



This document is scheduled to be published in the Federal Register on 07/29/2015 and available online at <http://federalregister.gov/a/2015-18626>, and on [FDsys.gov](http://FDsys.gov)

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. 5774-N-03]

### **Promise Zones Initiative: Proposed Third Round Selection Process Solicitation of Comment**

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice.

**SUMMARY:** Through this notice, HUD solicits comment, for a period of 60-days, on the proposed selection process, criteria and submissions for the Third Round of the Promise Zones Initiative.

**DATES:** Comments Due Date: **INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**.

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposal. Questions or comments should be directed by email to [PromiseZones@hud.gov](mailto:PromiseZones@hud.gov) with “Third Round Promise Zones selection” in the subject line. Questions or comments may also be directed by postal mail to the Office of the Deputy Assistant Secretary for Economic Development, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7136, Washington, DC 20410 ATTN: 3<sup>rd</sup> Round Promise Zones selection.

**FOR FURTHER INFORMATION CONTACT:** Bryan Herdliska, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 451 7<sup>th</sup> Street, SW, Washington, DC, 20410; telephone number 202-402-6758. This is not a toll-free number. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

## **SUPPLEMENTARY INFORMATION:**

### **Background – Round 1 and 2 Promise Zones**

In his 2013 State of the Union address, President Obama announced the establishment of the Promise Zones Initiative to partner with high-poverty communities across the country to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety.<sup>1</sup> On January 8, 2014, the President announced the first five Promise Zones, which are located in: San Antonio, TX; Philadelphia, PA; Los Angeles, CA; Southeastern Kentucky, KY; and the Choctaw Nation of Oklahoma, OK. On April 28, 2015, the Obama Administration announced eight more Promise Zones as part of the second round Promise Zone selection process, which are located in: Camden, NJ; Hartford, CT; Indianapolis, IN; Minneapolis, MN; Sacramento, CA; St. Louis County, MO; Barnwell, SC; and Porcupine, SD. Each of these communities (eight urban, one rural, and one tribal) submitted a plan on how it will partner with local business and community leaders to make investments that reward hard work and expand opportunity. In exchange, the Federal government is helping these Promise Zone designees secure the resources and flexibility they need to achieve their goals.<sup>2</sup>

The first five Promise Zones were selected through a competitive process following an invitation to eligible communities to apply for a designation, which was issued on October 30, 2013 with an application deadline of November 26, 2013.<sup>3</sup> The urban designations were conferred by HUD while the rural and tribal designations were conferred by USDA. The pool

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<sup>1</sup> See <http://www.whitehouse.gov/the-press-office/2013/02/15/fact-sheet-president-s-plan-ensure-hard-work-leads-decent-living>.

<sup>2</sup> See <http://www.whitehouse.gov/the-press-office/2014/01/08/fact-sheet-president-obama-s-promise-zones-initiative>.

<sup>3</sup> See [www.hud.gov/promisezones](http://www.hud.gov/promisezones).

of eligible applicants was limited to communities with demonstrated capacity in one or more areas of Promise Zone work that would prepare them to broaden their efforts to additional revitalization priorities. Specifically, urban eligibility was limited to communities encompassing a Choice Neighborhoods or Promise Neighborhoods Implementation grant, or a Byrne Criminal Justice Innovation grant, while rural and tribal eligibility was limited to communities encompassing a Stronger Economies Together, Sustainable Communities, Promise Neighborhoods Implementation, or Rural Jobs Accelerator grant.

The second round Promise Zone selection process opened on August 29, 2014 with an application deadline of November 21, 2014.<sup>4</sup> This second round competition designated 8 more communities meeting the specified eligibility criteria without regard to their prior selection for receipt of federal grants. As with the first round, the urban designations were conferred by HUD while the rural and tribal designations were conferred by USDA.

### **Promise Zone Benefits**

The Promise Zones Initiative seeks to revitalize high-poverty communities across the country by creating jobs, increasing economic activity, improving educational opportunities, reducing violent crime, leveraging private capital, and assisting local leaders in navigating federal programs. Promise Zones will not receive grant funding. The Promise Zone designation partners the Federal government with local leaders who are addressing multiple community revitalization challenges in a collaborative way and have demonstrated a commitment to results. Promise Zone Designees will receive: the opportunity to engage Five AmeriCorps VISTA members in the Promise Zone; a federal liaison assigned to assist with

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<sup>4</sup> See [http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2015/HUDNo\\_15-049](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2015/HUDNo_15-049).

navigating federal programs; preferences for certain competitive federal programs; technical assistance from participating agencies; and Promise Zone tax incentives if enacted by Congress.

Altogether, this package of assistance will help local leaders accelerate efforts to revitalize their communities. The Promise Zone 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, if enacted 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 an agency's 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. Subject to these limitations, the Promise Zone 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.

### **Third Round Promise Zones Selection Process**

A third and final round of Promise Zone designations is currently in the selection process planning stage with announcements of the designees expected in spring 2016. HUD anticipates making at least seven designations in the third round in the urban, rural and tribal categories, depending on resources available. As a result of the third round competition, the Department of Housing and Urban Development (HUD) intends to designate five urban communities and the Department of Agriculture (USDA) intends to designate one rural and one tribal community. This third round of selections will bring the total number of Promise Zone designations to 20, including the five designations announced in January, 2014, and the eight announced in April, 2015.

Due to the nature of the Initiative, Promise Zone activities are likely to be carried out by a variety of organizations and organization types. Eligible lead applicants for Urban Promise Zone designations are:

1. Units of General Local Government (UGLG or local government)<sup>5</sup>;
2. An office or department within local government or a county government with the support of the UGLG;
3. Non-profit organizations<sup>6</sup> applying with the support of the UGLG;
4. Public Housing Agencies, Community Colleges, Local Education Agencies (LEAs), or Metropolitan Planning Organizations (MPO) applying with the support of the UGLG.

For eligible lead applicants for Rural and Tribal Promise Zone designations please refer to the Rural and Tribal Promise Zone Application Guide located at <https://www.hud.gov/promisezones>.

The selection process under consideration is that any community meeting the community eligibility criteria set forth in the *Third Round Application Guide* would be eligible to apply for Promise Zone designation. All of the following must be present in an application for a proposed Promise Zone to be eligible for designation:

- i. Proposed Promise Zone must have one contiguous boundary and cannot include separate geographic areas;

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<sup>5</sup> Unit of general local government as defined in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)). [See definition \(a\) \(1\) Unit of General Local Government.](#)

<sup>6</sup> Including Workforce Investment Boards (WIBS) and Community Action Agencies (CAA). Examples are illustrative and not exhaustive.

- ii.** 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 percent;
- iii.** Promise Zone boundaries must encompass a population of at least 10,000 but no more than 200,000 residents;
- iv.** 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, where such city(is), county(ies), parish(es), or county equivalent(s) is(are) the sole UGLG(s) providing general government services for such geographical area(s), subject to the following conditions:

  - a.** The chief executive of a city, county, parish, or county equivalent may only affirmatively demonstrate support for the Promise Zone Plan of one proposed Promise Zone containing a geographical area in which the city, county, parish or county equivalent is the sole provider of general public services;
  - b.** Subject to the limitation in paragraph a. above, the chief executive of a county, parish, or county equivalent may affirmatively demonstrate support for the Promise Zone Plan of any proposed Promise Zone located in the county, parish, or county equivalent where another UGLG also provides general government services;
  - c.** With the exception of paragraph b. above, if the Mayor or chief executive of a county, parish or county equivalent demonstrates affirmative support for the Promise Zone Plan of more than one proposed Promise Zone in which the UGLG he or she represents is the sole provider of general government services, all of the applications from that UGLG will be disqualified from the competition;

d. Where the proposed Promise Zone boundaries cross UGLG boundaries, one Lead Applicant must be identified for the Promise Zone application, and commitment must be demonstrated by the mayors or chief executives of all of the UGLGs that are sole providers of general government services for any part of the proposed Promise Zone geographical area; and

e. If a Promise Zone designated in Round 1 or 2 is located within a UGLG in which a new application is being submitted, the applicant must include an explanation of how, if a second Promise Zone designation is made, the UGLG that is the sole provider of general government services plans to work with both of the Promise Zone designees at the same time and sustain the level of effort, resources and support committed to each Promise Zone under its respective Promise Zone Plan for the full term of each Promise Zone designation. This explanation must be evidenced by commitments from the UGLG in materials submitted by the mayor or chief executive in support of the application.

### **Solicitation of Comment**

HUD is soliciting public comments on the proposed selection process, criteria, and submissions for the third round of the Promise Zone Initiative that has been announced through this Federal Register Notice. The draft *Third Round Urban Application Guide* and the draft *Third Round Rural and Tribal Application Guide* can be found at [www.hud.gov/promisezones](http://www.hud.gov/promisezones).

Comments are due by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and may be submitted at [PromiseZones@hud.gov](mailto:PromiseZones@hud.gov) with “Third Round Promise Zone selections” in the subject line.

HUD has created a MAX Survey stage site in order to allow both applicants and other stakeholders an opportunity to experience the proposed intake mechanism for the third round

selection process and provide specific feedback on its operation and functionality. To access the MAX Survey platform, please go to: [www.hud.gov/promisezones](http://www.hud.gov/promisezones).

Questions or comments may also be directed by postal mail to:

Office of the Deputy Assistant Secretary for Economic Development,  
U.S. Department of Housing and Urban Development,  
451 Seventh Street SW., Room 7136, Washington, DC 20410  
ATTN: Third Round Promise Zone selections

In addition to providing comments on the proposed selection process, criteria, and submissions for the third round of the Promise Zone Initiative, commenters are encouraged to address any or all of the following questions.

**A. Overarching Questions:**

For communities considering a Promise Zone application:

1. Are the programs that provide preferential access for designated Promise Zones helpful? Are there policy areas or issues that you need to address that are not represented?
2. If your community is not designated, but you and your partners intend to continue community revitalization efforts, please explain what particular types of information, technical assistance, peer exchange, introductions or other non-competitive assistance would be helpful to you as you move your work forward?
3. Do you find the MAX SURVEY sufficiently easy to use compared to other federal application systems (e.g. Grants.Gov)?
4. Would you be willing to provide the type of information requested in the Goals and Activities template for purposes of potentially connecting you to federal and private



partners/peers that could facilitate your community's development work if it were not part of a competition for a federal designation? (See MAX SURVEY at [www.hud.gov/promisezones](http://www.hud.gov/promisezones).)

## **B. Community Development Marketplace**

For users of the Community Development Marketplace (a database of strategy and activity information Second Round applicants permitted HUD and USDA to share):

5. What kind of potential user are you? HUD has heard from foundations, investors, communities, researchers and national intermediaries and stakeholder networks, but there may be others who can use this data.
6. Does the Third Round template capture information that would be useful to you? (See MAX SURVEY at [www.hud.gov/promisezones](http://www.hud.gov/promisezones).) If yes, how is this information useful to you?
7. Are there additional pieces of information that would assist you in filtering and searching for information you would like to have?

## **C. Promise Zone Website**

8. Is the website clear and easy to use? If not, what elements would be more helpful? (See [www.hud.gov/promisezones](http://www.hud.gov/promisezones) and linked program information.)
9. Is the interagency program information presented on the website well-matched to your community's needs? If not, what type of information would be helpful to add?

## **D. Communications and Stakeholder Engagement**

10. Do you find Promise Zone communications, through emails, webinars, written documents and other means, useful to organizations working in your community?  
Please elaborate on what is useful or what could be done to make it more useful.
11. How can HUD communicate more clearly/effectively with residents and community based organizations about the way that the Promise Zone Initiative operates and how it supports local work?
12. How can the Promise Zone Initiative better engage new Americans and immigrant stakeholders?

**E. Data collection, research and evaluation**

13. How can the Promise Zones make use of the EPA Smart Location database?
14. Does the Promise Zone framework for tracking data address the issue of burdening designees in terms of data access and reporting? Are there other ways we could accomplish this?
15. Is the Promise Zone table of core indicators, measures, and data sources useful for community development outcome tracking? Are there other measures that should be added?

**Dated:** July 23, 2015.

Harriet Tregoning,  
Principal Deputy Assistant Secretary for Community Planning and Development.

**[FR-5774-N-03]**

**[FR Doc. 2015-18626 Filed: 7/28/2015 08:45 am; Publication Date: 7/29/2015]**