

Internal Revenue Service

SUMMARY

An Opportunity Zone is an economically-distressed area where new investment, under certain conditions, may be eligible for preferential tax treatment. Investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund. If the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in basis equal to the fair market value of the investment on the date that the investment is sold or exchanged.

ELIGIBILITY

This program is available to any investor in a qualified opportunity fund; there is no need to live, work or have a business in an Opportunity Zone to qualify.

PROCESS

To become a Qualified Opportunity Fund, an eligible taxpayer self certifies. (Thus, no approval or action by the IRS is required.) To self-certify, a taxpayer will complete a form (which will be released in the summer of 2018) and attaches that form to the taxpayer's federal income tax return for the taxable year. (The return must be filed timely, taking extensions into account.)

CONTACT

Internal Revenue Service			www.irs.gov
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Link: <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

7(A) LOAN PROGRAM

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HOST ORGANIZATION

US Small Business Administration (SBA)

SUMMARY

The 7(a) Loan Program, SBA's most common loan program, includes financial help for businesses with special requirements. Basic uses for 7(a) loan proceeds include:

- Long-term working capital used to pay operational expenses, accounts payable and/or to purchase inventory
- Short-term working capital needs, including seasonal financing, contract performance, construction financing and exporting
- Revolving funds based on the value of existing inventory and receivables, under special conditions
- To purchase equipment, machinery, furniture, fixtures, supplies or materials
- To purchase real estate, including land and buildings
- To construct a new building or renovate an existing building
- To establish a new business or assist in the acquisition, operation or expansion of an existing business
- To refinance existing business debt, under certain conditions

SBA does not make direct loans to small businesses. Rather, it sets the guidelines for loans, which are made by its partners. The specific terms of SBA loans are negotiated between a borrower and an SBA-approved lender.

ELIGIBILITY

- Operate for profit
- Be small, as defined by SBA
- Business in the US
- Have reasonable invested equity
- Use alternative financial resources before seeking financial assistance
- Demonstrate a need for the loan proceeds
- Use the funds for a sound business purpose

Not be delinquent on any existing debt obligations to the U.S. government

PROCESS

The application should be filled out and submitted to an SBA participating lender.

Documents needed are:

1. SBA Loan Application
2. Personal Background and Financial Statement

3. Business Financial Statements
4. Ownership and Affiliations
5. Business Certificate/License
6. Loan Application History
7. Income Tax Returns
8. Resumes
9. Business Overview and History
10. Business Lease

CONTACT

US Small Business Administration	5 Hutton Centre Dr Suite 900 Santa Ana, CA	800.877.8339	answerdesk@sba.gov
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Link to Program Page:

<https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans>

MICROLOAN PROGRAM

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HOST ORGANIZATION

US Small Business Administration (SBA)

SUMMARY

The Microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000.

The SBA provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers.

Acceptable Use of Loans	Repayment Terms
<p>Microloans can be used for:</p> <ul style="list-style-type: none"> • Working capital • Inventory or supplies • Furniture or fixtures • Machinery or equipment • Payment of preexisting debt 	<p>Loan repayment terms vary according to several factors:</p> <ul style="list-style-type: none"> • Loan amount • Planned use of funds • Requirements determined by the intermediary lender • Needs of the small business borrower <p>The maximum repayment term allowed for an SBA microloan is six years.</p> <p>Interest rates vary, depending on the intermediary lender and costs to the intermediary from the U.S. Treasury. Generally, these rates will be between 8 and 13 percent.</p>

ELIGIBILITY

Each intermediary lender has its own lending and credit requirements. Generally, intermediaries require some type of collateral as well as the personal guarantee of the business owner.

PROCESS

To apply for a Microloan, you must work with an SBA-approved intermediary in your area. Approved intermediaries make all credit decisions on SBA microloans. For more information, you can contact your local SBA District Office or view the list of Participating Microloan Intermediary Lenders (link below).

CONTACT

US Small Business Administration	5 Hutton Centre Dr Suite 900 Santa Ana, CA	800.877.8339	answerdesk@sba.gov
		714.550.7409 (FAX)	

Link to Program Page:

<https://www.sba.gov/funding-programs/loans>

REAL ESTATE & EQUIPMENT LOANS: CDC/504

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HOST ORGANIZATION

US Small Business Administration (SBA)

SUMMARY

The CDC/504 Loan Program provides financing for major fixed assets such as equipment or real estate.

Maximum loan amounts are determined by how funds will be used based on which goal they support. The maximum SBA debenture is \$5 million for meeting the job creation criteria or a community development goal. The maximum SBA debenture is \$5 million or \$5.5 for small manufacturing or when meeting the public policy goals of energy reduction or alternative fuels. The maximum debenture for small manufacturers is \$5.5 million.

504 loan can be used for:

- The purchase of land, including existing buildings
- The purchase of improvements, including grading, street improvements, utilities, parking lots and landscaping
- The construction of new facilities or modernizing, renovating or converting existing facilities
- The purchase of long-term machinery and equipment

ELIGIBILITY

The types of businesses that are [eligible for financial assistance from the SBA](#), must:

- Operate for profit
- Engage or propose to do business in the US or its possessions
- Have reasonable owner equity to invest
-

Use alternative financial resources before seeking financial assistance

Also:

- Has a tangible net worth less than \$15 million and an average net income less than \$5.0 million after taxes for the preceding two years.
- Not have funds available from other sources.
- Ability to repay the loan on time from the projected operating cash flow of the business
- Good character. SBA obtains a "Statement of Personal History" from the principals of each applicant firm to determine if they have historically shown the willingness and ability to pay their debts and whether they have abided by the laws of their community
- Relevant management expertise
- Feasible business plan

PROCESS

Once you have decided to apply for a loan guaranteed by the SBA, collect the appropriate documents for your application. The SBA does not provide direct loans. The process starts with your local lender, working within SBA guidelines.

1. SBA Loan Application
2. Personal Background and Financial Statement
3. Business Financial Statements
4. Ownership and Affiliations
5. Business Certificate/License
6. Loan Application History
7. Income Tax Returns
8. Resumes
9. Business Overview and History
10. Business Lease
11. Additional Documents if Purchasing an Existing Business

For more information, see the program application section (link below)

CONTACT

US Small Business Administration	5 Hutton Centre Dr Suite 900 Santa Ana, CA	800.877.8339	answerdesk@sba.gov
		714.550.7409 (FAX)	

Link to Program Page:

<https://www.sba.gov/offices/headquarters/ofa/resources/4049>

RENEWABLE ELECTRICITY PRODUCTION TAX CREDIT

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HOST ORGANIZATION

US Internal Revenue Service (IRS)

SUMMARY

The federal Renewable Electricity Production Tax Credit (PTC) is an inflation-adjusted per-kilowatt-hour (kWh) tax credit for electricity generated by qualified energy resources and sold by the taxpayer to an unrelated person during the taxable year. The duration of the credit is 10 years after the date the facility is placed in service for all facilities placed in service after August 8, 2005.

The rebate amounts are

- \$0.023/kWh for wind, geothermal, closed-loop biomass,
- \$0.012/kWh for other eligible technologies,

ELIGIBILITY

Energy must be generated from a qualifying energy resource, such as:

- Geothermal
- Wind
- Biomass
- Hydroelectric
- Municipal Solid Waste
- Landfill Gas
- Tidal
- Ocean Thermal

See the program page (link below) for more information, or contact the IRS or US Department of Energy.

PROCESS

The credit is claimed by completing Form 8835 (link below), "Renewable Electricity Production Tax Credit," and Form 3800 (link below), "General Business Credit."

CONTACT

IRS Telephone Assistance for Businesses		800.829.4933	
US Department of Energy		202.586.5000	
		202.586.4403 (FAX)	

Link to Program Page: <http://www.energy.gov/savings/renewable-electricity-production-tax-credit-ptc>