

Meeting Date: 8/11/2015

Report Type: Staff/Discussion

Report ID: 2015-00507

Title: (City Council/Housing Authority) Authorization to Execute Memorandum of Understanding between City of Sacramento, Housing Authority, Sacramento Housing and Redevelopment Agency and Key Partners regarding Implementation of the Sacramento Promise Zone Designation

Location: Portions of Districts 2, 3, 4, 5, and 6

Recommendation: 1) Pass a City Council Resolution authorizing a) the City Manager to execute a Memorandum of Understanding (MOU) with Sacramento Housing and Redevelopment Agency (SHRA) as Lead Organization regarding implementation of the Sacramento Promise Zone Designation, b) the Mayor to appoint a representative to the Promise Zone Executive Committee, and c) the City Manager to appoint a representative to the Promise Zone Implementation Council; and 2) pass a Housing Authority Resolution a) authorizing Sacramento Housing and Redevelopment Agency to act as Lead Organization and enter into an MOU with the Implementing Partners, and b) authorizing the Executive Director on behalf of the Housing Authority to execute the MOU with SHRA regarding implementation of the Sacramento Promise Zone Designation.

Contact: Tyrone Roderick Williams, Director of Development, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenter: Tyrone Roderick Williams, Director of Development, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing & Redevelopment Agency

Division: Sacramento Housing & Redevelopment Agency

Dept ID: 99991011

Attachments:

- 1-Description/Analysis
- 2-City Council Resolution
- 3-Housing Authority Resolution
- 4-Exhibit A- Promise Zone Map
- 5-Exhibit B- MOU
- 6-Exhibit C - Promise Zone Goals and Sub Goals
- 7-Exhibit D - Partnership Structure CITY

City Attorney Review

Approved as to Form
Sheryl Patterson
7/14/2015 11:50:41 AM

SHRA Counsel Review

Approved as to Form
David Levin
7/9/2015 10:15:55 AM

Approvals/Acknowledgements

Department Director or Designee: LaShelle Dozier - 7/9/2015 10:15:55 AM

James Sanchez, City Attorney

Shirley Concolino, City Clerk

Russell Fehr, City Treasurer

John F. Shirey, City Manager

Description/Analysis

Issue: In his 2013 State of the Union address, President Obama announced the establishment of the Promise Zone Initiative (Initiative) which encourages public and private organizations in high-poverty communities across the country to enter into partnerships to create jobs, increase economic security, expand educational opportunities, increase access to quality affordable housing, and improve public safety. The philosophy behind the Initiative is that the zip code in which a child is raised should not determine that child's future.

In January of 2014, five Promise Zones (three urban, one rural, one tribal) were selected as part of Round One designations under the Initiative. Eight were selected in the Second Round including Sacramento.

The Promise Zone designation extends for ten-years and has a multitude of benefits including:

- Preference points and additional consideration on certain competitive federal grants for activities that take place within the Promise Zone or that impact residents living within the Promise Zone;
- A dedicated Federal Liaison to navigate the federal bureaucracy and assist in identifying additional resources across federal agencies;
- AmeriCorps VISTA staff to assist Promise Zone Lead Organizations and partner organizations in building capacity and engaging residents; and
- Tax credits for businesses investing in, or hiring residents from, the Promise Zone (if enacted by Congress).

On September 23, 2014 the United States Department of Housing and Urban Development (HUD) issued a notice for the Second Round of Promise Zone applications. SHRA took the lead in putting together a comprehensive application composed of strategies already underway by more than 30 key partner organizations to address the goals desired by HUD, as well as local priorities such as leveraging private/philanthropic capital, and neighborhood revitalization.

The application was submitted to HUD on November 21, 2014. A total of 123 applications were submitted nationwide, including 13 from California. On April 29, 2015, HUD notified SHRA that Sacramento's Promise Zone application was one of just eight selected for designation. Sacramento's Promise Zone joins Los Angeles (designated in Round One) as the only two designated Promise Zones on the West Coast.

The Sacramento Promise Zone (Zone), as illustrated in Exhibit A, encompasses a large portion of the City of Sacramento, as well as a portion of unincorporated Sacramento County. The Zone includes some of the most opportunity-rich neighborhoods in the region, but also many of its most distressed. The population residing within the Zone is more than 127,000, with an average poverty rate of 34%, an unemployment rate of 19%, and a life expectancy a full seven years less than that of individuals residing outside the Zone. Only 37% percent of third graders living in the Zone are able to read at grade level. Changing the trajectory of these indicators and others will be the benchmark by which the Promise Zone Initiative will be evaluated.

The Memorandum of Understanding (MOU) attached as Exhibit B is intended to implement the Promise Zone Plan and the Goals listed in Exhibit C. The MOU will be between SHRA as Lead Organization and each Implementing Partner. The MOU sets forth each Implementing Partner's understanding of its role in implementing the Promise Zone Initiative. The MOU also

sets forth SHRA's roles and responsibilities as the Lead Organization overseeing the Promise Zone Initiative.

The proposed Partnership/Governing Structure for the Initiative is attached as Exhibit C, which emphasizes resident engagement and in-depth task forces to work on specific topic areas. The City of Sacramento is a major beneficiary of the Promise Zone and the City is to be represented in leadership positions both on the Executive Committee and the Implementation Council of the Promise Zone Partnership.

Over the next several months, SHRA staff will recruit, select and train AmeriCorps VISTA volunteers, establish a Sacramento Promise Zone website, and convene the various subject matter task forces and councils in order to re-affirm the goals and strategies as indicated in the HUD application. Since the Promise Zone designation is already effective, organizations wishing to receive additional consideration on their federal grant applications can now request from SHRA the Promise Zone Certification standard form which is required to receive the additional consideration.

Policy Considerations: The Promise Zone supports and is consistent with the Housing Authority's Consolidated Plan goals which include assisting low- and moderate-income persons and areas with the following: community services, housing, homeless facilities and services, public improvements and facilities, economic development, and planning activities.

Economic Impacts: not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA):The proposed action is an administrative activity and is not considered a project subject to environmental review under the CEQA Guidelines Section 15378(b)(5).

Sustainability Considerations: Not applicable

Other: None

Commission Action: The Sacramento Housing and Redevelopment Commission, at its meeting of July 15, 2015 unanimously approved the staff recommendation for this item.

Rationale for Recommendation: The Memorandum of Understanding will ensure that the Implementing Partners clearly understand their roles and responsibilities in implementing the Promise Zone designation and enshrine their commitment to improving the lives of residents of the Zone

Financial Considerations: There is no funding directly associated with the Promise Zone designation. However, Round One designees have reported that significant funding has been secured as a direct result of having received the designation. Since most federal grant programs do allow for administrative reimbursement, it is SHRA's expectation that as grants are awarded as a result of the Zone designation, there will be a limited opportunity for reimbursement of SHRA's costs depending on the nature of the grant funded programs.

LBE/M/WBE/Section 3 and First Source Considerations: The activities in this staff report do not involve funding; therefore, there are no LBE, M/WBE or Section 3 requirements. The First Source Program is not applicable to this report.

RESOLUTION NO. 2015 -

Adopted by the Sacramento City Council

on date of

AUTHORIZATION TO EXECUTE MEMORANDUM OF UNDERSTANDING WITH SHRA REGARDING IMPLEMENTATION OF THE SACRAMENTO PROMISE ZONE DESIGNATION

BACKGROUND

- A. The Promise Zone Initiative is a partnership between the federal government and 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.
- B. On September 23, 2014 the United States Department of Housing and Urban Development (HUD) issued a notice on the selection process, criteria, and application submission requirements in connection with the second round of the Promise Zone Initiative.
- C. On November 21, 2014, the Sacramento Housing and Redevelopment Agency (SHRA), along with over 30 partner organizations, submitted a Promise Zone application to HUD for the area indicated in Exhibit A.
- D. The Promise Zone application included a draft Memorandum of Understanding between SHRA as the Lead Organization and the partner organizations, indicating roles and responsibilities for ensuring the success of the proposed Sacramento Promise Zone, to be finalized upon the Promise Zone designation. The final version of the Memorandum of Understanding (MOU) is attached as Exhibit B.
- E. On April 29, 2015, HUD selected the Sacramento application and designated the Sacramento Promise Zone. SHRA as the Lead Organization is tasked with implementing the Promise Zone Plan and the Promise Zone Goals as set forth in Exhibit C.
- F. The City of Sacramento is a key implementing partner and desires to participate in a leadership capacity in the Promise Zone Structure as shown in Exhibit D.
- G. The proposed actions are an administrative activity and are not considered a project subject to environmental review under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b) (5).
- H. The proposed action is an exempt activity pursuant to 24 CFR 58.34(a)(3) and environmental review is not required under the National Environmental Policy Act (NEPA).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. All evidence having been duly considered, the findings, including the environmental findings, as stated above, are approved.
- Section 2. The Memorandum of Understanding (MOU) attached as Exhibit B is approved and the City Manager is authorized to execute the MOU with SHRA as Lead Organization.
- Section 3. The Mayor is authorized to appoint a representative to the Executive Committee of the Promise Zone Partnership.
- Section 4. The City Manager is authorized to appoint a representative to the Implementation Council of the Promise Zone Partnership.

Table of Contents:

- Exhibit A - Map of Sacramento Promise Zone
- Exhibit B - Memorandum of Understanding
- Exhibit C- Promise Zone Goals
- Exhibit D- Promise Zone Structure

RESOLUTION NO. 2015 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AUTHORIZATION TO EXECUTE MEMORANDUM OF UNDERSTANDING WITH SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) AND DESIGNATION OF SHRA AS LEAD ORGANIZATION REGARDING IMPLEMENTATION OF THE SACRAMENTO PROMISE ZONE DESIGNATION

BACKGROUND

- A. The Promise Zone Initiative is a partnership between the federal government and 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.
- B. On September 23, 2014 the United States Department of Housing and Urban Development (HUD) issued a notice on the selection process, criteria, and application submission requirements in connection with the second round of the Promise Zone Initiative.
- C. On November 21, 2014, the Sacramento Housing and Redevelopment Agency (SHRA), along with over 30 partner organizations, submitted a Promise Zone application to HUD for the area indicated in Exhibit A.
- D. The Promise Zone application included a draft Memorandum of Understanding between SHRA as the Lead Organization and the partner organizations, indicating roles and responsibilities for ensuring the success of the proposed Sacramento Promise Zone, to be finalized upon the Promise Zone designation. The final version of the Memorandum of Understanding (MOU) is attached as Exhibit B.
- E. On April 29, 2015, HUD selected the Sacramento application and designated the Sacramento Promise Zone. SHRA as the Lead Organization is tasked with implementing the Promise Zone Plan and the Promise Zone Goals as set forth in Exhibit C.
- F. The Housing Authority of the City of Sacramento is a key implementation partner and desires to participate in the Promise Zone Structure as shown in Exhibit D.
- G. The proposed action is an administrative activity and is not considered a project subject to environmental review under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(5).
- H. The proposed action is an exempt activity pursuant to 24 CFR 58.34(a)(3) and environmental review is not required under the National Environmental Policy Act (NEPA).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

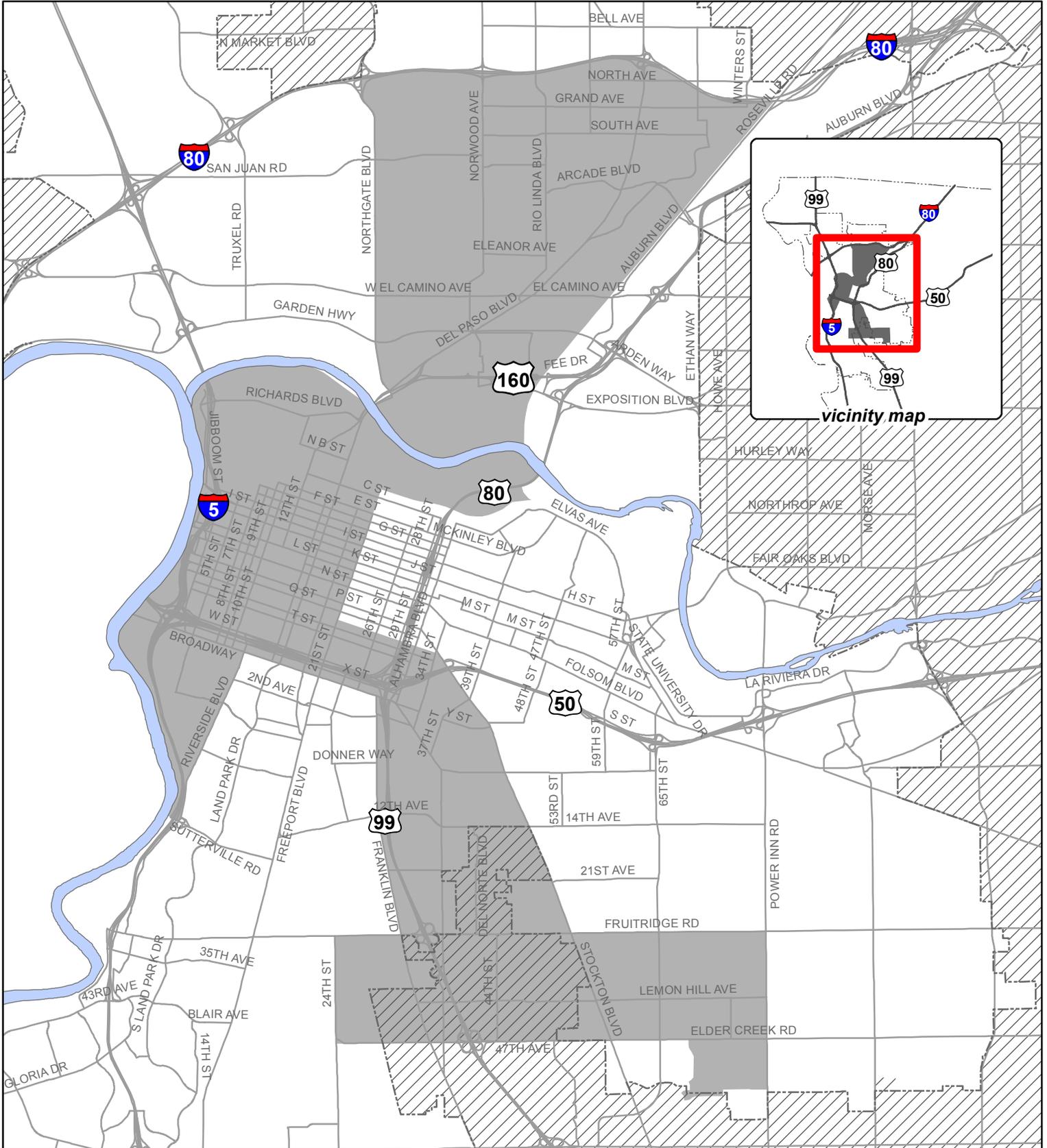
- Section 1. All evidence having been duly considered, the findings, including the environmental findings, as stated above, are approved.
- Section 2. SHRA is authorized to act as the Lead Organization and enter into and execute the MOU with Implementing Partners regarding the implementation of the Sacramento Promise Zone designation.
- Section 3. The Executive Director is authorized on behalf of the Housing Authority to enter into and execute the Memorandum of Understanding with SHRA as the Lead Organization regarding implementation of the Sacramento Promise Zone designation.

Table of Contents:

- Exhibit A - Map of Sacramento Promise Zone
- Exhibit B - Memorandum of Understanding
- Exhibit C- Promise Zone Goals
- Exhibit D- Promise Zone Structure

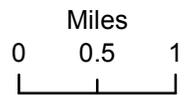


Promise Zone Boundary - 2014



 Promise Zone Boundary
 Sac County Boundary

 City of Sac Boundary



**SACRAMENTO PROMISE ZONE
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is hereby entered into on _____, 2015 between the Sacramento Housing and Redevelopment Agency (SHRA) and the Implementation Partner as set forth below for the purpose of implementing a Promise Zone for comprehensive revitalization efforts in the City and County of Sacramento.

The goals of the Sacramento Promise Zone (“SPZ”) Plan address all facets of neighborhood revitalization: accelerating job creation, promoting healthy behaviors and increasing health interventions, promoting a sustainable economic base, increasing educational opportunities, and promoting a sustainably-built community. The SPZ is an opportunity to align and leverage the momentum of existing organizations and community coalitions who are well-positioned to further the impact within the SPZ. Through implementation of the SPZ Plan, the Sacramento Housing and Redevelopment Agency (“SHRA”), and its Implementation Partner organizations (“Implementing Partners”) will coordinate to break down silos; align priorities across agencies, departments and organizations; and implement collaborative solutions.

Purpose of MOU: The purpose of this MOU is to set forth each Implementing Partner’s understanding of its role in implementing the SPZ Plan. This MOU recognizes that the Promise Zone designation does not provide direct federal funding to SHRA, as Lead Organization, or to its Implementing Partners. Nevertheless, the Parties pledge to continue coordination efforts that contribute to shared values and goals for communities included in the SPZ. The Implementing Partner affirm that the SPZ Goals align with it’s

mission. The Implementing Partners consist of: SHRA and other public sector partners, non-profit sector partners, and educational institutions. All Implementing Partners signing below agree to support the SPZ Goals attached as Exhibit A and the SPZ Plan by fully participating in implementation of services and in management/oversight of all services as needed to promote the collective SPZ Goals. Each Implementing Partner signing this MOU agrees to share information and data gathered in relation to implementation of the SPZ Plan in accordance with pertinent public data sharing requirements. Each Implementing Partner signing this MOU agrees to attend and participate in meetings of the Action Teams, Implementation Council, Executive Council and/or other councils or committees as illustrated in the attached Promise Zone Partnership Structure diagram (Exhibit B), which may be revised periodically as needed to further the goal and vision of the SPZ.

Term of MOU: The term of this MOU will begin as of the date of the signature by the Implementing Party and continue until the later of the termination of the Promise Zone Designation or the withdrawal of the Implementing Party to this MOU.

Adhere to Federal Regulations: Each Party to this MOU agrees that it will be subject to and adhere to all applicable, federal regulations related to its role as an Implementing Party in implementing the Promise Zone Plan.

Role of Lead Organization: SHRA will act as the Lead Organization for the Sacramento Promise Zone. As Lead Organization, SHRA will administer and manage implementation of the Promise Zone Plan. In accordance with the requirements set forth in the Second Round Promise Zone Application Guide: Urban, SHRA will be responsible for the following functions:

1. Executing a Promise Zone Designation Agreement if required by HUD;
2. Organizing and coordinating activities pursuant to the Promise Zone Plan as included in the application;
3. Administering any funding or other benefits that the Promise Zone designation may confer in the future to SHRA and as authorized by the Implementing Partner;
4. Tracking SPZ outcomes;
5. Reporting SPZ progress to participating federal agencies;
6. Participating in SPZ evaluation activities as requested by federal agencies;
7. Providing SPZ certification to other organizations applying for grants and other benefits that, if received, would help to advance the SPZ Plan;
8. Delegating activities to an Implementing Partner that SHRA, as Lead Organization, may be unable to directly perform;
9. Replacing Implementing Partners and other partner organizations in the event that such partners are not able to fulfill their responsibilities; and
10. Transferring, if necessary, the Lead Organization responsibilities to another Implementing Partner pursuant to the terms of the Promise Zone Designation Agreement, if required by HUD.

Role of Implementation Partners: The Implementation Partner, by its signature below, agrees to fulfill the specific responsibilities needed to carry out the implementation work for the Sacramento Promise Zone Plan. As an Implementation Partner, the organization below commits to the following:

1. To participate in resident engagement activities and meetings of the Action Teams, Implementation Council, Executive Council and/or other councils as set forth in the Sacramento Promise Zone Plan;

2. To participate in their respective policy-area committees, as established based upon their core competencies;

3. To share relevant evidence-based and place-based data and information that promotes the Goals of the Sacramento Promise Zone Plan;

4. To participate in coordination, research, advocacy, and resource development to implement the Sacramento Promise Zone Plan; and

5. To commit staff and leadership time as needed for implementation of the Sacramento Promise Zone Plan.

Endorsing Signatures of Lead Organization and Implementation Partner:

1. Lead Organization: Sacramento Housing and Redevelopment Agency

Signature: _____ Date: _____
LaShelle Dozier, Executive Director

2. Implementation Partner: _____

Signature: _____ Date: _____

Name:
Title:

Sacramento Promise Zone Goals and Sub Goals

Jobs: Accelerate Job Creation: The Promise Zone collaborative partners will accelerate job creation within the Promise Zone by aligning the job creation strategy with the Next Economy Capital Region Prosperity Plan which identifies priority business clusters as leading opportunities for economic growth and expansion.

Jobs Sub goal 1: Invest in a sector approach to occupational skills training that prepares jobseekers in the Promise Zone for career pathways to middle skilled jobs that ensure self-sufficiency.

Jobs Sub goal 2: Improve business climate for economic growth in the Promise Zone. This sub goal establishes a starting point for addressing economic impediments that prevent business growth in the Promise Zone area by focusing on collective efforts on reducing locally controlled regulations, and streamlining predictable permitting policies and procedures throughout the Promise Zone.

Jobs Sub goal 3: Diversify the economy through growth and support of the core business clusters.

Economic Development: Promote a sustainable economic base: Invest in Building the Promise Zone – Facilitate and promote projects and program initiatives that support economic growth, quality of life, and job creation in key areas of the Promise Zone.

Economic Development Sub goal 1: Revitalize commercial corridors within the Promise Zone; each of which is a vital asset and offer tremendous revitalization opportunities, including retail, commercial, and housing.

Economic Development Sub goal 2: Focus resources on key infill and major development projects within the Promise Zone. A number of key infill and major development projects throughout the Promise Zone contribute to creating jobs, improving the quality of life and building a sustainable local economy.

Economic Development Sub goal 3: Diversify the economy through growth and support of the core business clusters.

Education: Increase educational opportunities for all Promise Zone students along the education spectrum – from PreK to higher education.

Education Sub goal 1: Increase third grade reading proficiency by focusing on early learning programs and results-based interventions like City Year. Only 37% of third graders are reading at grade level in Sacramento.

Education Sub goal 2: Improve retention rates by increasing basic skills competencies in reading, writing, and math to improve student preparedness for degree, certificate courses, and employment.

Education Sub goal 3: Support and improve college and career readiness programs.

Health: Promote Healthy Behaviors and Increase Health Interventions

Health Sub goal 1: Increase adoption of comprehensive approaches to improve community design that supports physical activity by influencing City and County general and specific plans that impact the Promise Zone.

Health Sub goal 2: Increase opportunities for physical activity in the Promise Zone through shared use agreements between municipalities, school districts and community based organizations by targeting schools in the Promise Zone.

Health Sub goal 3: Implement strategies to translate and integrate known community health interventions into usual clinical care approaches to increase control of high blood pressure and high cholesterol for Promise Zone residents. The life expectancy for families living in the proposed Promise Zone is, in most areas, 30 years shorter as compared to zip code areas in the County with the highest life expectancy.

Sustainably Built Community: Promote a sustainably built community: Facilitate neighborhood revitalization by creating destinations that are desirable for both living and working.

Sustainably Built Community Sub goal 1: Strengthen community capacity to address gang involvement and create safe neighborhoods, especially for boys and men of color residing in the Promise Zone.

Sustainably Built Community Sub goal 2: Increase housing types and transit growth to promote livability and connectivity within the Promise Zone.

PROMISE ZONE PARTNERSHIP STRUCTURE

