

Date of Hearing: June 19, 2018

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY

Sharon Quirk-Silva, Chair

SB 635 (Hueso) – As Amended June 12, 2018

SENATE VOTE: 34-1

SUBJECT: Governor's Office of Business and Economic Development: Office of the Promise Zone Coordinator

SUMMARY: Authorizes the Governor's Office of Business and Economic Development (GO-Biz) to establish an Office of the Promise Zone Coordinator (PZ Office) for the purpose of providing state assistance to federal Promise Zones within California. Specifically, **this bill:**

- 1) Makes the following legislative findings and declarations:
 - a) Despite overall statewide economic improvement in recent years, there remain pockets of significant unemployment and economic distress in certain areas of the state;
 - b) The federal Department of Housing and Urban Development (HUD) recently designated Promise Zones throughout the country, including in California, which are intended to boost economic activity and job growth, improve educational opportunities, reduce crime, and leverage private investment to improve the quality of life in these vulnerable areas;
 - c) The success of Promise Zones is based on the creation of strategic relationships among all levels of government, community organizations, and the private sector;
 - d) The Promise Zone designation commits the federal government to partner with local leaders who are addressing multiple community revitalization challenges with on-the-ground technical assistance to help navigate federal programs and regulations. This intensive engagement will help communities make the most of funding already available; and
 - e) Currently, the state does not offer any targeted assistance to California Promise Zones. By folding in the focused attention of state programs to the California Promise Zones, we will be able to further strengthen and revitalize areas of our state that are in most need. Additionally, by including state programmatic assistance in accordance with this act, it is hoped that other California communities, both rural and urban, would be well suited to compete in any future round of designations the federal government may authorize.
- 2) Authorizes GO-Biz to establish an Office of the Promise Zone Coordinator.
- 3) Authorizes the Promise Zone Coordinator to serve as a state liaison to California Promise Zone lead agencies in their efforts to receive state assistance, including, but not limited to:
 - a) California Competes Tax Credit;
 - b) Low-Income Housing Tax Credit;
 - c) All programs administered by the Board of State and Community Corrections;
 - d) No Place Like Home Program;
 - e) All programs administered by the California Workforce Development Board;

- f) Employment Training Fund, as specified; and
 - g) Any programs administered by the Department of Parks and Recreation or the Department of Housing and Community Development that provide grants to local agencies for local park creation, rehabilitation, or improvement.
- 4) Provides that if a preference or priority is applied to a successful California Competes or Low-Income Housing tax credit application, that the amount of that credit award not be counted against the aggregate annual credit award limit, as specified.
 - 5) Prohibits the total value of a California Competes Tax Credit preference from exceeding five percentage points.
 - 6) Requires that the California Promise Zone lead agency certify a project to be consistent with and be in furtherance of the federally designed Promise Zone in order for it to receive preference or priority points.
 - 7) Provides that the degree and amount of preference or priority points is to be determined by each implementing agency and may, but is not required to, be developed in collaboration with the Office of the Promise Zone Coordinator.
 - 8) Limits the provisions of this bill to either:
 - a) A Promise Zone for the 10-year duration of its designation by the federal government; or
 - b) A community in California that applied to be federally designated as a Promise Zone for 10 years from the date the designations were made for the competition round in which the community applied.
 - 9) Specifies that any federal Promise Zone designated after the enactment of this bill, and any community in California that applies to be a federally designated Promise Zone after the enactment of this act, shall receive the benefit of the provisions of this act.
 - 10) Defines a "California Promise Zone" as a community in this state that has been designated by the US Department of Housing and Urban Development (HUD) as a Promise Zone.

EXISTING LAW:

- 1) Establishes *GO-Biz* within the Governor's Office for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment, and economic growth.
- 2) Establishes the *California Competes Tax Credit* for the purpose of awarding individually negotiated tax credits to businesses that operate in California based on the total number of jobs created or retained, amount of new capital investments made, and the amount of tax credits requested. GO-Biz administers the California Competes Tax Credit and is authorized to award \$180 million in credits annually.
- 3) Establishes the *Low-Income Housing Tax Credit* for the purpose of awarding credits to affordable housing developers who use those credits to exchange for housing development dollars. The California Tax Credit Allocation Committee (CTCAC) administers the federal and state Low-Income

Housing Tax Credit Programs. In 2017, over \$100 billion in state credits were awarded.

- 4) Establishes the *No Place Like Home Program*, administered through the California Housing and Community Development Program. Funding is provided through the issuance of \$2 billion in revenue bonds, the proceeds of which can be used to invest in the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or are at risk of chronic homelessness. The bonds are repaid by funding from the Mental Health Services Act (MHSA).
- 5) Establishes the *California Workforce Development Board (CWDB)* for the purpose of assisting the state in meeting the requirements of the federal Workforce Innovation and Opportunity Act of 2014, as well as assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. In addition to serving as a policy-making body, the CWDB administers several grant programs, including, but not limited to:
 - a) ForwardFocus: AB 2060 Supervised Population Workforce Training;
 - b) Proposition 39 Pre-Apprenticeship Support, Training, and Placement Grant 2.0;
 - c) Regional Clusters of Opportunity Grants;
 - d) Slingshot Accelerating Income Mobility Through Regional Collaboration;
 - e) Equity, Climate, and Jobs: Model High Road Training Partnerships; and
 - f) The Workforce Accelerator Fund.
- 6) Establishes the *Employment Training Panel* for the purpose of providing funding to employers to assist in upgrading the skills of their workers through training that leads to well-paying and long-term jobs. Program funding is provided through a special payroll tax paid by California employers. Eligible "employers" under its core program include:
 - a) Single employers subject to the unemployment insurance tax;
 - b) Groups of employers, including chambers of commerce, joint apprenticeship training committees, trade associations, and economic development corporations;
 - c) Training agencies, including community colleges and community college districts; universities or university foundations; adult schools; regional occupation programs; and private training agencies, as specified;
 - d) Workforce development boards; and
 - e) Workforce Innovation and Opportunity Act recipients, including one-stop career centers now called America's Job Centers.
- 7) Establishes the *Department of Parks and Recreation* for the purpose of managing more than 280 park units, which possess a diverse collection of natural, cultural, and recreational resources. The Office of Grants and Local Services administers grant programs, offers technical assistance, and supports activities which build local, state, and federal partnerships. Examples of grant programs include:
 - a) Habitat Conservation Fund;
 - b) Land and Water Conservation Fund;
 - c) Recreational Trails Program;

- d) California Youth Soccer and Recreation Development Program Two;
 - e) Outdoor Environmental Education Facilities Grant Program; and
 - f) Outdoor Recreation Legacy Partnership Program.
- 8) Establishes the *Department of Housing and Community Development* for the purpose of preserving and expanding safe and affordable housing opportunities and promoting strong communities for all Californians. Among other activities, HCD administers housing finance, economic development, and community development programs and provides technical and financial assistance to local agencies to support community development. Examples of programs include:
- a) Affordable Housing and Sustainable Communities Program, which funds land use, housing, transportation, and land preservation projects that support infill and compact development and reduce greenhouse gas (GHG) emissions;
 - b) CalHome, which makes grants to local public agencies and nonprofit corporations to assist first-time homebuyers to become or remain homeowners through deferred-payment loans. Funds can also be used to assist in the development of multiple-unit ownership projects;
 - c) Community Development Block Grant (CDBG), which makes grants available to small cities which do not receive CDBG funds directly from HUD. Funding is available for activities related to community development, economic development, and community services, as well as housing activities;
 - d) Emergency Solutions Grant Program (ESG), which makes grant funds available for projects serving homeless individuals and families through eligible non-profit organizations or local governments. ESG funds can be used for supportive services, emergency shelter/transitional housing, homelessness prevention assistance, and providing permanent housing. Funds are available in California communities that do not receive ESG funding directly from the U.S. Department of Housing and Urban Development; and
 - e) Home Investment Partnerships Program (HOME), which assists cities, counties, and non-profit community housing development organizations to create and retain affordable housing for lower-income renters or owners. HOME funds are available as loans for housing rehabilitation, new construction, and acquisition and rehabilitation of single- and multifamily projects and as grants for tenant-based rental assistance.

FISCAL EFFECT: Unknown

POLICY FRAME: While California is currently ranked as having the 5th largest economy in the world, there remain certain areas of the state for which economic security remains out of reach. Addressing the systemic and complex challenges faced by these neighborhoods requires deep economic and community development work over a sustained period of time. Most importantly, change must come from within or reinvestment will simply result in gentrification and the likely dislocation of lower income residents and small businesses.

SB 635 calls for the establishment of the PZ Office at GO-Biz for the purpose of assisting communities who have been federally designated as a Promise Zone in accessing state resources to help implement their locally developed and supported economic and community development strategies. The bill also identifies a number of state programs, including the California Competes Tax Credit and No Place Like

Home program, which are specifically directed to implement Promise Zone preferences or other special consideration when awarding funds.

The analysis includes information on the growing income inequality in California, the role place-based strategies can play in supporting inclusive economic growth, as well as information on Promise Zones and Opportunity Zones. Suggested amendments are included in **Comment 8**, which would expand the role of this office within GO-Biz to include the facilitation of state services to other geographically targeted economic development areas.

COMMENTS:

- 1) **Growing Income Inequality:** California's overall economic growth and increase in jobs has outpaced the US in general, often ranking the state within the top five states in terms of its economic condition. Most recently, the Department of Finance has announced that California has the fifth largest economy in the world. This success, however, has not been consistent throughout the state with many regions and certain population groups still experiencing recession-related poor economic conditions.

According to the US Census Bureau, California's poverty rate is 14.3% as compared to a national rate of 12.7%. It is estimated that nearly a quarter of California’s children are living in households with annual incomes near or below the federal poverty line. Using the federal Supplemental Poverty Measure, which accounts for geographic differences, transfer payments, and out-of-pocket expenses, 20.4% of California residents live in poverty, as compared to 14.7% nationally averaged from 2014 to 2016. Significant contributing factors to these poverty rates are education and basic skill deficits experienced by many Californians from rural and inner city areas, other historically underserved population groups, and those who are more recently encountering employment challenges, including returning veterans.

A review of the 2017 annualized and the April 2018 (12 month rolling average) unemployment numbers illustrates this expanding pattern of economic disparity between regions and population groups in California.

Unemployment (not seasonally adjusted)			
	Unemployment Rate (2017 Annual Average)		Unemployment Rate (April 2018 – 12 month moving averages)
California	4.8%	California	4.5%
Colusa County	14.3%	Blacks	7.0%
Imperial County	19.1%	Hispanics	5.4%
Los Angeles County	4.7%	Whites	4.5%
Orange County	3.5%		
Riverside County	5.2%	16 to 19 year olds	15.8%
Sacramento	4.6%	20 to 24 year olds	7.2%
San Bernardino County	4.9%	25 to 34 year olds	5.1%
San Mateo County	2.7%		

Tulare County	10.4%	Source: California Employment Development Department

While the state's 2017 unemployment annualized rate (not seasonally adjusted) was 4.8%, some areas of the state had lower rates, while others were considerably higher. San Mateo County recorded the lowest at 2.7% while Imperial County experienced the highest unemployment rate at 19.1% and Colusa County the second highest at 14.3%. Under the provisions of the federal Workforce Innovation and Opportunity Act, an area of substantial unemployment is considered any contiguous area within a state with an unemployment rate above 6.5%. California had 17 counties which experienced unemployment rates above 6.5% in 2017.

Looking more specifically at different population groups, the data also shows the great discrepancies between the statewide rate and the rates of key subgroups, including unemployment among Blacks and Hispanics being 7.0% and 5.4% respectively. For the youngest members of the workforce, obtaining quality jobs remains a significant issue, with unemployment among 16 to 19 year olds and 20 to 24 year olds being well above the state average, ranging from 15.8% to 7.2% respectively. According to the April 2018 figures, 11.7 million people in California are not participating in the labor force, an increase of 55,000 individuals during a 12-month period.

SB 635 is designed to increase the likelihood that California's lowest income areas are more competitive in state programs and receive additional assistance in accessing state resources.

- 2) **Place-Based Models:** Promise Zones are one of many initiatives that use place-based models to support economic and community development activities. Place-based models encourage collaborative and integrated approaches to make holistic improvements to the physical and civic/social environment. In contrast to traditional bottom-down program delivery models, place-based models use local facilitation to identify and bring resources to the entire community consistent with neighborhood-level priorities. While both models are useful, for individuals who live in lower income areas and need to address complex issues, such as business development, jobs creation, and affordable housing, place-based approaches have demonstrated to have certain advantages.

Another key component of a place-based model is that it builds upon the unique features of a community and existing physical and social assets. By strengthening an area's local identity and reinforcing cross-sector relationships, the capacity of the community to tackle the inevitable challenges to reaching goals is also improved.

Federal, state, and local governments have used place-based strategies for targeted resources for decades. In addition to federal Promise Zones, these include: federal Empowerment Zones and Enterprise Communities; federal Strong Cities, Strong Communities (SC2); Strike Force for Rural Growth and Opportunity Initiative; and the private sector All-In Cities initiative.

- 3) **Origin of Promise Zones:** The federal Promise Zone Program was established in 2014 as a strategy for communities impacted by high poverty to access public and private resources that could be used to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health, and address other priorities identified by the community.

To qualify to apply for federal Promise Zone designation, the proposed Promise Zone must be comprised of one contiguous area with a population between 10,000 and 200,000 and have a poverty rate or an "extremely low income" rate of at least 32%. Promise Zones were selected through three

rounds of national competition, in which applicants demonstrated a consensus vision for their community and its residents, the capacity to carry out that vision, and a shared commitment to specific, measurable results.

There are 22 urban, rural, and tribal Promise Zones in the US, including **four** in California: Los Angeles, South Los Angeles, San Diego, and Sacramento. The Promise Zone program is administered through HUD for urban communities and the US Department of Agriculture (USDA) for rural and tribal communities. Designations are for 10 years and during this time, AmeriCorps VISTA members are annually assigned to assist stakeholders and community leaders in accomplishing their locally developed goals.

In addition to the AmeriCorps VISTA members, federal agencies have been directed to establish special preferences and services to support Promise Zones. Once a federal agency determines what incentives a Promise Zone applicant will receive, national Promise Zone Coordinators at HUD and USDA begin outreaching to Promise Zones across the country.

As an example, in 2017, HUD and USDA announced that a Promise Zone Preference was going to be provided to applicants of a \$17.2 million Community Economic Development discretionary grant for well-planned, financially viable, and innovative projects that were designed to enhance job creation and business development for individuals with low income.

In a 2018 example, the National Institute for Food and Agriculture gave bonus points to Promise Zone applicants who applied to an \$8.6 million Community Food Projects grant for projects which, among other things, meet the food needs of low-income individuals through improving food distribution networks and increasing the longer term capacity of communities to meet food access needs in the future.

When these types of preferences and special considerations are being offered by federal agencies, the local Promise Zone administrator uses their network of community partners to help disburse information to potential applicants quickly, initiate strategic alliances, and sometimes host technical assistance workshops and trainings to help Promise Zone applicants be more competitive.

- 4) **Promise Zone Accomplishments:** Developing a community-up plan that expresses shared local priorities and then using that plan to track and report success is fundamental to place-based strategies. The plan and reporting form the foundation for community trust, as well as allowing funding partners and investors to observe progress in real time. Below are examples of goals, activities, and accomplishments from three of California's four federally designated Promise Zones.

Los Angeles Promise Zone - The Los Angeles Promise Zone is led by the Mayor's Office of Economic Development, Youth Policy Institute (the lead implementation partner), and the 49 key partners who are working to implement the Promise Zone plan. The Promise Zone has five AmeriCorps VISTA members who, according to the Promise Zone, have been instrumental in supporting the Promise Zone's organizational structure and capacity and leading resident engagement and community outreach efforts. The Promise Zone highlights the activities and impact of one of their AmeriCorps VISTA members as follows:

"Vanessa De La Rosa is an AmeriCorps VISTA member serving through the Youth Policy Institute in the Los Angeles Promise Zone. Vanessa created a Safe Pathways to School program to improve student safety. Working with parent volunteers, Vanessa launched the Safe Passages

program at Joseph Le Conte Middle School in the Promise Zone. The Safe Passages program engages parents, students, school teachers and administrators, law enforcement, and other stakeholders to improve public safety in the surrounding areas of the schools. More than providing public safety, this program strengthens the overall fabric of the community by building the civic infrastructure and engaging local elected officials and nonprofit organizations."

Sacramento Promise Zone: The Sacramento Promise Zone is led by the Sacramento Housing and Redevelopment Agency, in partnership with 150 partners, and works to coordinate resources, build capacity, and create public-private partnerships to drive area revitalization. The Sacramento Promise Zone encompasses some of the economically hardest-hit neighborhoods in the city – from Del Paso Heights in the North Area to The Avenues in the South County. The Promise Zone reports that more than 30% of residents in the Promise Zone have yet to achieve a high school diploma or GED and nearly a quarter of the residents are foreign born with limited English proficiency. Below are several examples of Sacramento Promise Zone projects related to economic empowerment and entrepreneurship.

"June 2018 - An example of the Promise Zone's success in making connections and developing community partnerships is the Financial Institution Partnership Opportunity (FIPO). This opportunity, now in its second year, brought together 10 banks from across the region to combine funds, align priorities, and maximize impact through concentrating support around a single community initiative. Local community-based organizations had the chance to present a ready-made project and compete for this funding opportunity.

"This year's winner of \$137,500 is Alchemist Community Development Corporation's Alchemist Kitchen, a food business incubator. This project will provide a pathway to self-sufficiency for low-income entrepreneurs, a pipeline for local products from small to mid-size farmers, and help improve the health of residents in the Sacramento Promise Zone.

"FIPO also benefited participants in unexpected ways. Bank members of FIPO expressed that collaborating with other financial institutions was a positive experience which could serve as an inspiration for other collaborative efforts.... Participating banks this year include: First Foundation Bank, Five Star Bank, JPMorgan Chase, Mechanics Bank, Oak Valley Community Bank, Rabobank, Tri Counties Bank, Umpqua Bank, United Business Bank, and Wells Fargo."

San Diego Promise Zone: The San Diego Promise Zone is led by the City of San Diego and many key partners, including Civic San Diego, County of San Diego, Health and Human Services Agency, Jacobs Center for Neighborhood Innovation, San Diego Housing Commission (SDHC), San Diego Unified School District, and the San Diego Workforce Partnership.

Similar to the other Promise Zones, the San Diego Promise Zone is characterized by high unemployment, low educational attainment, insufficient access to healthy foods, concentrated poverty, rising crime, and experiencing a significant lack of affordable housing. Youth unemployment is a severe problem with 40.1% of San Diego Promise Zone Youth (aged 16-24) being unemployed compared to 20.5% of youth across the city.

A key project for the San Diego Promise Zone is to strengthen the business base within the Promise Zone by attracting new businesses to vacant land; improving infrastructure; offering support for small businesses, entrepreneurs, and self-employed residents; and rebranding the San Diego Promise Zone neighborhoods. In selecting this project, the city studied retail spending habits of Promise Zone

residents and found that in 2014, residents spent more than \$1.9 billion on retail purchases, but less than \$900 million of that was spent within the Promise Zone. Impacts and Outcomes include:

- CivicSD, a New Markets Tax Credit syndicator, has allocated 35% of moneys raised to be allocated to Promise Zone businesses or businesses that serve Promise Zone residents;
- \$200,000 is committed from the City of San Diego, 2016-2021, from their City Fee Incentive Program to Promise Zone Businesses;
- \$500,000 is committed from the Civic San Diego collaboration, 2016-2025, for the City Storefront Improvement Program (SIP) which will fund businesses to revitalize building facades including new windows, signage, awnings, and tile; and
- The Mayor's Office has provided a dedicated staffer to coach developers with projects within the 66.5 acres of Promise Zone and the City Economic Development Department has also committed a half-time staffer to support this effort.

5) **Promise Zone Applicants:** SB 635 proposes to assist both Promise Zone federal designees and applicants on the basis that applicant communities have also committed to a comprehensive place-based economic and community development strategy. Below is a chart of prior applicants from Promise Zone designation rounds two and three. Applicants from round one were not available online, but the list would likely be easy to obtain through HUD and USDA. The bill would also include future Promise Zone applicants.

Promise Zone Applicants from Second and Third Rounds of Federal Designations	
Lead Applicant	Lead Applicant City <i>(not necessarily Zone location)</i>
City of Compton	Compton
City of Desert Hot Springs	Desert Hot Spring
City of Hayward	Hayward
City of Long Beach	Long Beach
City of Oakland	Oakland
City of Pomona	Pomona
City of Salinas	Salinas
City of Santa Ana	Santa Ana
City of Stockton	Stockton
Los Angeles Trade Technical College	Los Angeles
Reading and Beyond	Fresno
Riverside County Economic Development Agency	Riverside
San Bernardino County	San Bernardino
South Bay Community Services	Chula Vista
Torres Martinez Desert Cahuilla Indians	Thermal
Tulare County Economic Development Corporation	Tulare
*No information available through website as to which California communities applied in first round.	
www.hudexchange.info/programs/promise-zones/third-round-promise-zones-applicants	

6) **State Support for Promise Zone:** In 2016, the Senate passed SCR 158 (Pan and De León), which encouraged the California Department of Education, the Department of Housing and Community Development, the Department of Justice, and the Department of Food and Agriculture to give federally designated Promise Zones priority consideration for state funding, resources, and programs.

A review of state websites, including news releases, found no tangible actions were taken by these agencies.

- 7) **Opportunity Zones:** Provisions in the federal Tax Cuts and Jobs Act of 2017 authorized the establishment of Opportunity Zones (OZ) in low-income areas of a state for the purpose of attracting private investment capital. Governors were authorized to nominate up to 25% of their respective states' eligible low-income census tracts for designation. Up to 5% of the 25% of the nominated census tracts could be from census tracts adjacent to the eligible low-income census tracts. Once approved by the US Treasury, census tracts remain designated for a term of 10 years.
- **Eligible Census Tracts:** An Opportunity Zone is defined as any census tract that has either: (1) a poverty rate of at least 20%, or (2) a median family income that does not exceed 80% of statewide median income.
 - **California Eligible Areas:** Based on guidance from the US Treasury, California had 3,516 eligible low-income census tracts, meaning California was able to nominate up to 879 census tracts. As census tracts are designed to capture geographic areas of approximately 4,000 people, more than 3 million Californians are potentially living within an Opportunity Zone. Link to online resources related to designated census tracts:
http://www.dof.ca.gov/Forecasting/Demographics/opportunity_zones/index.html

Federal law authorizes a broad range of business investments, including investments in stock, partnership interest, and business property. A qualified OZ business property investment may include new and substantially improved tangible property, including commercial buildings, equipment, and multifamily housing complexes. The essential eligibility requirement of the tax incentive is that the investment must be made through a qualified Opportunity Fund. For investors who place their money in a qualified Opportunity Fund, they will receive:

- A temporary deferral of inclusion in taxable income for capital gains reinvested in an Opportunity Fund. The deferred gain must be recognized on December 31, 2026, or earlier if the opportunity zone investment is disposed;
- A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least five years and by an additional 5% if held for at least seven years, thereby excluding up to 15% of the original gain from taxation; and
- A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

Many communities are looking at how they can leverage Opportunity Zones to bring new investments to often overlooked neighborhoods. However, development in these low-income areas is difficult. Communities will need to identify and remove, where possible, development impediments if they are to become investment ready and competitive with the nearly 8,000 census tracts outside of California which have been federally designated as an Opportunity Zone. Proposed amendments suggest expanding the scope of this office within GO-Biz to include Opportunity Zones and other geographically targeted economic development areas.

- 8) **Proposed Amendments:** Below is a list of amendments the committee members may wish to review when considering the bill.

- a) Add specificity to the role of the Office of the Promise Zones;
 - b) Expand the Office to include areas designated and eligible for designation under the federal Opportunity Zone Program, as well as other place-based initiatives; and
 - c) Make other technical and conforming changes.
- 9) **Related Legislation:** Below is a list of bills from the current and prior sessions.
- a) **AB 358 (Greyson) Regional Economic Development Areas:** This bill enacts the Regional Economic Development Area Act for the purpose of certifying regional economic development areas that include, but are not limited to, active and inactive military bases. Status: Died without action in Assembly Committee on Jobs, Economic Development, and the Economy, 2018.
 - b) **AB 1178 (Bocanegra) Promise Neighborhoods:** This bill would have established the California Promise Neighborhood Initiative to develop a system of 40 promise neighborhoods throughout California to support children's development from cradle to career. California Promise Neighborhoods were intended to foster a community focused on revitalization through the establishment of a cradle-to-career network of services aimed at improving the health, safety, education, and economic development of the defined area. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2014.
 - c) **AB 1445 (Reyes) Opportunity Zone Reporting:** Requires a qualified Opportunity Fund to provide specified information when engaging in any transaction for the sale or lease of a qualified Opportunity Zone business property which is owned by the city or county that is located within a designated qualified Opportunity Zone. This information includes:
 - i) A timeline for completion of the investment activity on the property;
 - ii) An estimation of the number of jobs that will be created as a result of the investment activity on the property; and
 - iii) A summary of local workforce utilization strategies that will be employed as part of the investment activity on the property.
 - d) **AB 3030 (Caballero) CEQA Exemption for Opportunity Fund Investment:** This bill exempts from the California Environmental Quality Act residential and mixed-use projects with 50% affordable housing that are financed by a "qualified Opportunity Fund" and meet other specified criteria. Status: Pending in Senate Rules.
 - e) **SCR 158 (Pan and De León) Promise Zone Preferences:** This resolution encourages the California Department of Education, the Department of Housing and Community Development, the Department of Justice, and the Department of Food and Agriculture to give a federally designated Promise Zone priority consideration for, preferred access to, and competitive preferences for state funding, resources, and programs. The resolution also urged California to explore implementation of models developed by federal programs that give preferences to Promise Zones. Status: Adopted by the Senate, 2016.

REGISTERED SUPPORT / OPPOSITION:

Support

City of San Diego (sponsor)
California Asian Pacific Chamber of Commerce (CalAsian)
City of Chula Vista, Mayor Mary Casillas Salas
City of Sacramento, Mayor Darrell Steinberg
City of Sacramento City Council and Councilmember Jay Schenirer
Jacobs Center for Neighborhood Innovation
Sacramento Housing and Redevelopment Agency
Urban Corps of San Diego County
Urban League of San Diego County

Opposition

None on File

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