

Promise Zones

Nearly 11.5 million people are living in communities of concentrated poverty. The children and families that live in these neighborhoods face a complex web of challenges, including high rates of crime and poverty and low rates of educational attainment and employment.

In 2010, the Obama Administration began to address place-based approaches to helping distressed communities transform themselves into neighborhoods of opportunity by creating the [Neighborhood Revitalization Initiative](#) (NRI), which engages several federal agencies in support of local solutions to transform neighborhoods. Since the inception of NRI, more than \$350 million has been invested in more than 100 high-poverty communities, through programs like [Promise Neighborhoods](#) and [Choice Neighborhoods](#) grants, the [Byrne Criminal Justice Innovation](#) grants and the [Building Neighborhood Capacity Program](#).

Building on NRI, earlier this year President Obama announced plans to launch “Promise Zones” – a place-based idea that will foster partnerships between the federal government and communities, leverage local investments and increase access to tools and resource that will help leaders revitalize their communities. Included in the State of the Union address and the administration’s fiscal year 2014 budget, Promise Zones are another step in the continuum of place-based initiatives.

What are Promise Zones?

Promise Zones will blend federal funding and local resources in an effort to transform some of the nation’s most impoverished communities. Over the next four years, the administration will designate 20 communities as Promise Zones, including up to five in 2013. They will be designated in urban, rural and tribal communities with a poverty rate of more than 20 percent.

Similar to existing NRI strategies, Promise Zones will target local needs by helping communities focus on essential elements, such as creating jobs, increasing economic activity, improving educational opportunities, reducing violent crime and leveraging private investment.

Promise Zones will enhance and align NRI strategies and accelerate revitalization efforts by providing local leaders with access to intensive, on-the-ground technical assistance, tools and resources to help participating communities create actionable and results-oriented revitalization strategies.

Though Promise Zones will not receive direct federal funding, designated communities will have access to several resources, including:

Tax Incentives (if enacted by Congress): Private businesses will receive tax incentives for hiring and investing in Promise Zones.

Intensive Federal Partnership: Local leaders will have the opportunity to receive on-the-ground technical assistance from federal staff in navigating federal programs and regulations and making more effective use of existing funding.

Proven Programs & Tools: Promise Zones will have increased access to investments that target job creation, economic activity, improved educational outcomes and community safety. Specifically, Promise Zones will receive competitive preference priority for existing signature investments, such as the Choice Neighborhoods, Promise Neighborhoods and Byrne Criminal Justice Innovation programs.

In 2013, only those communities that have participated in related initiatives, such as Choice Neighborhoods, the Rural Jobs Accelerator and the Stronger Economies Together, are eligible to apply. A list of the urban, rural and tribal communities eligible to receive a Promise Zone designation can be found in the [Promise Zone's Questions and Answers](#) document developed by the U.S. Department of Housing and Urban Development. Eligible communities will receive an invitation to apply in late July 2013. Federal agencies anticipate releasing draft qualifying and competitive criteria for future Promise Zone competitions for public comment later this year.

Promise Zones and the President's FY14 Budget

The [president's FY 14 budget](#) indicates that Promise Zones will receive mixed funding from existing NRI programs, including Promise Neighborhoods, Choice Neighborhoods and the Byrne Criminal Justice Innovation Initiative. The budget requests the following for each of these programs:

- \$300 million for Promise Neighborhoods (Department of Education)
- \$400 million for Choice Neighborhoods (Department of Housing and Urban Development)
- \$25 million for the Byrne Criminal Justice Innovation Initiative (Department of Justice)

In addition, the administration has requested \$10 million for the Rental Assistance Demonstration Program, which will be targeted to public housing properties in high-poverty communities, which may include designated Promise Zones. The amount of money from each of these programs allocated specifically for Promise Zones is not yet clear.

Potential Policy Implications

The development of more comprehensive and coordinated anti-poverty strategies is a step toward providing both the flexibility and accountability needed for communities to solve interrelated problems and make better use of existing federal resources.

Promise Zones diversifies the strategies being implemented to reduce poverty by both focusing federal assistance and funding opportunities in the same places and adding an additional form of support through proposed tax incentives. The proposed tax incentives are intended to spark job creation and attract private investment in high poverty neighborhoods. Similar tax incentives have been utilized through Empowerment Zones and the Renewable Communities Program as designated by the U.S. Departments of Housing and Urban Development and Agriculture. Because these tax incentives will be targeted to the communities in greatest need, they have the potential to both create jobs *and* reduce poverty.

Providing tools and resources, leveraging existing funding streams and fostering partnership among local leaders and the federal government - coupled with the use of tax incentives - provide the foundation for a more comprehensive anti-poverty strategy at the community level. By diversifying the approach and using multiple resources, it is also more likely that efforts in these communities will be sustained over time.

The Promise of Promise Zones

Recognizing that communities face complex and interrelated challenges, Promise Zones provide an opportunity for communities to agree on a common set of results they want to achieve, implement better coordinated strategies, weave together existing funding streams and garner additional resources.

Though the bleak statistics that shadow communities with high poverty rates may appear identical, solutions that will improve outcomes for the children and families living in these communities will likely vary in design because effective strategies need to take into account the unique needs and assets that exist within these communities.

Unfortunately, the rules, regulations and reporting requirements that often come along with the funding streams available to these communities make it difficult to design and implement effective and comprehensive solutions that address local challenges. In addition, because of these challenges,

Proposed Promise Neighborhoods Legislation
Representative Donald Payne (NJ) has introduced the [Promise Neighborhoods Act of 2013 \(H.R. 2195\)](#) and Senator Tom Harkin (IA) has introduced the [Strengthening America's Schools Act of 2013 \(S.1094\)](#). Both H.R. 2195 and S.1094 authorize funding for Promise Neighborhoods, providing communities with essential resources in their efforts to improve educational outcomes for children.

very few communities have had the opportunity to implement accountability systems to demonstrate that increased flexibility in the use of resources will in fact produce better results for those who live there.

Existing NRI programs have already helped several neighborhoods leverage existing resources and create community partnerships targeting complex challenges. In some cases, the existence of multiple NRI programs within the same region has sparked increased investment and coordination across several sectors. Fresno, California, for example, received a 2011 Promise Neighborhood planning grant and is also a participant in the Building Neighborhood Capacity Program and Strong Cities Strong Communities initiative. With this level of support, Fresno has been able to build a strong partnership at the city level and better target investments to revitalize several struggling neighborhoods. The Eastside neighborhood of San Antonio received Choice Neighborhoods, Promise Neighborhoods and Byrne Criminal Justice Innovation grants and partners there are working to align all three of these funding sources to achieve a common set of results by comprehensively addressing education, housing, safety and community development challenges.

With a continuum of place-based initiatives at work, the administration's launch of Promise Zones will enable federal agencies to work with communities that have already built robust capacity and are prepared to develop even more comprehensive efforts that will improve outcomes for children and families.

RESOURCES

[Aligning Resources & Results: How Policymakers and Communities Can Collaborate to Improve Neighborhood Outcomes](#) – *Center for the Study of Social Policy*

[Neighborhood Revitalization Initiative](#) – *White House Office of Urban Affairs*

[Promise Zones Questions and Answers](#) – *U.S. Department of Housing and Urban Development*