

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): CDBG/Economic Development	DATE: 04/17/2013
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SUBJECT: Designating a New San Diego Regional Target Employment Area for 2013

PRIMARY CONTACT (NAME, PHONE): Lydia Moreno,(619) 236-6320, MS 56D	SECONDARY CONTACT (NAME, PHONE): Kevin Sullivan, (619) 533-5954, MS 56D
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COMPLETE FOR ACCOUNTING PURPOSES

FUND	100000				
DEPT / FUNCTIONAL AREA	OTHR				
ORG / COST CENTER	1316140011				
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE): There is no new cost associated with this action.

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Environmental Analysis	ORIG DEPT.	Broughton, Kelly	5/6/2013
Liaison Office	CFO		
	DEPUTY CHIEF		
	COO		
	CITY ATTORNEY		
	COUNCIL PRESIDENTS OFFICE		

PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

Approve updated boundaries for the new 2013 San Diego Regional Targeted Employment Area.

STAFF RECOMMENDATIONS:
Approve as requested.

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)

COUNCIL DISTRICT(S):	All
COMMUNITY AREA(S):	Proposed City of San Diego eligible census tracts for the Targeted Employment Area include all or portions of many community areas city wide.
ENVIRONMENTAL IMPACT:	This activity is not a "project" pursuant to CEQA Section 15060(c) (3) and as further defined in State CEQA Guidelines Section §15378(c).
CITY CLERK INSTRUCTIONS:	

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 04/17/2013

ORIGINATING DEPARTMENT: CDBG/Economic Development

SUBJECT: Designating a New San Diego Regional Target Employment Area for 2013

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Lydia Moreno/(619) 236-6320, MS 56D

DESCRIPTIVE SUMMARY OF ITEM:

Participating jurisdictions of the California Enterprise Zone Program may elect to establish a Targeted Employment Area (TEA) consisting of at least 51% of its residents at low or moderate income levels. TEA's must be updated as new census data becomes available. The action item is to request approval of a new TEA for the San Diego Regional Enterprise Zone based on updated census tract data dated December 2012.

STAFF RECOMMENDATION:

Approve as requested.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

State law currently authorizes forty-two Enterprise Zone (EZ) designations in California. There are two legislative purposes for the EZ Program: 1) To "stimulate business and industrial growth in the depressed areas of the State"; and 2) To establish a program "to help attract business and industry to the state, to help retain and expand existing state business and industry, and to create increased job opportunities for all Californians." Essentially, EZs are designated based on distress criteria (primarily poverty and unemployment levels) and the local government's capacity to carry out an economic development program and provide additional local incentives. EZs are designated for 15 years. The San Diego Regional Enterprise Zone (SDREZ), a collaborative designation with the Cities of Chula Vista, National City and San Diego (SDREZ Partnership), was approved October 15, 2006. The City of San Diego is the lead agency and administrator of the SDREZ, and the Port of San Diego is a participating member of the local SDREZ Partnership.

A "Targeted Employment Area" (TEA) is an area within a city, county, or city and county that is composed solely of those census tracts that have at least 51 percent of its residents at low- or moderate-income levels. Its purpose, according to Section 7072(i) of the Government Code of the State of California, is to encourage EZ businesses 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. To establish a TEA, an Enterprise Zone Program must submit an application for TEA designation to the State Housing and Community Development Department (HCD). The application must clearly identify the census tracts that will constitute the proposed TEA and demonstrate that they meet the eligibility criteria. Each local governmental entity that has jurisdiction of an enterprise zone shall approve, by resolution or ordinance, the boundaries of its targeted employment area reflecting the new census data. A TEA may be, but is not required to be, the same as all or part of an enterprise zone. In addition, its boundaries need not be contiguous nor encompass each eligible TEA census tract within the jurisdiction. However,

there are several geographic restrictions. For example, at least a part of each eligible TEA census tract shall be within the territorial area of the enterprise zone jurisdictions. Only those census tracts within the jurisdictions of the entities participating in the enterprise zone may be included in a TEA. This restriction precludes census tracts from jurisdictions that are not a party to the enterprise zone.

The Government Code also requires updates to the TEA within 180 days of updated United States census data becoming available. As such, with updated census data now available annually, it is anticipated that moving forward TEA boundaries will be assessed on an annual basis to determine if census tracts meet TEA eligibility requirements. Local jurisdictions will need to make appropriate modifications if needed and approve, by resolution or ordinance, the boundaries of the targeted employment area reflecting the new census data .

DISCUSSION

Attached as Exhibit A is the SDREZ boundary map overlaid with the proposed TEA using 2012 census tract data. Exhibit B is a table of the TEA 2012 census tracts and household income levels that meet the 51% low or moderate income requirements in the Cities of San Diego, National City and Chula Vista.

As you will note, the proposed TEA is much larger than the SDREZ, which is allowable and maximizes the eligible resident base. The TEA census tracts do not necessarily have a high unemployment rate, however, they do have a high concentration of extremely low to moderate income level population.

Exhibit C shows the currently approved TEA based on 2000 census tract data. In comparing Exhibit A to Exhibit C, the TEA area is generally the same size overall even though there were changes due to some census tracts no longer meeting the 51% threshold and new census tracts qualifying.

Establishing a new TEA for the SDREZ will encourage SDREZ businesses to hire residents living in the TEA (Exhibit B). One of the goals of the SDREZ is to increase the income level of residents of the EZ by attracting and expanding industries in the SDREZ that historically pay higher wages, such as manufacturing and high technology. In the first five (5) years of the SDREZ designation, over 31,600 workers were hired by 920 EZ companies and 87% of the workers lived in the TEA. The average hourly rate for EZ eligible employees was approximately \$11.30/hr.

FISCAL CONSIDERATIONS: None

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

Resolution 301845, Aug. 15, 2006 and Resolution 304080, Sept. 10, 2008

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Enterprise Zone businesses and residents of the proposed regional Targeted Employment Area.
No negative impacts are projected.

Broughton, Kelly

Originating Department

Deputy Chief/Chief Operating Officer

San Diego Regional Enterprize Zone

Exhibit B

(Partnership between cities of San Diego, Chula Vista, National City)

Targeted Employment Area

Census 2011

Census Tract Number	Total Number of Households	Number of Households Below Median Income	% of Households at or below low to moderate levels	Census Tract Number	Total Number of Households	Number of Households Below Median Income	% of Households at or below low to moderate levels
2.01	996	584	58.63%	30.04	1,267	1078	85.08%
2.02	2,292	1,212	52.88%	31.01	1,072	781	72.85%
3.00	2,637	1,501	56.92%	31.03	1,606	1066	66.38%
4.00	2,289	1,592	69.55%	31.05	948	684	72.15%
5.00	1,529	952	62.26%	*31.07	1,612	968	60.05%
6.00	1,742	1,030	59.13%	31.11	1,681	1277	75.97%
7.00	2,176	1,414	64.98%	31.12	1,188	795	66.92%
8.00	2,415	1,781	73.75%	31.13	1,227	648	52.81%
9.00	2,877	2,244	78.00%	31.15	1,706	1057	61.96%
10.00	2,602	1,910	73.41%	32.01	1,344	947	70.46%
11.00	1,602	1,175	73.35%	32.02	1,301	935	71.87%
12.00	2,924	2,435	83.28%	*32.04	1,051	554	52.71%
13.00	3,294	2,582	78.38%	*32.07	2,196	1319	60.06%
14.00	1,439	819	56.91%	32.08	2,143	1460	68.13%
15.00	1,739	1,035	59.52%	32.09	1,676	1051	62.71%
16.00	2,320	1,766	76.12%	32.11	884	548	61.99%
17.00	2,177	1,647	75.65%	*32.14	1,524	870	57.09%
18.00	2,739	2,301	84.01%	*33.01	941	765	81.30%
19.00	1,471	815	55.40%	33.03	1,151	1046	90.88%
21.00	2,231	1,748	78.35%	33.04	982	883	89.92%
22.01	1,273	1,213	95.29%	33.05	1,490	1232	82.68%
22.02	1,543	1,410	91.38%	34.01	1,916	1439	75.10%
23.01	1,114	985	88.42%	34.03	1,026	834	81.29%
23.02	2,074	1,811	87.32%	34.04	1,109	952	85.84%
24.01	1,531	1,293	84.45%	35.01	1,003	933	93.02%
24.02	1,413	1,279	90.52%	35.02	1,230	1087	88.37%
25.01	1,448	1,072	74.03%	36.01	730	677	92.74%
25.02	1,923	1,373	71.40%	36.02	752	711	94.55%
26.01	1,586	1,393	87.83%	36.03	1,070	952	88.97%
26.02	1,136	1,033	90.93%	39.01	892	777	87.11%
27.02	1,831	1,292	70.56%	39.02	1,149	1023	89.03%
27.03	2,222	1,420	63.91%	40.00	1,182	1011	85.53%
27.05	1,331	1,040	78.14%	41.00	2,543	1991	78.29%
27.07	1,419	1,332	93.87%	44.00	1,783	1162	65.17%
27.08	1,918	1,893	98.70%	45.01	1,246	929	74.56%
27.09	1,065	826	77.56%	46.00	1,048	725	69.18%
27.10	1,115	952	85.38%	47.00	616	546	88.64%
27.11	908	632	69.60%	48.00	1,037	973	93.83%
27.12	1,693	1,198	70.76%	49.00	1,332	1076	80.78%
28.01	899	695	77.31%	50.00	509	470	92.34%
28.03	2,291	1,645	71.80%	51.00	2,711	2027	74.77%
28.04	1,435	880	61.32%	52.00	2,220	1610	72.52%
29.02	2,246	1,508	67.14%	53.00	2,504	1861	74.32%
29.03	1,349	859	63.68%	56.00	2,317	1407	60.73%
29.04	1,880	1,402	74.57%	57.00	815	626	76.81%
29.05	1,567	1,168	74.54%	58.00	1,619	935	57.75%
30.01	1,242	943	75.93%	59.00	1,690	1260	74.56%
*30.03	1,511	967	64.00%	60.00	2,020	1,245	61.63%

*Only includes portion of CT located within City of SD, CV, or NC
Utilized CT's at or below 95% of San Diego County's AMI = \$72,105

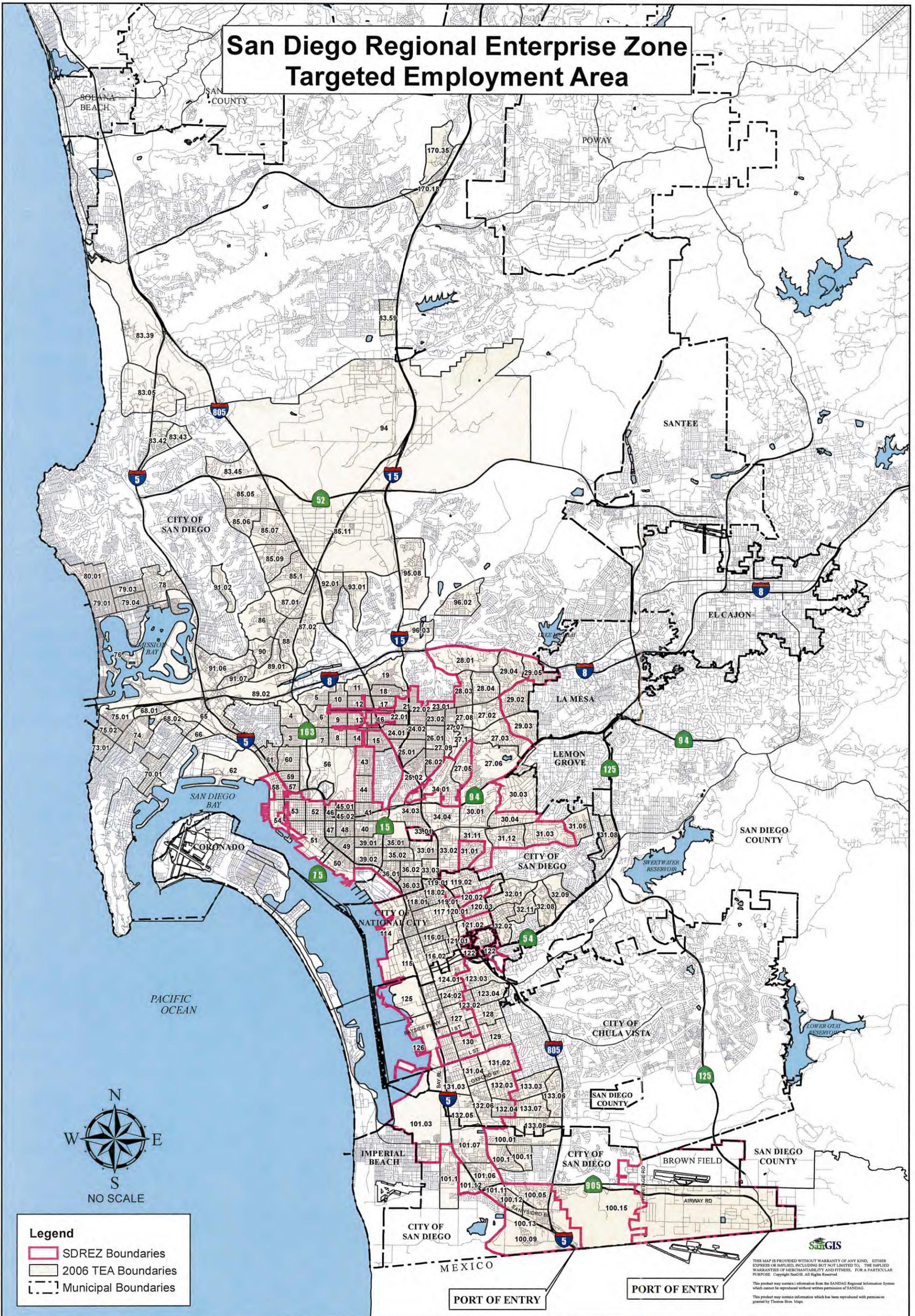
61.00	1,143	634	55.47%	95.11	1,019	688	67.52%
65.00	1,377	1,086	78.87%	96.02	1,689	997	59.03%
66.00	468	451	96.37%	96.03	2,466	1755	71.17%
68.01	1,403	899	64.08%	96.04	1,358	874	64.36%
68.02	2,292	1,569	68.46%	98.01	2,189	1125	51.39%
73.01	2,718	1,614	59.38%	98.02	2,392	1478	61.79%
74.00	3,038	1,759	57.90%	98.04	1,815	952	52.45%
75.01	2,096	1,470	70.13%	100.03	1,330	844	63.46%
75.02	1,615	1,232	76.28%	100.04	1,045	607	58.09%
76.00	2,570	1,576	61.32%	100.05	1,948	1654	84.91%
77.02	2,014	1,332	66.14%	100.09	1,540	1144	74.29%
78.00	2,443	1,700	69.59%	100.10	1,696	1281	75.53%
79.03	2,527	1,531	60.59%	100.11	868	508	58.53%
79.05	1,295	813	62.78%	100.12	1,212	961	79.29%
79.07	1,445	922	63.81%	100.13	1,419	1348	95.00%
79.08	1,365	741	54.29%	100.15	562	339	60.32%
83.05	806	662	82.13%	101.03	1,744	1377	78.96%
83.39	791	465	58.79%	101.04	1,041	721	69.26%
83.41	3,536	1,902	53.79%	101.06	1,537	1309	85.17%
83.43	1,917	1,282	66.88%	101.07	1,640	1126	68.66%
83.56	1,383	767	55.46%	101.09	1,141	744	65.21%
83.57	1,505	849	56.41%	101.10	1,884	1330	70.59%
83.58	2,124	1,212	57.06%	101.11	796	655	82.29%
83.59	1,628	1,069	65.66%	101.12	1,459	1312	89.92%
83.61	1,355	1,034	76.31%	116.01	1,776	1569	88.34%
83.62	1,581	839	53.07%	116.02	1,034	885	85.59%
83.63	2,066	1,396	67.57%	117.00	2,320	1891	81.51%
83.64	2,501	1,331	53.22%	118.01	1,051	888	84.49%
85.02	2,377	1,502	63.19%	118.02	1,730	1369	79.13%
85.03	2,768	1,415	51.12%	119.02	1,436	950	66.16%
85.04	2,252	1,427	63.37%	120.02	1,273	999	78.48%
85.05	2,136	1,176	55.06%	120.03	845	644	76.21%
85.06	1,529	856	55.98%	121.01	691	558	80.75%
85.07	2,743	1,661	60.55%	121.02	1,008	781	77.48%
85.09	2,655	1,700	64.03%	*122	909	714	78.55%
85.10	2,641	1,708	64.67%	123.02	633	514	81.20%
86.00	1,835	1,411	76.89%	123.03	1,281	748	58.39%
87.01	1,256	890	70.86%	*123.04	1,182	731	61.84%
87.02	1,654	954	57.68%	124.01	1,218	1000	82.10%
88.00	1,927	1,438	74.62%	124.02	1,803	1426	79.09%
89.01	2,257	1,527	67.66%	125.01	1,334	1186	88.91%
89.02	1,298	825	63.56%	125.02	1,515	1383	91.29%
90.00	1,319	800	60.65%	126.00	1,510	1198	79.34%
91.02	1,717	1,303	75.89%	127.00	1,814	1626	89.64%
91.06	928	474	51.08%	128.00	1,438	925	64.33%
91.07	1,849	1,198	64.79%	129.00	1,139	609	53.47%
92.01	1,622	1,143	70.47%	130.00	1,987	1,410	70.96%
93.01	1,675	977	58.33%	131.02	1,961	1,655	84.40%
93.04	4,175	2,283	54.68%	131.03	736	611	83.02%
94.00	481	379	78.79%	131.04	1,851	1,537	83.04%
95.02	1,754	986	56.21%	132.03	1,983	1,567	79.02%
95.09	1,981	1018	51.39%	132.04	1,142	992	86.87%
95.10	1,262	953	75.52%	132.05	651	523	80.34%

*Only includes portion located within City of SD, CV, or NC
Utilized CT's at or below 95% of San Diego County's AMI = \$72,105

132.06	2,297	2,148	93.51%
133.01	1,577	1,000	63.41%
133.03	1,491	1,078	72.30%
133.06	1,280	803	62.73%
133.07	1,017	676	66.47%
133.08	995	665	66.83%
133.12	819	518	63.25%
134.09	1,763	971	55.08%
*141.02	1,124	748	66.55%
170.14	1,491	1,064	71.36%
170.18	1,657	1,046	63.13%
170.19	2,902	1,503	51.79%
170.35	972	658	67.70%
170.51	1,998	1,059	53.00%
214.00	2,614	1,644	62.89%
219.00	669	583	87.14%
220.00	1,175	942	80.17%
Total	353,488	248,525	70.31%

*Only includes portion located within City of SD, CV, or NC
Utilized CT's at or below 95% of San Diego County's AMI = \$72,105

San Diego Regional Enterprise Zone Targeted Employment Area



- Legend**
- SDREZ Boundaries
 - 2006 TEA Boundaries
 - Municipal Boundaries

SanGIS
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