

# Promise Zones

## *Frequently Asked Questions*

June 6, 2016

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### THIRD ROUND SELECTION PROCESS

#### 1. In the third round selection process, how many urban communities did HUD designate?

On June 6th, 2016, HUD announced the following five new urban Promise Zone designations:

<b><i>Promise Zone name</i></b> <b>Lead Organization</b> (alphabetical by city)	<b>City</b>	<b>State</b>
<i>Westside Promise Zone</i> City of Atlanta	Atlanta	GA
<i>Evansville Promise (Small/Medium selection)</i> ECHO Housing Corporation	Evansville	IN
<i>South Los Angeles Transit Empowerment Zone</i> Los Angeles Trade - Technical College	Los Angeles	CA
<i>Nashville Promise Zone</i> Metropolitan Development and Housing Agency	Nashville	TN
<i>San Diego Promise Zone</i> City of San Diego	San Diego	CA

For the Third Round Promise Zones competition, there were 82 applications submitted: 64 urban applicants, 11 rural applicants, and 7 tribal applicants.

Applications were scored according to the selection criteria and scoring rubric set forth in the final Application Guide for the appropriate category of Promise Zone (urban, rural, or tribal). Representatives from eleven of the thirteen federal agencies participating in the Promise Zone Initiative helped to review

and score applications in the selection process. The highest scoring urban applications within the Large and Small/Medium categories were selected for designation.

**2. Did HUD select finalists in the third round? If so, what benefits do finalists receive?**

HUD selected the following communities as finalists:

<b>Finalist Lead Organization (alphabetical by state)</b>	<b>State</b>	<b>CBSA</b>
City of Birmingham	AL	Large
City of Long Beach	CA	Large
City of Santa Ana	CA	Large
City of Pomona	CA	Large
City of Hayward	CA	Large
County of San Bernardino	CA	Large
City of Oakland	CA	Large
City of Stockton	CA	Large
City of Tampa	FL	Large
City of Tallahassee	FL	Small/Med
City of Pensacola	FL	Small/Med
City of Nampa	ID	Large
United Way of Greater St. Louis (East St. Louis)	IL	Large
Kokomo Housing Authority	IN	Small/Med
Louisville Metro Government	KY	Large
Dudley Street Neighborhood Initiative (Boston)	MA	Large
United Way of Genesee County (Flint)	MI	Small/Med
Durham County Cooperative Extension	NC	Large
City of Newark	NJ	Large
City of Rochester	NY	Large
City of Utica	NY	Small/Med
City of Springfield	OH	Small/Med
Metanoia Community Development (North Charleston)	SC	Large
City of Memphis	TN	Large
City of Arlington	TX	Large
City of El Paso	TX	Large
City of Port Arthur	TX	Small/Med
City of Brownsville	TX	Small/Med
City of Richmond	VA	Large
City of Spokane	WA	Large
Racine County	WI	Small/Med

The purpose of selecting Promise Zones Finalists is to recognize communities whose applications reflect high-quality strategies under the criteria set forth in the Application Guide, but are not selected as Promise Zone designees. The participating federal agencies will seek to expand national knowledge

about Promise Zones Finalist communities and will communicate regularly with Finalists about opportunities for relevant funding or technical assistance that may become available. However, no preference points or other Promise Zone designation benefits will be given to Finalists.

The HUD Regional Office will contact finalists starting July 2016 to discuss next steps in the process. HUD plans to work with Finalist communities through the Community Needs Assessment Initiative to help advance priority projects identified in their promise zone applications. For further questions, contact the relevant Regional Administrators.

**3. How many applications came from small/medium metro CBSAs?**

After third round urban Promise Zone applications were submitted, HUD checked each applicant against the definition of the subcategory for small/medium Metro CBSA, that the geographic area proposed as the Promise Zone is located within the geographic boundaries of a Metro CBSA with a population of 499,999 or less. This resulted in several applications for Promise Zones in cities with populations of 499,999 or less, but in Metro CBSAs with higher populations, being scored, rated and ranked in the large Metro CBSA subcategory. The following 14 applications were received from small/medium Metro CBSAs:

<b>Lead Organization (alphabetical by state)</b>	<b>State</b>
City of Montgomery	AL
City of Salinas	CA
City of Tallahassee	FL
City of Pensacola	FL
ECHO Housing Corporation (Evansville)	IN
Kokomo Housing Authority	IN
United Way of Genesee County (Flint)	MI
City of Utica	NY
City of Springfield	OH
City of Florence	SC
City of Laredo	TX
City of Port Arthur	TX
City of Brownsville	TX
Racine County	WI

**4. HUD established a subcategory for metro areas with less than 500,000 total population – why was only one designation made for the smaller cities?**

HUD stated in the application guide that it intended to designate at least one applicant from the small/medium Metro CBSA sub-category if the highest scoring small/medium Metro CBSA application is comparable in quality to other urban designees. The application guide also set parameters on the designation of small/medium metro CBSAs, which have less than 500,000 total population for the entire metro CBSA area.

1) by establishing a subcategory, HUD recognized that regions of less than 500,000 people often have a narrower base of institutions and resources to involve in community revitalization activities, and

2) it tested demand from communities of that size for Promise Zone designations, by creating the subcategory only if we received a certain number of such applications -- a total of five or 10 percent of the total applications received, whichever was greater. HUD received 14 applications from small/medium metro CBSAs, or 22% percent of the total. The response demonstrates strong interest from regions with less than 500,000 in total population.

The Application Guide also stipulated that, in order to be designated, small/medium metro CBSA applicants must score within 10 points of the lowest-scoring large metro CBSA designee. With large and small/medium metropolitan CBSA applicants being scored by separate teams, this process establishes a standard of relative quality among the designees. Very few small/medium CBSA applicants fell within that band, although there were many worthy and exciting projects represented.

In light of this outcome, HUD decided that a more productive course would be to name one Promise Zone designee and 9 Finalists from among the small/medium CBSA applicants. The cohort of 9 Finalists, almost 70% of the remaining applicants in the subcategory, will receive enhanced attention from HUD's existing field staff to accelerate their revitalization plan. They represent a leadership group that will help HUD and the federal family focus on the issues facing smaller metropolitan areas and the types of partnerships, resources and approaches that can be most effective in addressing them.

**5. The U.S. Department of Agriculture has designated two rural and two tribal communities in the third round double the anticipated number. Why is HUD not designating more communities as well?**

The Promise Zones Initiative is a demonstration of how a closer and better coordinated partnership between local leaders and federal agencies can produce results. In order to provide and maintain intensive Federal support for designated Promise Zone communities, HUD could not offer designations to all of the worthy and compelling urban applications submitted for the third round urban Promise Zone selection process.

Instead, HUD plans to reach the communities that developed high scoring strategic strategies through a different initiative. The Community Needs Assessment (CNA), modeled after Strong Cities and Strong Communities (SC2), provides the forum to solve locally identified issues, locally driven community goals; focuses resources on issue resolution; and provides a venue for increased collaboration across HUD's programs, with other federal agencies, and with local partners to deploy resources and expertise.

Starting in October 2016, HUD staff in regional and field offices will work with the thirty-one (31) applicants designated as third round Finalists to advance their priority projects and deepen their strategies through the CNA initiative.

HUD and the federal family will work with the Finalists to develop outcome-oriented implementation plans that align with their Promise Zone application. The agencies will highlight relevant programs and innovative solutions that match local needs and strategies.

Over the next several years, HUD will offer similar support to other communities that applied in the first, second and third rounds of the Promise Zone competitions.

HUD will also explore establishing peer networks among applicants who are working on similar issues or projects, and could benefit from cohort learning opportunities. Through this effort HUD will help to accelerate revitalization efforts in a much broader range of communities.

## **6. Why are there so many designations in California?**

More applications were received by California than from any other state in each of the three competition rounds (4 in Round 1, 13 in Round 2 and 10 in Round 3).

The chance of having one or more high-scoring applicants from a state or region increased as HUD received more applications from that state or region. There were some states and regions from which HUD received relatively few applications, and others such as California who submitted several.

## **7. Why are there two Promise Zones in Los Angeles?**

In each competition, the highest scoring urban applications were selected for designation. The two Promise Zone applications from Los Angeles were among the top scorers for Round 1 (2014) and Round 3 (2016) competitions.

## **8. HUD has stated that geographic diversity among Promise Zone communities makes the demonstration more useful in developing practices that can be applied in other, similar communities. How was this priority applied?**

HUD relies primarily on the scoring of individual applications, according to the selection criteria set out in the Application Guide, in making Promise Zone selections.

- a. While we do have the ability to designate a lower-scoring applicant over a higher-scoring applicant in order to establish geographic diversity, in practice we would only do that within clusters of applications that are relatively close in scores. Following this approach maintains the overall quality of the Promise Zones at work in the initiative.
- b. The second factor affecting the geographic diversity of selections is the overall number of applications we receive from different states and regions of the country in a given round. The chance of having one or more high-scoring applicants from a state or region increases as HUD receives more applications from that state or region. There are some states and regions from which HUD received relatively few applications.

**9. My community was not designated or named a finalist during the third round. Can I request an application debrief?**

Yes. Applicants will have two weeks from the notification of decision to request an application debrief. The Promise Zone Team will work with applicants to schedule a debrief to discuss the areas of strengths and weakness in their application.

**10. How can communities who were not designated as Promise Zones still benefit from this initiative?**

There are a number of different ways that communities that did not receive a Promise Zones designation can still benefit from this initiative:

- HUD's Promise Zone website maintains a comprehensive list of federal grant opportunities for distressed communities. Communities who did not receive designations are welcome to apply for any of these grants, even though their applications will not receive Promise Zone preference points. Communities can also sign up to for the Promise Zone Listserv at: <https://www.hudexchange.info/maillinglist/> to receive updates.
- Additionally, the [Community Development Marketplace](#) (CDM) is a database of the Second Round Promise Zones Initiative applicant project data from 111 communities (86 urban, 18 rural, and 7 tribal) who consented to share their survey with the public. The CDM provides information that describes community goals, proposed activities and key supporters and implementation partners.
- HUD has made the CDM public so that internal and external stakeholders can learn about current and proposed activities to create transformation at the local level. Applicants can use this tool to connect with other communities to share expertise and foster collaboration in sustainable community development projects.
- Reach out to your relevant Regional Administrators to discuss.

## **APPLICATION-RELATED QUESTIONS**

**11. What was the application deadline and where did applicants submit their applications? \***

Electronic copies of application materials were received by 5:00p.m. Eastern Standard Time on February 23, 2016 via MAX Survey.

**12. Which entities within a community were eligible to apply for an urban Promise Zone designation?**

\*Eligible Lead Applicant/Lead Organization for **Urban** Promise Zone designations are:

1. Units of Local Government (UGLG/Local Government);
2. An office/department within local government or a county government on behalf of the local government under a local delegation of authority;

3. Nonprofit organizations<sup>1</sup> applying with support of the UGLG; or
4. Public Housing Agencies, Community Colleges, Local Education Agencies (LEAs), or Metropolitan Planning Organizations (MPO)<sup>2</sup> applying with the support of the UGLG

### **13. What is the eligibility criteria to apply for a Promise Zone designation? \***

- a. Proposed Promise Zone must have one contiguous boundary and cannot include separate geographic areas;<sup>3</sup>
- b. The rate of overall poverty or Extremely Low Income rate (whichever is greater) of residents within the Promise Zone must be at or above 32.5%;<sup>4</sup>
- c. Promise Zone boundaries must encompass a population of at least 10,000 but no more than 200,000 residents;
- d. The Promise Zone application must affirmatively demonstrate support from all mayors or chief executives of UGLGs that include any geographical area within the proposed Promise Zone boundary (see clarifications of UGLG support, below)

## **OVERVIEW**

### **14. What are Promise Zones and what do they aim to achieve?**

Promise Zones are high poverty urban, rural, and tribal communities where the federal government will work with local leaders to create jobs, increase economic activity, improve educational opportunities, leverage private investment, and reduce violent crime.

### **15. What communities are designated Promise Zones?**

On January 9, 2014, President Obama announced the first urban, rural, and tribal Promise Zones in a ceremony at the White House. They are located in: San Antonio, Philadelphia, Los Angeles, Southeastern Kentucky, and the Choctaw Nation of Oklahoma.

On April 28, 2015, HUD announced the second set of six urban Promise Zone designations located in Minneapolis, Sacramento, Indianapolis, Camden, Hartford and St. Louis.

On June 6, 2016, HUD announced the third and final set of Promise Zone designations located in Los Angeles, CA; San Diego, CA; Atlanta, GA; Evansville, IN; and Nashville TN.

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<sup>1</sup> Including Workforce Investment Boards (WIBS) and Community Action Agencies (CAA). Examples are illustrative and not exhaustive. See Definition of nonprofit on page 29 of the urban application guide.

<sup>2</sup> See Definitions of Public Housing Authority, LEAs and MPO on page 29 of the urban application guide.

<sup>3</sup> Applicants are required to use the Promise Zone mapping tool to show both the boundary and the poverty levels. The mapping tool emails this information as a PDF to the applicant. This PDF must be included in the application. See page 33 for more information on the mapping tool.

<sup>4</sup> The reported poverty rate or Extremely Low Income rate will be rounded to the nearest .1%.

To receive a Promise Zone designation, a community must submit a high quality application that meets the eligibility criteria and demonstrates strong local commitment, a compelling strategy, and high need.

**16. Is the Promise Zones initiative sustainable? What is going to happen after the Administration changes?**

Promise Zones receive a ten year designation. We are just two years into the first round designation, and anticipate that important groundwork we are laying now across the Federal government will help ensure agencies are well-equipped to partner with Promise Zones throughout the entirety of their designation.

Each of these 22 communities will have designated staff from HUD and USDA working alongside them for the next 10 years. HUD and USDA have put into place strong staff teams to work with each of the Promise Zones to provide continuity to the designees across transitions in administrations, and will continue to deliver on their commitment to partner with the Zones for the next ten years.

## **BENEFITS**

**17. How long will Promise Zone designations last?**

The Promise Zone designation will have a term of ten years and may be extended as necessary to capture the full term of availability of the Promise Zone tax incentives, if enacted by Congress.

**18. Are the AmeriCorps VISTA members available to the Promise Zones for the entirety of the 10 year designation?**

The Corporation for National and Community Service (CNCS) will support up to 5 AmeriCorps VISTA members in each Promise Zone for 5 years, contingent on the Promise Zone designee meeting all the AmeriCorps VISTA reporting and performance standards as designated by the relevant CNCS state office. After 5 years, CNCS state offices may continue to place AmeriCorps VISTA members in the Promise Zone if the Promise Zone demonstrates an ongoing need for anti-poverty capacity building resources, has met all relevant reporting requirements, and sufficient AmeriCorps VISTA resources are available in the relevant state.

**19. What federal resources will be available to Promise Zones? Is there funding associated with becoming a Promise Zone?**

The Promise Zones designation commits the Federal government to partner with local leaders who are addressing multiple community revitalization challenges in a collaborative way and have demonstrated a commitment to results. Further, Promise Zones will be assigned Federal staff to help navigate the array of Federal assistance and programs already available to them. In addition, eligible applicants in Promise Zones will receive any available (a) preference for certain competitive Federal programs and (b) technical assistance. Subject to enactment by Congress, businesses investing in Promise Zones or hiring

residents of Promise Zones will be eligible to receive tax incentives. Altogether, this package of assistance will help local leaders accelerate efforts to revitalize their communities.

The Promise Zones designation will be for a term of 10 years, and may be extended as necessary to capture the full term of availability of the Promise Zones tax incentives, pending the enactment of tax incentives by Congress. During this term, the specific benefits made available to Promise Zones will vary from year to year, and sometimes more often than annually, due to changes in the agency policies and changes in appropriations and authorizations for relevant programs. All assistance provided to Promise Zones is subject to applicable regulations, statutes, and changes in Federal agency policies, appropriations, and authorizations for relevant programs.

**Promise Zone Opportunities in FY 2016**

<b>U.S. Department of Agriculture</b>
Community Facilities Grant Program
Community Food Projects Competitive Grants Program
Distance Learning and Telemedicine Grant Program
Farm To School Grants
Farmers Market and Local Food Promotion Program
Farmers Market SNAP Support Grant
Food Distribution Program on Indian Reservations (FDPIR), Food Distribution Program Nutrition Education Grants (FDPNE)
Rural Community Development Initiative
Food Insecurity Nutrition Incentive (FINI) Grant Program
SNAP Process and Technology Improvement Grants
Community Connect Grant Program
<b>U.S. Department of Commerce</b>
Economic Development Assistance Programs
<b>Corporation for National and Community Service</b>
AmeriCorps VISTA
<b>U.S. Department of Education</b>
Charter Schools Program Replication and Expansion Grant
Native Youth Community Projects
Performance Partnership Pilots for Disconnected Youth
Promise Neighborhoods
<b>Environmental Protection Agency</b>
Local Food Local Places Technical Assistance
<b>U.S. Department of Health and Human Services</b>
Assets for Independence
Community Economic Development Program
Community Economic Development Program - Healthy Food Financing Initiative Program
Community Services Block Grants
Early Childhood Technical Assistance
Place-Based Strategies for Community Revitalization Learning Community Group Technical

Assistance
Early Childhood Comprehensive Services Impact (HRSA)
Health Center New Access Grants
<b>U.S. Department of Housing and Urban Development</b>
Choice Neighborhoods Implementation Grant
Choice Neighborhoods Planning Grant
Community Development Block Grant for Indian Tribes and Alaska Native Villages
Jobs Plus
Juvenile Re-Entry Assistance Program
Lead Based Paint Hazard Control Grant Program
Lead Hazard Reduction Demonstration Grant Program
<b>U.S. Department of Justice</b>
Byrne Criminal Justice Innovation Program
COPS Hiring Program
Diagnostic Center Technical Assistance
<b>U.S. Department of Labor</b>
Face Forward – Youth
Face Forward- Intermediary and Community Grants
Training to Work-Adult
Linking Employment Activities Pre-Release
Reentry Employment Opportunities
Reentry Employment Opportunities: Pathways to Justice Careers for Youth
Reentry Employment Opportunities: Reentry Demonstration for Young Adults
Summer Jobs and Beyond: Career Pathways for Youth
National Guard Youth Challenge
YouthBuild
<b>National Endowment for the Arts</b>
Our Town
<b>U.S. Small Business Administration</b>
HUB Zone Program
Office of Entrepreneurship Education
Office of Native American Affairs
Program for Investment in Micro-Entrepreneurs (PRIME)
<b>U.S. Department of the Treasury</b>
New Markets Tax Credit Program

Please note that funding opportunities are open to all eligible communities. More information on each opportunity can be found at agency websites and [www.grants.gov](http://www.grants.gov).

**20. How would the proposed Promise Zones tax credits work?**

If Congress enacts the Obama Administration’s Promise Zones tax incentive proposal, private businesses will receive tax incentives for employing and investing in Promise Zones, thereby attracting additional private investments. The tax incentives would be available to businesses employing Promise Zone residents or investing in a geographic area encompassing the Promise Zone as described in the Administration’s FY15 revenue proposals (<http://www.treasury.gov/resource-center/tax-policy/Documents/General-Explanations-FY2015.pdf>). The maximum population of the area in which a Promise Zones tax incentive can be claimed is two hundred thousand. Under the Administration’s proposal, the Promise Zones tax incentives would remain available to businesses for ten years.

**21. Is the lead applicant the only entity that receives the benefits of Promise Zone designation, such as tax incentives, technical assistance, and future application preference points for an array of grant programs?**

Other organizations, in addition to the lead organization may receive Promise Zone benefits by working with the lead organization to support the Promise Zone plan. In order for an organization to qualify for benefits, the lead organization of the Promise Zone will need to provide documentation certifying their involvement with the Promise Zone using the Promise Zone Certification Form ([HUD Form 50153](#)). Funding announcements and other information regarding federal benefits targeted to Promise Zones will provide more specific instructions regarding the documentation required to indicate that a partner has been certified by the lead organization.

**22.**

- a. Will Urban Promise Zones designees have an opportunity to determine and choose the level and types of support and/or technical assistance needed to address its specific project goals?**
- b. Who will be the federal liaison responsible for supporting Promise Zone designees? How will the quality of support provided to Promise Zone designees be monitored?**

For the designated communities, agencies across the federal government will partner to help the Promise Zones access the resources and expertise they need. The Promise Zone’s lead organization and its partners will determine the types and level of federal support needed to revitalize their community.

A federal community liaison will be assigned to help each Promise Zone navigate federal resources. HUD and USDA are tracking the use of federal programs and available preferences by Promise Zone designees. Current designees are also providing regular feedback to federal partners to ensure that community needs are addressed.

**23. How can I verify details on which competitive grants programs provide preference points and priority consideration to Promise Zone communities and what those preferences are?**

Thirteen federal agencies offer benefits to Promise Zone designees. For a current list of funding and technical assistance opportunities, please visit <https://www.hudexchange.info/promise-zones/federal-partner-funding-and-technical-assistance-opportunities/>

Please note that funding and technical assistance opportunities are open to all eligible communities, not just communities with Promise Zone preferences. The specific benefits made available to Promise Zones will vary from year to year, and sometimes more often than annually, due to changes in the agency policies and changes in appropriations and authorizations for relevant programs. All assistance provided to Promise Zones is subject to applicable regulations, statutes, and changes in federal agency policies, appropriations, and authorizations for relevant programs.

More information on each funding opportunity can be found at agency websites and [www.grants.gov](http://www.grants.gov).

## **MISCELLANEOUS**

### **24. What if I have additional questions?**

Please see the Promise Zones website at: <https://www.hud.gov/promisezones/> and make sure to join our mailing list for updates. You may also call 202-708-2426 and ask for Promise Zones communications.