



FOR IMMEDIATE RELEASE

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**LOS ANGELES RECEIVES STATE APPROVAL FOR NEW
EAST LOS ANGELES STATE ENTERPRISE ZONE**

LOS ANGELES –Governor Arnold Schwarzenegger announced that the California Department of Housing and Community Development has designated a new State Enterprise Zone for East Los Angeles. The designated area covers both the City and County portions of East L.A. and will be jointly administered. The Zone includes all or part of the communities of Chinatown, Boyle Heights, Atwater Village, Glassel Park, Highland Park, Eagle Rock, Lincoln Heights, El Sereno, City Terrace, Maravilla and Belvedere. This is the first time that the County portion of East L.A. has been included in an Enterprise Zone.

“This Zone designation will provide an immediate stimulus to the East Los Angeles economy, and will result in hundreds of new jobs being created in an area that has suffered from high unemployment and high poverty rates,” said Richard Benbow, head of the Los Angeles Community Development Department, which applied for the Zone designation. “It will allow local businesses to stabilize and grow, and will attract new businesses and new living wage jobs to the region.”

The State Enterprise Zone title will last 15 years, and provide State tax breaks for Zone businesses to stimulate local hiring. A tax credit starting at \$11,700 (\$35,100 over 5 years) for each eligible worker hired is available for businesses located in the Zone. The Department of Water and Power also provides an electric rate reduction, starting at 35%, to new Zone businesses.

The East L.A. State Enterprise Zone covers 26 square miles and has more than 11,600 businesses. The application for the Zone was submitted by the City’s Community Development Department and the County’s Community Development Commission. The selection process is highly competitive, with 13 cities or counties vying for only eight available designations. The State considered such factors as unemployment and poverty rates, the quality of the applicant’s economic development and marketing plans, commitments to provide local incentives to supplement the State tax credits and deductions, and the availability of other local resources, such as lending and business assistance programs.

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