

ASSEMBLY BILL

No. 2476

Introduced by Assembly Member V. Manuel Perez

February 19, 2010

An act to amend Sections 7072 and 7072.5 of the Government Code, relating to enterprise zones.

LEGISLATIVE COUNSEL'S DIGEST

AB 2476, as introduced, V. Manuel Perez. Enterprise zones: targeted employment area.

The Enterprise Zone Act authorizes a governing body to include a targeted employment area in an enterprise zone to encourage businesses to hire eligible residents of certain geographic areas.

This bill would modify the definition of a targeted employment area.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7072 of the Government Code is amended
2 to read:
3 7072. For purposes of this chapter, the following definitions
4 shall apply:
5 (a) "Department" means the Department of Housing and
6 Community Development.
7 (b) "Date of original designation" means the earlier of the
8 following:
9 (1) The date the eligible area receives designation as an
10 enterprise zone by the department pursuant to this chapter.

1 (2) In the case of an enterprise zone deemed designated pursuant
 2 to subdivision (e) of Section 7073, the date the enterprise zone or
 3 program area received original designation by the former Trade
 4 and Commerce Agency pursuant to Chapter 12.8 (commencing
 5 with Section 7070) or Chapter 12.9 (commencing with Section
 6 7080), as those chapters read prior to January 1, 1997.

7 (c) “Eligible area” means any of the following:

8 (1) An area designated as an enterprise zone pursuant to Chapter
 9 12.8 (commencing with Section 7070), as it read prior to January
 10 1, 1997, or as a targeted economic development area, neighborhood
 11 development area, or program area pursuant to Chapter 12.9
 12 (commencing with Section 7080), as it read prior to January 1,
 13 1997.

14 (2) A geographic area that, based upon the determination of the
 15 department, fulfills at least one of the following criteria:

16 (A) The proposed geographic area meets the Urban Development
 17 Action Grant criteria of the United States Department of Housing
 18 and Urban Development.

19 (B) The area within the proposed eligible area has experienced
 20 plant closures within the past two years affecting more than 100
 21 workers.

22 (C) The city or county has submitted material to the department
 23 for a finding that the proposed geographic area meets criteria of
 24 economic distress related to those used in determining eligibility
 25 under the Urban Development Action Grant Program and is
 26 therefore an eligible area.

27 (D) The area within the proposed zone has a history of
 28 gang-related activity, whether or not crimes of violence have been
 29 committed.

30 (3) A geographic area that meets at least two of the following
 31 criteria:

32 (A) The census tracts within the proposed eligible area have an
 33 unemployment rate not less than 3 percentage points above the
 34 statewide average for the most recent calendar year as determined
 35 by the Employment Development Department.

36 (B) The county of the proposed eligible area has more than 70
 37 percent of the children enrolled in public school participating in
 38 the federal free lunch program.

39 (C) The median household income for a family of four within
 40 the census tracts of the proposed eligible area does not exceed 80

1 percent of the statewide median income for the most recently
2 available calendar year.

3 (d) “Enterprise zone” means any area within a city, county, or
4 city and county that is designated as an enterprise zone by the
5 department in accordance with Section 7073.

6 (e) “Governing body” means a county board of supervisors or
7 a city council, as appropriate.

8 (f) “G-TEDA” means a geographically targeted economic
9 development area, which is an area designated as an enterprise
10 zone, a Manufacturing Enhancement Area, a targeted tax area, or
11 a local agency military base recovery area.

12 (g) “High-technology industries” includes, but is not limited to,
13 the computer, biological engineering, electronics, and
14 telecommunications industries.

15 (h) “Resident,” unless otherwise defined, means a person whose
16 principal place of residence is within a targeted employment area.

17 (i) (1) “Targeted employment area” means ~~an~~ *either of the*
18 *following*:

19 (A) *For an area designated on or before December 31, 2010,*
20 *an area within a city, county, or city and county that is composed*
21 *solely of those census tracts designated by the United States*
22 *Department of Housing and Urban Development as having at least*
23 *51 percent of its residents of low- or moderate-income levels, using*
24 *either the most recent United States Department of Census data*
25 *available at the time of the original enterprise zone application or*
26 *the most recent census data available at the time the targeted*
27 *employment area is designated to determine that eligibility. ~~The~~*
28 *purpose of a “targeted employment area” is to encourage businesses*
29 *in an enterprise zone to hire eligible residents of certain geographic*
30 *areas within a city, county, or city and county. A targeted*
31 *employment area may be, but is not required to be, the same as all*
32 *or part of an enterprise zone. A targeted employment area’s*
33 *boundaries need not be contiguous. A targeted employment area*
34 *does not need to encompass each eligible census tract within a*
35 *city, county, or city and county. The governing body of each city,*
36 *county, or city and county that has jurisdiction of the enterprise*
37 *zone shall identify those census tracts whose residents are in the*
38 *most need of this employment targeting. Only those census tracts*
39 *within the jurisdiction of the city, county, or city and county that*

1 has jurisdiction of the enterprise zone may be included in a targeted
2 employment area.

3 (B) For an area designated on or after January 1, 2011, or for
4 a targeted employment area designated before January 1, 2011,
5 following the release of 2010 census data, subject to the deadline
6 in paragraph (5), means an area within a city, county, or city and
7 county that is composed solely of those census block groups
8 designated by the United States Department of Housing and Urban
9 Development as having at least 61 percent of its residents as low-
10 or moderate income levels, using the most recent census data
11 available at the time the targeted employment area is designated
12 to determine that eligibility.

13 (2) The purpose of a “targeted employment area” is to
14 encourage businesses in an enterprise zone to hire eligible
15 residents of certain geographic areas within a city, county, or city
16 and county. A targeted employment area may be, but is not
17 required to be, the same as all or part of an enterprise zone. A
18 targeted employment area’s boundaries need not be contiguous.
19 A targeted employment area does not need to encompass each
20 eligible census tract or block group within a city, county, or city
21 and county. The governing body of each city, county, or city and
22 county that has jurisdiction of the enterprise zone shall identify
23 those census tracts or block groups whose residents are in the
24 most need of this employment targeting. Only those census tracts
25 or block groups within the jurisdiction of the city, county, or city
26 and county that has jurisdiction of the enterprise zone may be
27 included in a targeted employment area.

28 (2)

29 (3) At least a part of each eligible census tract or block group
30 within a targeted employment area shall be within the territorial
31 jurisdiction of the city, county, or city and county that has
32 jurisdiction for an enterprise zone. If an eligible census tract or
33 block group encompasses the territorial jurisdiction of two or more
34 local governmental entities, all of those entities shall be a party to
35 the designation of a targeted employment area. However, any one
36 or more of those entities, by resolution or ordinance, may specify
37 that it shall not participate in the application as an applicant, but
38 shall agree to complete all actions stated within the application
39 that apply to its jurisdiction, if the area is designated.

40 (3)

1 (4) Each local governmental entity of each city, county, or city
2 and county that has jurisdiction of an enterprise zone shall approve,
3 by resolution or ordinance, the boundaries of its targeted
4 employment area, regardless of whether a census tract *or block*
5 *group* within the proposed targeted employment area is outside
6 the jurisdiction of the local governmental entity.

7 (4)

8 (5) (A) Within 180 days of updated United States census data
9 becoming available, each local governmental entity of each city,
10 county, or city and county that has jurisdiction of an enterprise
11 zone shall approve, by resolution or ordinance, boundaries of its
12 targeted employment area reflecting the new census data. If no
13 changes are necessary to the boundaries based on the most current
14 census data, the enterprise zone may send a letter to the department
15 stating that a review has been undertaken by the respective local
16 governmental entities and no boundary changes are required.

17 (B) A targeted employment area boundary approved prior to
18 the 2000 United States census data becoming available that has
19 not been reviewed and its boundaries revised to reflect the most
20 recent census data, shall be reviewed and updated, and a new
21 resolution or ordinance submitted by the appropriate local
22 governmental entity to the department, by July 1, 2007. However,
23 enterprise zones that expire on or prior to December 31, 2008,
24 shall be exempt from the update requirement.

25 SEC. 2. Section 7072.5 of the Government Code is amended
26 to read:

27 7072.5. ~~By April 1, 1998, a governing body that has already~~
28 ~~designated a target employment area may request, by a resolution~~
29 ~~of all cities or counties having jurisdiction over the enterprise zone,~~
30 ~~to redesignate the targeted employment area using more current~~
31 ~~census data. A~~ *For a targeted employment area designated on or*
32 *before December 31, 2010, a targeted employment area shall be*
33 *comprised of census tracts from only one decennial census. For a*
34 *targeted employment area designated on or after January 1, 2011,*
35 *or for a targeted employment area designated before January 1,*
36 *2011, following the release of the 2010 census data, subject to the*
37 *deadlines in paragraph (5) of subdivision (i) of Section 7072, a*

- 1 *targeted employment area shall be comprised of census block*
- 2 *groups from only one decennial census.*

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