

Agenda Report

TO: CITY COUNCIL

DATE: NOVEMBER 5, 2007

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: APPROVAL OF AN AMENDED RESOLUTION FOR THE ENTERPRISE ZONE TARGET EMPLOYMENT AREA

RECOMMENDATION

It is requested that the City Council:

Adopt a resolution designating and formally approving the addition of two census tracts to the Targeted Employment Area for the Enterprise Zone and such other action as set forth in this agenda report, as required by State Law.

BACKGROUND

Targeted Employment Area

On March 19, 2007, the State Department of Housing and Community Development issued a memo stating that once the new enterprise zones achieve final designation, they must formally apply to the Department if they choose to establish a Targeted Employment Area. Targeted Employment Area (TEA) encourages businesses in the Enterprise Zone to hire eligible residents from geographic areas that need targeted employment benefits.

On May 21, 2007 the City Council approved a resolution authorizing staff to submit an application for the Target Employment Area as requested by the State of California as part of the conditions for final designation of the new Enterprise Zone.

On October 31, 2007 staff from the State Housing and Community Development Department contacted the City regarding the Target Employment Application that was submitted in August, 2007. The staff from the State noted that there were two additional census tracts that qualified under the new regulations that were effective after our August application was submitted. These two additional Census tracts as illustrated in

the map in Attachment A will provide employers with a larger pool of employees to choose from to take advantage of the Hiring Tax Credit.

With approval of the TEA application by HCD, Pasadena will have an approved TEA that includes the Northwest area and an expanded area to the east of Lake Avenue which provides a larger pool of employees that benefit Enterprise Zone businesses.

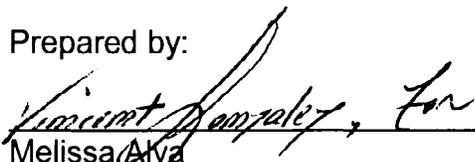
FISCAL IMPACT

The fee for the Hiring Tax Vouchers under the Enterprise Zone is \$99 per voucher and these funds currently go into the General Fund. There is potential for an increase in the number of Hiring Tax Vouchers based on the addition of the two census tracts and final designation of the Enterprise Zone.

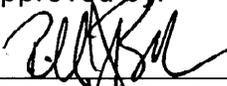
Respectfully submitted,


Cynthia J. Kurtz
City Manager

Prepared by:


Melissa Alva
Enterprise Zone Manager

Approved by:


Richard J. Bruckner
Director of Planning and Development

Attachments:

Attachment A – Target Employment Area Map
Enterprise Zone TEA Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA IDENTIFYING THE CENSUS TRACTS COMPRISING THE “TARGETED EMPLOYMENT AREA” FOR THE PASADENA ENTERPRISE ZONE

WHEREAS, on March 20, 1984, the Governor of the State of California signed into law Assembly Bill 40 (Government Code Section 7070 et seq.) “Enterprise Zone Act”, creating a State Enterprise Zone Program; and

WHEREAS, on September 26, 1996 the Governor of the State of California signed into law Senate Bill 2023 and Assembly Bill 296, effective January 1, 1997, revising the Enterprise Zone Act requiring, among other things, that Enterprise Zones establish “Targeted Employment Areas” to encourage businesses within an Enterprise Zone to hire eligible residents from geographic areas of the city in most need of employment targeting.

WHEREAS, in September 9, 2006, the Governor of the State of California signed into law Assembly Bill 1550 revising Government Code Section 7072, requiring Enterprise Zones to designate eligible census tracts by the United States Department of Housing and Urban Development as having at least 51 percent of its residents of low or moderate income levels, using either the most recent United States Department of Census data available at the time of the original enterprise zone application or the most recent census data available at the time the targeted employment area is designated to determine that eligibility.

WHEREAS, on September 1, 2006, the State Department of Housing and Community Development received an application for consideration of a new 15-year State of California Enterprise Zone Designation from the City of Pasadena.

WHEREAS, to on November 3, 2006 the State Department of Housing and Community Development awarded Conditional Designation to the City of Pasadena pursuant to the Enterprise Zone Act; and

WHEREAS, on March 19, 2007, the State Department of Housing and Community Development authorized that existing Targeted Employment Areas shall remain in effect for conditionally approved Enterprise Zones until they receive final designation. With final designation status, the new Enterprise Zones will need to formally apply for new Targeted Employment Areas.

NOW, THEREFORE, BE IT RESLVED BY THE CITY COUNCIL OF THE CITY OF PASADENA AS FOLLOWS:

Section 1. Resolution No. 7974 and 7463 is hereby authorized remain in effect as the qualified Targeted Employment Area for the 1992 Enterprise Zone Designation and through the conditional approval phase of the Enterprise Zone application process. Upon final designation from the State Department of Housing and Community Development, the census tracts will expire.

Section 2. The following census tracts have been designed by the United States Department of Housing and Urban Development as having 51 percent of its residents at low- or moderate- income levels, and hereby identified as those census tracts which are in most need of employment targeting pursuant to Enterprise Zone act, as amended:

4609, 4615, 4616, 4619, 4620, 4621, 4622,4623 and 4624.

Section 3. A targeted employment area composed of the above specified census tracts and having the boundaries created by grouping said census tracts together, as shown on Attachment A, attached hereto and incorporated herein, is hereby approved.

Section 4. Approved census tracts for the new 2007 Enterprise Zone Final Designation are subject to approval by the Department of Housing and Community Development.

Adopted at the regular meeting of the City Council on _____ day of _____ 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

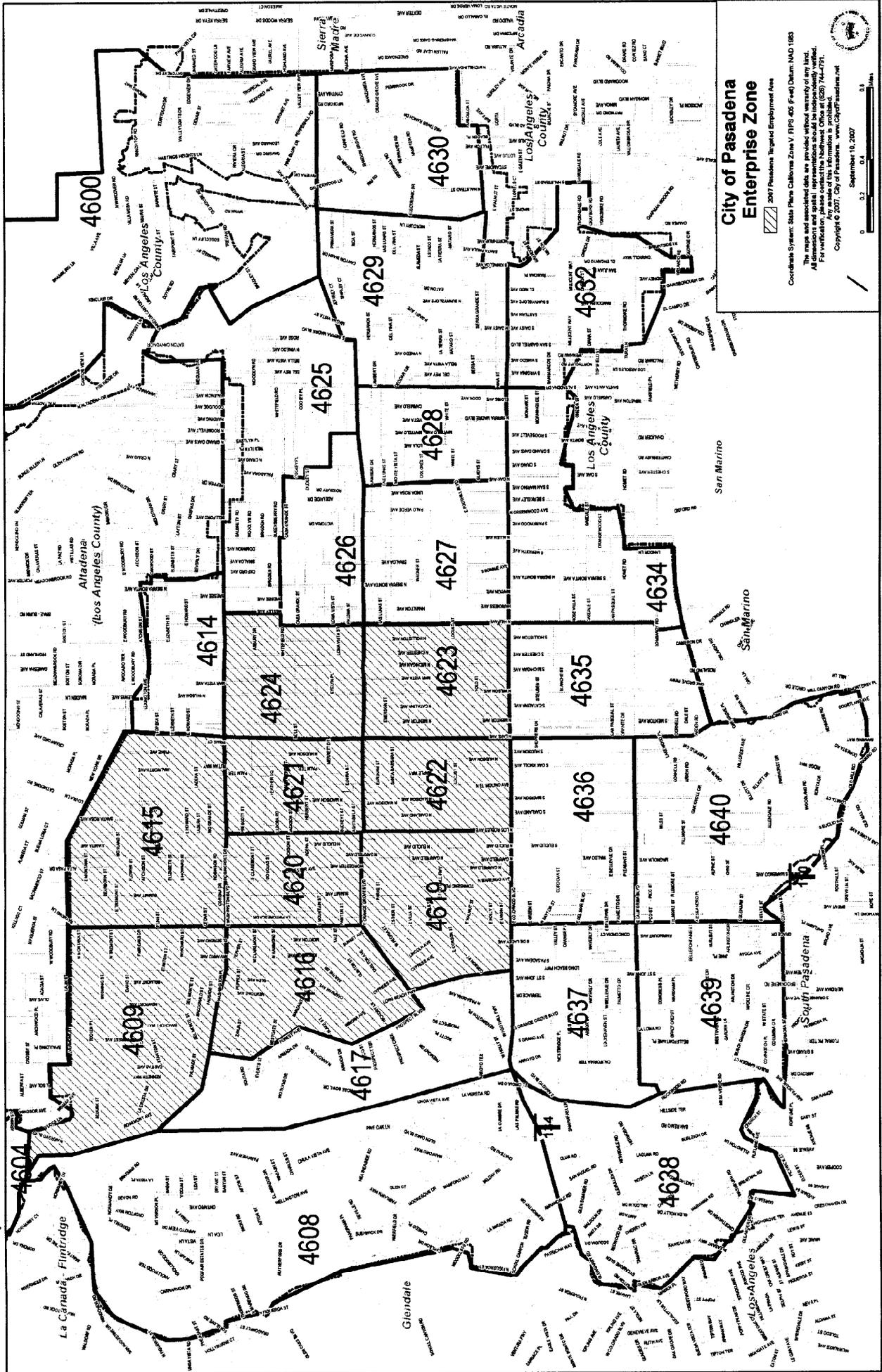
Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM:



Brad L. Fuller
Assistant City Attorney

**ATTACHMENT A
TARGET EMPLOYMENT AREA MAP**



**City of Pasadena
Enterprise Zone**

2007 Pasadena Targeted Employment Area

Coordinate System: State Plane California Zone V (FIPS 426 F+4) Datum: NAD 83
 The map and associated data are provided without warranty of any kind.
 All dimensions and spatial representations should be independently verified.
 For verification, please contact the Planning Office at (626) 744-1791.
 Copyright © 2007, City of Pasadena. www.CityofPasadena.net

