



## Legislation Text

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**File #:** 13-0318, **Version:** 1

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Recommendation to adopt resolution approving a Targeted Employment Area for the Long Beach Enterprise Zone, and direct City Manager to submit the resolution and map to the State of California. (Citywide)

The California Enterprise Zone Program was developed to provide targeted geographic areas with a means to stimulate business growth and attract new companies, jobs and investments. Firms located within an Enterprise Zone are eligible for various State tax credits if they can meet certain criteria.

A provision of the California Government Code provides for a Targeted Employment Area (TEA) within an Enterprise Zone. Section 7072(i) of the Government Code defines a TEA as an area within a city that is composed solely of those census tracts that have at least 51 percent of its residents of low- or moderate-income levels. Its purpose is to encourage businesses in an Enterprise Zone to hire eligible residents from these geographic areas. The incentive for these businesses is the availability of a tax credit for hiring residents who reside in a TEA.

The City of Long Beach Enterprise Zone received approval of a TEA, effective January 8, 2007. The statutes governing the Enterprise Zone Program require that each zone annually update its TEA within 180 days of new census data becoming available. The California Department of Housing and Community Development (HCD) has determined that the census data necessary to update TEAs, in accordance with the relative statutes, is available, using the United States Census Bureau's American Community Survey Five Year Averages. HCD has also provided the list of qualified census tracts that will comprise the Long Beach Enterprise Zone TEA. It is currently estimated that the TEA will experience a decrease of 10 percent in populations and 15.5 percent in area.

To update the Long Beach Enterprise Zone TEA, the City must submit specified documentation, including a resolution and a map of the TEA boundaries that includes the qualifying census tracts and updated TEA street address ranges. A map of the proposed TEA for the Long Beach Enterprise Zone is attached as Exhibit A and the proposed TEA street address ranges is attached as Exhibit B.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on March 19, 2013 and Budget Management Officer Victoria Bell on March 26, 2013.

City Council action is requested on June 4, 2013, in order to facilitate processing of required documents.

The City collects revenue from Enterprise Zone Program processing fees. Fees are deposited in the General Fund (GP) in the Department of Human Resources (HR). The revenue impact is unknown at this time. Despite the loss of Targeted Employment Area population and area, the revenue will

continue to be determined by the hiring needs and practices of the over 8,000 employers with the Enterprise Zone.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE SUBMISSION OF THE APPLICATION TO THE CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT FOR A TARGETED EMPLOYMENT AREA AS PART OF THE LONG BEACH ENTERPRISE ZONE

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APPROVED:

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CITY MANAGER