

CITY COUNCIL AGENDA: NOVEMBER 18, 2014

CONSENT CALENDAR

SUBJECT: FEDERALLY DESIGNATED PROMISE ZONE FOR TULARE COUNTY

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: The Promise Zones is a federal initiative that seeks to revitalize high-poverty communities across the country by creating jobs, increasing economic activity, improving educational opportunities, reducing serious and violent crime, leveraging private capital, and assisting local leaders in navigating federal programs. For communities selected, the federal government will partner to help the Promise Zones access the resources and expertise they need. To date, there are 12 federal agencies working in close collaboration to provide resources and expertise to urban, rural, and tribal Promise Zones to expand economic mobility and opportunity in their communities. An application period for the second round of designations was announced on September 19, 2014.



Five AmeriCorps VISTA members will be deployed to each of the Promise Zones to build the capacity of the Promise Zones designees to work with federal agencies, coordinate key stakeholders, and create programs that address the community's needs.

A federal liaison will also be assigned in each designated community to help leaders and partners navigate the federal resources they need to accelerate efforts to revitalize their communities.

Promise Zone designations will have a term of ten years and may be extended as necessary to capture the full term of availability of the Promise Zone tax incentives if enacted by Congress.

During this term, the specific benefits made available to Promise Zones will vary from year to year, and sometimes more often than annually, due to changes in the agency policies and changes in appropriations and authorizations for relevant programs. All assistance provided to Promise Zones is subject to applicable regulations, statutes, and changes in federal agency policies, appropriations, and authorizations for relevant programs. In 2014, 12 agencies are providing preferential access in 35 programs.

To be eligible for a Promise Zone, communities must have a population under 200,000 and have a poverty rate at or above 33%. The proposed boundaries of the Promise Zone for Tulare County would include portions of the incorporated cities as well as most of the unincorporated communities that could be included and maintain the eligibility criteria. The communities and developable areas along

DD  Appropriated/Funded N/A CM 

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State Route (SR) 99 are included as well as unincorporated communities along the SR 65 corridor.

At the request of the incorporated cities, the Tulare County Economic Development Corporation is preparing the application materials required. The deadline for submission for the designation is November 21, 2014, and announcements of designations are anticipated in early 2015. Up to 15 designations may be awarded.

The designation process requires the development of specific goals and sub-goals to be achieved with federal assistance during the designation time period. For the Tulare County application, the goals and priorities that are contained in existing county-wide strategies, plans and priorities were utilized in the identification of the six goals and sub-goals. The strategies utilized included the Tulare County Comprehensive Economic Development Strategy, Tulare County Regional Transportation Plan & Sustainable Communities Strategy, Tulare County Workforce Development Strategy, and the Enterprise Zone Strategy which contained relevant information on neighborhood revitalization and other related strategies for addressing poverty and unemployment.

The strategies and details of how the goals to be achieved are being developed by the agencies/organizations that would be involved in the implementation of the Promise Zone, including the Tulare County EDC, Tulare County Association of Governments (TCAG), Tulare County Workforce Investment Board (WIB), Superintendent of Schools, Community Colleges and other organizations.

The following are the proposed goals and sub-goals for the proposed Promise Zone:

1. Create new jobs for residents of the Promise Zone.
 - Locate 25 new companies creating 2,500 new jobs in advance manufacturing and/or processing industries.
 - Provide entrepreneurial training programs, grants and loans, particularly among the youth with a focus on innovation in agri-business, manufacturing and technology.
 - Expand the Business Incentive Zone Fund to incentivize manufacturing investment in the Promise Zone.
2. Increase education attainment rate through improved educational opportunities.
 - Expand the Pathways projects at local high schools.
 - Increase the number of higher education degrees offered by public universities and colleges in the Promise Zone by providing sites for distance and on-site learning.
 - Increase availability of early college high school opportunities throughout the Promise Zone.
3. Increase economic activity through development of quality infrastructure.
 - Provide adequate and safe water supply for residents of the Promise Zone.

- Improve and expand rail infrastructure within the Promise Zone.
- Enhance farm to market delivery by improved quality of regional transportation corridors.
- 4. Enhance capacity of existing workforce to increase industry competitiveness.
 - Expand sector training initiatives and programs that improve the current workforce capacity in literacy, math and other skill levels.
 - Expand opportunities for farmworkers, packers and other low-skilled workers to advance in employment level and opportunity.
 - Expand/enhance training in renewable energy industries and other growth areas.
- 5. Expand programs to increase youth employment and reduce gang activity.
 - Expand network of “Step-Up” programs throughout the Promise Zone area.
 - Identify and develop facilities in all areas of the Promise Zone that provide a safe alternative for youth to recreate and be served by intervention and assistance programs.
 - Provide year-round youth training and employment program, expanding from the annual “summer” youth program.
- 6. Advance the agriculture industry through innovation and technology.
 - Assist agriculture operations in accessing and deploying innovation and technology that improves irrigation techniques resulting in less water use and equal or higher crop yields.
 - Assist agriculture operations through deployment of innovations that reduce greenhouse gas emissions, expand renewable energy resources and improve efficiencies.
 - Increase agri-business job opportunities by expanding supplier network, processing facilities and deployment of agri-business incubator facility/programs.

The working group, consisting of economic development representatives from the cities, county and EDC, worked to identify strategies that would advance local goals and priorities and be competitive in the Promise Zone application review process. Likewise, it was the goal to position projects for future consideration by the federal government with or without a Promise Zone designation. For example, the goal of improving rail infrastructure is specific to the recent TIGER grant application and including water infrastructure is designed to qualify for federal funds to address water supply and storage within Tulare County. Youth are also specifically highlighted in the goals, providing for expansion of the “Step-Up” program, youth training and employment and entrepreneurship are included in the sub-goals.

The application will be a joint application submitted by the EDC on behalf of the local jurisdictions, which is utilizing the organizations history with the Targeted Tax Area and Enterprise Zone programs as demonstration of how the local jurisdictions have worked together to address poverty, unemployment and economic distress. Oversight and implementation will be done by a coordinating

committee consisting of representatives of the organizations directly involved in the implementation of the goals and would include the County of Tulare, TCAG, WIB, EDC, Superintendent of Schools, Community Colleges, etc.

The application requires a letter from the local government executives, who are part of the application area that describes the local commitment to coordinate work and investments, including targeting of local and locally-controlled state and federal funds toward Promise Zone activities. Since current commitments are already dedicated to the proposed area, it is the addition of the federal investments that will be highlighted in the application. A joint letter signed by Mayors and the Board of Supervisors' Chairman is proposed as it will show the commitment in a stronger fashion. It will also allow for additional documentation to be submitted expounding the need, as the application has a maximum page count that cannot be exceeded.

RECOMMENDATION: That the City Council authorize the Mayor to sign the letter of commitment to participate in the Promise Zone.

ATTACHMENTS:

1. Promise Zone Letter
2. Promise Zone Fact Sheet
3. Proposed Promise Zone Map

We represent the incorporated cities and unincorporated communities of Tulare County, California for which a federally designated Promise Zone is proposed. Tulare County has the highest poverty rate among communities in California, as well as a high unemployment rate. Despite our aggressive efforts locally to increase economic activity, a partnership with the federal government addressing specific needs and issues, will provide the return on investment we envision. Addressing infrastructure issues such as providing communities with drinking water and upgrading an inadequate rail infrastructure along with improving education attainment and creating new jobs are goals that we share as elected officials.

We have a long history of working together, for example, we achieved a multi-jurisdiction enterprise zone designation which would have allowed us to further job creation in our communities until the program was eliminated by state government. We work together in transportation planning, implementing a successful funding program that allows us to match state and federal transportation dollars and deliver high quality projects that address our regional needs.

These are just some examples of how we work together locally and regionally to address the socio-economic challenges faced by our communities. We are committed to coordinate the work and investments and targeting funding to achieve the goals outlined in our Promise Zone.

We look forward to working with federal agencies, state government and the myriad of local organizations dedicated to community revitalization, job creation and increasing economic activity in our communities.

Very truly,



Phil Cox, Chairman
County of Tulare, Board of
Supervisors



Leonel Benavidez, Mayor
City of Farmersville



David Macedo, Mayor
City of Tulare



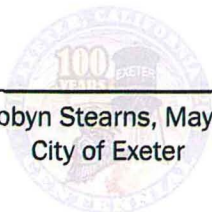
Janet Hinesly, Mayor
City of Dinuba



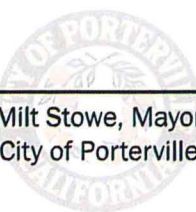
Ramona Villarreal-Padilla, Mayor
City of Lindsay



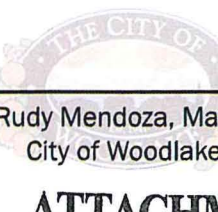
Steve Nelson, Mayor
City of Visalia



Robyn Stearns, Mayor
City of Exeter



Milt Stowe, Mayor
City of Porterville



Rudy Mendoza, Mayor
City of Woodlake

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Fact Sheet: President Obama's Promise Zones Initiative

For decades before the economic crisis, local communities were transformed as jobs were sent overseas and middle class Americans worked harder and harder but found it more difficult to get ahead. Announced in last year's State of the Union Address, the Promise Zone Initiative is part of the President's plan to create a better bargain for the middle-class by partnering with local communities and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing and improve public safety. Today, the President announced the next step in those efforts by naming the first five "Promise Zones".

The first five Zones, located in San Antonio, Philadelphia, Los Angeles, Southeastern Kentucky, and the Choctaw Nation of Oklahoma, have each put forward a plan on how they will partner with local business and community leaders to make investments that reward hard work and expand opportunity. In exchange, these designees will receive the resources and flexibility they need to achieve their goals.

Each of these designees knows and has demonstrated that it takes a collaborative effort – between private business and federal, state, tribal and local officials; faith-based and non-profit organizations; children and parents – to ensure that hard work leads to a decent living for every American, in every community.

THE FIRST 5 PROMISE ZONES AND THEIR PLANS:

San Antonio, TX (Eastside Neighborhood)

The City of San Antonio's key strategies include:

- Focusing on job creation and training, including through a partnership with St. Philip's College, in key growth areas including energy, health care, business support, aerospace/advanced manufacturing, and construction.
- Empowering every child with the skills they need by increasing enrollment in high quality pre-K programs; installing a STEM focus in the local school district; expanding enrollment in Early College Programs; and improving adult education opportunities.
- Expanding public safety activities to facilitate neighborhood revitalization; improved street lighting and demolishing abandoned buildings; and integrated public safety activities with social resources.

Los Angeles, CA (Neighborhoods of Pico Union, Westlake, Koreatown, Hollywood, and East Hollywood)

The City of Los Angeles's key strategies include:

- Increasing housing affordability by preserving existing affordable housing and partnering with housing developers to increase the supply of affordable new housing to prevent displacement.
- Ensuring all youth have access to a high-quality education, and are prepared for college and careers through its Promise Neighborhoods initiative, by partnering with the Youth Policy Institute and L.A. Unified School District to expand its Full Service Community Schools model from 7 schools to all 45 Promise Zone schools by 2019.

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- Ensuring youth and adult residents have access to high-quality career and technical training opportunities that prepare them for careers in high-growth industries through partnerships with career and technical training schools and the Los Angeles Community College District.
- Investing in transit infrastructure including bus rapid transit lines and bike lanes, and promoting transit-oriented development (TOD) that attracts new businesses and creates jobs.
- Charging its Promise Zone Director and Advisory Board with eliminating wasteful and duplicative government programs.

Philadelphia, PA (West Philadelphia)

The City of Philadelphia's key strategies include:

- Putting people back to work through skills training and adult education; classes on small business development to support entrepreneurs; loans and technical assistance for small resident-owned businesses; and the development of a supermarket providing both jobs and access to healthy food.
- Improving high-quality education to prepare children for careers, in partnership with Drexel University and the William Penn Foundation, through increasing data-driven instruction that informs teacher professional development; developing school cultures that are conducive to teaching and learning; mentoring middle and high school youth with focus on college access and readiness; and increasing parent engagement.
- Preventing and reducing crime in order to attract new residents and long-term investments, through strategies such as focused deterrence, hot spots policing, and foot patrol.

Southeastern Kentucky (Kentucky Highlands)

In Southeastern Kentucky, the Kentucky Highland's Investment Corps' key strategies include:

- Implementing a sustainable economic effort across eight counties in the Kentucky Highlands region, focused on diversifying Southeastern Kentucky's economy to make it more resilient.
- Creating jobs and growing small businesses by leveraging \$1.3 million of private sector funds in a revolving loan fund targeted within the Promise Zone.
- Creating leadership and entrepreneur training for youth and industry-specific re-training opportunities for local skilled workforce, through the University of Kentucky Economic Development Initiative, the East Kentucky Concentrated Employment Program, and the Kentucky Highlands Investment Corporation.
- In order to ensure all youth have access to a high-quality education Berea College will run evidence-based college and career readiness programs for high school students in the Zone, while Eastern Kentucky University will expand technical education programs.

Choctaw Nation of Oklahoma

The Choctaw Nation of Oklahoma's key strategies include:

- Improving skills for tomorrow's jobs, through workforce training for skilled trades and professionals and more rigorous summer and after-school programs.
- Leveraging its role as the largest employer in southeastern Oklahoma to create a strong base for economic revitalization by working with partners, like Oklahoma State University,

Eastern Oklahoma State College, and the Kiamichi Technology Center to improve workforce training for skilled trades and professionals, with a focus on providing nationally-recognized STEM certifications.

- Investing in infrastructure that lays the foundation for economic growth, including water and sewer infrastructure; these infrastructure challenges have been identified as impediments to investment in an area with otherwise strong growth potential.
- Improving educational outcomes by working across 85 school districts throughout the region to share data for continuous improvement, and bolster early literacy and parent support programs.
- Pursuing economic diversification by utilizing natural, historic, and cultural resources to support growth, including evaluation of market capacity for local farmers' markets, as well as implementation of technology-enhanced "traditional" farming and ranching, and large-scale greenhouses and specialized training in business plan development, marketing, and financing to support the development of women-owned businesses in the Promise Zone.

THE PROMISE ZONES INITIATIVE

The five Promise Zones announced today are part of the 20 that will be announced over the next three years. These unique partnerships support local goals and strategies with:

- **Accountability for Clear Goals:** Each Promise Zone has identified clear outcomes they will pursue to revitalize their community, with a focus on creating jobs, increasing economic activity, improving educational opportunities, increasing access to quality, affordable housing and reducing violent crime. All Promise Zones will continuously track those outcomes, and have committed to sharing data across their community partners (private-sector, non-profits, federal, state, and local agencies, etc.) so that each partner can work towards improvement and accountability. The Administration will work with the Promise Zones and third party experts to track progress and evaluate results.
- **Intensive Federal Partnership:** Modeled after the Administration's successful Strong Cities Strong Communities and Strike Force for Rural Growth and Opportunity initiatives, which have created unique partnerships between local stakeholders and the federal government, these first five Promise Zones will benefit from intensive federal support at the local level to help them implement their economic and community development goals.
- **Help Accessing Resources:** Where necessary to achieve their goals, Promise Zones will get priority and be able to access federal investments that further the goals of job creation, additional private investment, increased economic activity, improved educational opportunity, and reduction in violent crime.
- **National Service:** Each Promise Zone will be provided five full-time AmeriCorps VISTA members to support their strategic plan. These VISTAs will recruit and manage volunteers, and strengthen the capacity of Promise Zones to expand economic opportunity.
- **Investing in What Works:** In order to be designated as a Promise Zone, these five communities have already demonstrated that they are pursuing strategies that have data proving their effectiveness. This same data will also help direct future federal investments to these Zones.

Cutting Taxes for Businesses: Finally, President Obama has proposed, and called on Congress to act, to cut taxes on hiring and investment in areas designated as Promise Zones – based upon the proven model of Empowerment Zones tax credits – to attract businesses and create jobs.

Proposed Promise Zone Map

