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To: Lemoore City Council **Item # 3G**
From: Jeff Laws, Acting City Manager 
Date: July 11, 2013
Subject: Resolution No. 2013-19 – Authorizing Application to the State of California for the New Kings County Enterprise Zone Targeted Employment Area

Discussion:

Kings County was awarded a State Enterprise Zone effective in 2008. One of the benefits of the zone is to provide state tax credits to businesses located within the zone that hires local residents possessing characteristics considered barriers to employability. One of those barriers is residency in a census tract where over 50% of the families are living below the poverty level. Those geographic areas are termed Targeted Employment Areas (TEA's) for Enterprise Zone purposes.

The statutes governing the Enterprise Zone Program require that each zone update its Targeted Employment Area (TEA) within 180 days of new census data becoming available. One of the primary benefits of the state tax credit program centers on zone employers hiring local residents who meet State-designated qualifications to receive a zone hiring voucher. One of the principle ways to qualify a local resident to receive such a voucher is through the Targeted Employment Area (TEA). The TEA is designated based upon the average income of the persons within census tracts. This action will formalize the requested census tracts throughout Kings County to be designated as the Targeted Employment Area for the Kings County Enterprise Zone. The effective date, as determined by the California Department of Housing & Community Development, will be January 1, 2013.

A Targeted Employment Area must be designated to identify the census tracts within Kings County which contain at least 51% of their residents at or below low and moderate income levels relative to the 2010 County of Kings Median Household Income Levels.

A resolution identifying the census tracts to be included in the Targeted Employment Area must be completed by each legislative body within Kings County. Staff was informed by the California Department of Housing & Community Development the proposed new Targeted Employment Area will have an effective date of January 1, 2013. Final approval of the new Targeted Employment Area is eminent once all resolutions have been received.

Budget Impact:

This action does not create a fiscal liability for the County. If designated, the Targeted Employment Area will be utilized as the basis for issuing Enterprise Zone hiring vouchers for new hires under the Kings County Enterprise Zone. State tax credits would accrue to employers who hire eligible Kings County residents.

Recommendation:

That Council approve Resolution No. 2013-19 designating the census tracts within Kings County to constitute the Kings County Enterprise Zone Targeted Employment Area.