

**** FACT SHEET ****

**CITY OF SAN ANTONIO, TEXAS
EASTPOINT PROMISE ZONE (EPZ) INITIATIVE**

What is the Promise Zone?

Announced in last year's State of the Union Address, the Promise Zone Initiative is part of President Obama's plan to comprehensively revitalize distressed communities by partnering with local communities and businesses to create jobs, increase economic security, reduce poverty, expand educational opportunities, increase access to quality, affordable housing and improve public safety. The first five Zones are located in San Antonio, Philadelphia, Los Angeles, Southeastern Kentucky, and Choctaw Nation of Oklahoma. The City of San Antonio applied for the EastPoint Promise Zone in November 2013. On January 9, 2014, the City was selected as one of the first five Promise Zones.

What is the EastPoint Promise Zone (EPZ)

The EastPoint Promise Zone (EPZ) is an initiative of the City of San Antonio, in partnership with the United Way of San Antonio and Bexar County, the San Antonio Housing Authority, San Antonio for Growth on the Eastside (SAGE) and SA2020. Support partners include San Antonio Independent School District (SAISD), Judson Independent School District, St. Philip's College and private sector businesses, employers and investors. The application required that the existing Promise or Choice Neighborhood Initiative be included in its entirety and form the basis for the Promise Zone.

What does the Promise Zone Designation Come with or Provide?

Due to this designation, the City, its partners and businesses who invest in the EPZ will be eligible for the following:

1. Specialized technical assistance on federal grant applications to cut red tape from the grant application process,
2. 5 preference points on subsequent federal grant applications, and
3. Employer tax incentives/credits for hiring and creating jobs in the zone (pending Congressional approval). Enactment of federal tax credits will stimulate the job creation and business development that is essential to the full realization of the EastPoint Promise Zone.

Where is the EastPoint Promise Zone Located?

Please see the attached EPZ map. The EPZ enjoys close proximity to downtown San Antonio, is bounded on three sides by major highways, enabling wider community access, and is adjacent to two of the region's largest employers, Fort Sam Houston and the San Antonio Military Medical Center.

What are the Demographics of the EPZ?

The 19 contiguous census tracts include 64,125 residents and a poverty rate of 35.03%. The area also includes some of San Antonio's most violent sectors (the area's Part I violent crime rate per 1,000 residents is 2.78, compared to the City's rate of 0.78) and lower employment rates (88.41%, compared to the City's rate of 94.0%). Juxtaposing EPZ poverty with employment indicate that many employed residents work less than full time and/or work in low wage jobs.

What is the Vision for the EPZ?

The City has demonstrated its commitment to the redevelopment and revitalization of the EPZ with significant infrastructure investments, the impact of which has been extended by Promise Neighborhood and Choice Neighborhood Implementation Grants and two Byrne Criminal Justice Innovation Grants. Federal designation of the EastPoint Promise Zone offers the opportunity to integrate and leverage these initiatives and make new, material improvements to the community's economic health and the residents' quality of life by: (1) transforming EastPoint from a neighborhood of poverty into a viable, mixed-income neighborhood with high quality schools and educational programs and access to support services, public transportation, job training and jobs; and, (2) delivering economic revitalization and long-term stability and success by sustaining existing businesses and attracting new businesses, creating a vibrant commercial corridor that is the center of neighborhood activity..

What are the Activities for San Antonio's EPZ?

The City of San Antonio has six (6) planned activities in the EPZ in the next five years:

1. ***Creating Jobs by:***

- Attracting 50 new business starts;
- Employing a Business Expert armed with a sophisticated marketing toolbox that will favorably position the area to potential business owners and government contractors;
- Using the existing Grow Eastside Fund, managed by SAGE, to incentivize new business starts;
- Continuing to expand other creative incentives, e.g., subsidized rent, insurance risk pools, and specialized security services.

2. ***Increasing Economic Activity by:***

- Enabling business development and retention;
- Strengthening the pipeline of skilled talent in the EPZ;
- Partnering with education and training providers to assemble a comprehensive array of in-area, high quality certificate or degree-based career training in local demand occupations;
- Securing placement of a One Stop Center in the EPZ;
- Prioritizing City General Fund investments to non-profits providing support services that remove barriers to employment and promote employment retention.

3. ***Improving Educational Opportunities by:***

- Increasing enrollment in high quality Pre-K programs to enhance school readiness;
- Supporting local school districts' efforts to install a STEM-focus to equip students with skill sets that ensure success in high school, college and career;
- Expanding enrollment in Early College Programs to increase the number of college and career ready graduates in the EPZ;
- Increasing adult education opportunities.

4. Reducing Serious or Violent Crime by:

- Increasing proactive policing activities that take high-risk persons off the streets;
- Increasing situational prevention strategies, e.g., improved lighting, performing or requesting code inspections, cleaning up vacant lots, razing abandoned buildings.

5. Leveraging Private Capital by:

- Pledging 50% of existing business assistance grants to EPZ enterprises;
- Designating commercial corridors within EPZ as a Neighborhood Empowerment Zone and Local HUB Zone to attract new businesses and support business retention;
- Developing an incubator/accelerator program for veteran entrepreneurs;
- Facilitating the use of project financing options available from the New Markets Tax Credits, Historic Tax Credits, EB-5 and TIF;
- Returning vacant, underutilized properties to productive use through REnewSA.

6. Reducing Poverty and Unemployment by:

- Increasing accessible workforce development and adult education resources;
- Increasing affordable housing stock by creating/preserving 631 units of mixed income housing, partnering with private non-profits to construct new houses on publicly owned infill lots, and renovating publicly owned vacant houses, subsequently selling/leasing them to eligible families;
- Attracting new housing developers with subsidized infill lots, fee waivers, tax reimbursement grants/loans.

What are the Immediate Next Steps for the City?

City and its partners will participate in a HUD Kick off Webinar in early February to receive more detail about the designation and available support from the federal government. After the HUD Webinar, City staff will convene a meeting with the EPZ partners to discuss implementation of the Zone.

The Promise and Choice Together (PACT) Coordinating Council will vet all EastPoint Promise Zone fiduciary and strategic decisions, with final decision-making authority resting with the City Manager of the City of San Antonio. Major decisions regarding funding or policies may be presented in a public process prior to final action to ensure transparency and accountability.

Who is the Point of Contact for the EPZ?

Questions related to the EastPoint Promise Zone (EPZ) Initiative should be directed to Mike Etienne, PhD, EastPoint & Real Estate Services Director of the City of San Antonio at (210) 207-6502 or Mike.Etienne@sanantonio.gov

