

Meeting Date: 8/9/2016

Report Type: Staff/Discussion

Report ID: 2016-00738

Title: Authorization to Execute Promise Zone Designation Agreement

Location: Promise Zone Target Area - Portions of Districts 2,3,4,5 and 6

Recommendation: Pass a City Council Resolution 1) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to execute the Promise Zone Designation Agreement with the United States Department of Housing and Urban Development (HUD); and 2) making related findings.

Contact: Tyrone Roderick Williams, (916) 440-1319, Sacramento Housing and Redevelopment Agency

Presenter: Tyrone Roderick Williams, (916) 440-1319, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing & Redevelopment Agency

Division: Sacramento Housing & Redevelopment Agency

Dept ID: 99991011

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A (Designation Agreement)
- 4-Promise Zone Map

City Attorney Review

Approved as to Form
Sheryl Patterson
8/1/2016 10:19:19 AM

Approvals/Acknowledgements

Department Director or Designee: La Shelle Dozier - 7/25/2016 12:32:57 PM

Description/Analysis

Issue Detail: 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 Promise Zone Initiative is that the zip code in which a child is raised should not determine that child's future.

The Promise Zone designation is a 10-year designation with 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 Agencies and partner organizations in building capacity and engaging residents;
- 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 partner organizations to address the goals desired by HUD, as well as local priorities such as leveraging private/philanthropic capital, and neighborhood revitalization.

On April 29, 2015, HUD notified SHRA that Sacramento's Promise Zone application was one of just eight selected for designation, and identified SHRA as the Lead Organization in managing and executing the Promise Zone Initiative.

The Sacramento Promise Zone (Zone) 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% 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.

On August 11, 2015, City Council passed a 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. At the same meeting the Housing Authority passed resolution authorizing: a) the 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 to execute the MOU with SHRA regarding implementation of the Sacramento Promise Zone Designation.

Since the Promise Zone designation, SHRA and its partners have submitted 33 applications for federal funding, and were awarded \$34 million in funding as a direct result of the designation. SHRA has also held information sessions to introduce the benefits of the Promise Zone Initiative to partners, and facilitated conferences between partners and participating federal agencies to begin making the connections between local needs and the federal resources that can assist in meeting those needs.

Staff is seeking authorization for SHRA to execute the official Designation Agreement for the Promise Zone with HUD. The Promise Zone Designation Agreement (Exhibit A) between HUD and SHRA affirms the designation of the Sacramento Promise Zone for a period of 10 years, and describes the roles and responsibilities of each.

Policy Considerations: The Promise Zone supports and is consistent with 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): Activities authorized in this report have been analyzed in accordance with CEQA and are determined to not be a project per 14 California Code of Regulations (CCR) § 15378(b)(5). Execution of the Promise Zone Agreement is an administrative activity that will not result in direct or indirect physical changes in the environment.

Sustainability Considerations: Not applicable.

Other: National Environmental Policy Act (NEPA): Activities authorized in this report have been analyzed in accordance with NEPA and are determined to be Exempt per 24 CFR § 58.34(a) (3), "administration and management activities."

Commission Action: At its meeting of July 20, 2016, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows:

AYES: Alcalay, Creswell, Griffin, Macedo, Morgan, Raab, Staajabu

NOES: none

ABSENT: Johnson, Painter, Rios, Simas

ABSTAIN: none

RECUSE: none

Rationale for Recommendation: The Designation Agreement will affirm the designation of the Sacramento Promise Zone for a period of 10 years, and describes the roles and responsibilities of HUD and SHRA in implementing the Promise Zone.

Financial Considerations: There are no financial considerations as the Promise Zone designation does not provide guaranteed financial resources. Exercising this agreement will continue to position SHRA to apply for grants that support the goals of the Promise Zone. Over \$34 million in funding was secured in the first year of the Sacramento Promise Zone designation, as a direct result of having received the designation.

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 or similar programs are not applicable to this report.

RESOLUTION NO. 2016 -

Adopted by the Sacramento City Council

On date of

AUTHORIZATION TO EXECUTE PROMISE ZONE DESIGNATION AGREEMENT

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.
- D. On April 29, 2015, HUD selected the Sacramento application and designated the Sacramento Promise Zone
- E. The Designation Agreement affirms the Sacramento Promise Zone designation for a period of ten (10) years, and describes the responsibilities of HUD and SHRA in the success of the Promise Zone Initiative.
- F. The proposed action is an administrative activity and is not considered a project under the California Environmental Quality Act (CEQA) per 14 California Code of Regulations (CCR) section 15378(b).
- G. The proposed action is an exempt activity pursuant to 24 Code of Federal Regulations (CFR) section 58.34(a)(3) and further environmental review is not required under the National Environmental Policy Act (NEPA).
- H. These activities have been analyzed in accordance with the California Environmental Quality Act (CEQA) and 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, regarding this action, are true and correct.

Section 2. The Sacramento Housing and Redevelopment Agency is authorized to enter into and execute the Promise Zone Designation Agreement.

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Exhibit A: Designation Agreement (Appendices on file with Clerk)

PROMISE ZONES DESIGNATION AGREEMENT

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SECTION I: SCOPE

Subject to the terms herein, this Agreement between the United States Department of Housing and Urban Development (“HUD”) and Sacramento Housing and Redevelopment Agency (“Lead Organization”) affirms the designation of the Sacramento Promise Zone as a Promise Zone, pursuant to FR-5774-N-02, which designation shall remain effective until 10 years after the date on which the designate was announced or the effective date of any termination of this Agreement.

The Promise Zone designation may be extended as necessary to capture the full term of availability of the Promise Zone federal tax incentives, pending the enactment of such tax incentives by Congress.

The federal administrative duties pertaining to urban Promise Zone designees as outlined shall be managed and executed by HUD.

The local administrative duties pertaining to urban Promise Zone designees shall be managed and executed by the Promise Zone Lead Organization, as defined in Section III, or its assignee.

The Agreement encompasses the entire understanding and agreement between HUD and the Promise Zone Lead Organization for the full term of the Agreement.

SECTION II: AUTHORITY & PURPOSE

The Promise Zone Initiative supports HUD’s responsibilities under sections 2 and 3 of the HUD Act, 42 U.S.C. § 3531-32, to assist the President in achieving maximum coordination of the various federal activities which have a major effect upon urban community, suburban, or metropolitan development; to develop and recommend the President policies for fostering orderly growth and development of the Nation’s urban areas; and to exercise leadership, at the direction of the President, in coordinating federal activities affecting housing and urban development.

The 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. 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. Altogether, this package of federal assistance will help local leaders accelerate efforts to revitalize their communities.

During the term of the Promise Zone designation, the specific benefits made available to Promise Zones may vary due to changes in policy, appropriations and authorizations for relevant federal programs.

Subject to federal appropriations, guidelines and regulations, Promise Zone Designees will receive:

- An opportunity to engage five AmeriCorps VISTA members in the Promise Zone's work
- A federal staff team comprised of staff in HUD's Headquarters office, Regional and local Field Office. In addition, a specific federal staff member (hereto referred to as a "Community Liaison") assigned to help designees navigate federal programs
- Preferences for certain competitive federal grant programs and technical assistance from participating federal agencies
- Promise Zone tax incentives, if enacted by Congress

SECTION III: DEFINITIONS

"Regional Administrator" (RA) – The RA is appointed by the President and Secretary, and is the senior HUD management official in each respective region. Authority for management and oversight of the Department's Field operations are delegated by the Secretary of HUD to the Assistant Deputy Secretary of Field Policy and Management. The Assistant Deputy Secretary of Field Policy and Management re-delegates certain operational management authority to the Regional Administrator.

"Deputy Regional Administrator" (DRA) – The DRA serves as the chief operating officer principally charged with supervisory and managerial day-to-day oversight of Field operations in the Region. The DRA shall perform the functions and duties of the RA in his/her absence.

"Field Office Director" (FOD) – The FOD is the senior management official located in each HUD Field Office. The FOD reports to the RA/DRA.

"Community Liaison" – A federal staff person dedicated to working directly with Promise Zone communities to help them navigate the federal system. Community Liaisons will provide timely information on opportunities for federal assistance and assist with coordination between Promise Zone partners and federal agencies. The Community Liaison shall be a HUD employee and shall work out of a HUD Field Office or a HUD Regional Office that is located near the Promise Zone.

"Desk Officer" – A federal staff person located in HUD Headquarters working directly with Regional Administrator, Deputy Regional Administrator, Field Office Director, and Promise Zone Community Liaison to help facilitate processes that require HUD headquarters involvement.

"Promise Zone Lead Organization" (Lead Organization) – The organization identified in the original Promise Zone application or in supplemental materials as the entity responsible for taking the lead in coordinating Promise Zone activities at the local level. The Promise Zone Lead Organization shall execute the Promise Zone designation agreement and be responsible to HUD for fulfilling the responsibilities of the Promise Zone designation.

“Implementing Partner Organization” – An organization that commits to fulfilling specific responsibilities to carry out the day-to-day work, strategies and operations of the Promise Zone Plan, as detailed in the community’s Promise Zone application and any amendments or documents referenced in this Agreement, and Memoranda of Understanding or other documents that may exist among the partner organizations in the Promise Zone Plan.

“Local Administrative Duties” – The activities related to coordinating and overseeing Promise Zone efforts at the local level. Such activities include convening Promise Zone partners on a regular basis, helping local partners take advantage of additional non-competitive Promise Zone benefits as such benefits are made available, facilitating resident and community engagement, participating in communications and stakeholder engagement activities and completing all Promise Zone reporting requirements. The Promise Zone Lead Organization shall be responsible for overseeing all such activities.

“Memorandum of Understanding” (MOU) – An agreement which articulates the roles, responsibilities and commitments among the Lead Organization, Implementing Partner Organizations, and other local stakeholders.

“Promise Zone Application” – The original application materials.

“Promise Zone Certification Form” (*HUD Form 50153*) – A form used by federal agencies to document that an application or proposal should receive preferences for certain competitive federal programs and technical assistance. The *Promise Zone Certification Form* should be submitted by organizations applying for federal assistance, in the manner described in notices and application materials for the specific federal program from which the assistance is sought.

“Promise Zone Goals” - The overarching goals the local Promise Zone included in its original application. The initial goals which all Promise Zones were required to address in their applications include the following: create jobs, increase economic opportunity, improve educational opportunities, and reduce violent crime.

“Promise Zone Objectives” – A specific sub-goal Promise Zones target to accomplish a broader goal as stated in the original application, or as updated over time. A Promise Zone can alter objectives without amending its Promise Zone Plan.

“Promise Zone Plan” – The set of coordinated actions set forth in the original Promise Zone application. It is expected that the Promise Zone Plan will be updated with new details from time to time, via the Annual Reports and other communications. Appendix A includes the key elements from the Promise Zone Plan with information from the original application.

“Promise Zone Partnership Structure Chart”— A diagram of the Promise Zone partnership structure included in the original Promise Zone application, as updated over time. The diagram

shows partner roles which will facilitate implementing, coordinating, governing, and reporting on the different goals and activities of the Promise Zone Plan.

“Unit of General Local Government” (UGLG) – The local governmental entity (or entities) of which the Chief Executive submitted a letter(s) of support in the Promise Zone application. This support rendered the Promise Zone eligible for designation pursuant to the application guide used in the round of competition in which this Promise Zone was designated.

Participating Federal Agencies (federal agencies) – Subject to change, agencies contributing to the Promise Zones effort include: The Department of Housing and Urban Development, Department of Agriculture; Department of Health and Human Services; Department of Education; Department of Labor; Small Business Administration; Environmental Protection Agency; Department of Commerce; Department of Treasury; National Endowment for the Arts; Corporation for National and Community Service; Department of Transportation; and Department of Justice.

“FPM Policy Guidance Issuances” (PGI) – Written Guidance issued by HUD’s Office of Field Policy and Management to all Promise Zone designated communities. PGI’s will be available on www.HUD.gov/promisezones.

Section IV: OVERVIEW OF HUD’S RESPONSIBILITIES

HUD is responsible for administering, managing federal support for, and overseeing the Promise Zone initiative. As such, HUD shall do the following, subject to applicable federal regulations and funding:

- 1) HUD shall facilitate and manage federal interagency information, services and assistance for Promise Zone.
- 2) HUD shall identify and cultivate resources and support for the Promise Zone.
- 3) HUD shall arrange for a Community Liaison, who works at a HUD Field Office or HUD Regional Office, to support the Promise Zone. The Community Liaison shall facilitate communications between local Promise Zone partners and federal agencies and their programs.
- 4) HUD shall coordinate with participating federal agencies and the Promise Zone Lead Organization, local government officials and their partners on communications and stakeholder engagement activities in order to amplify Promise Zone accomplishments. Such strategic communication activities are described in more detail in Section VI.

SECTION V: RESPONSIBILITIES OF THE PROMISE ZONE LEAD ORGANIZATION

The Promise Zone Lead Organization is responsible for fulfilling the local administrative responsibilities of the Promise Zone designation and coordinating local efforts to enact the Promise Zone Plan. As such, the Promise Zone Lead Organization shall do the following:

- 1) Organize and coordinate activities pursuant to the Promise Zone Plan proposed in the designated community's application. As such, the Promise Zone Lead Organization shall be responsible for:
 - a) Convening Promise Zone partners on a regular basis to discuss how to advance the Promise Zone Plan and how to coordinate different Promise Zone partners' efforts as they relate to achieving Promise Zone goals.
 - b) Coordinating the use of federal benefits that Promise Zone partners may be eligible for without additional competition. For instance, the Promise Zone Lead Organization shall help the Community Liaison inform partners about technical assistance and other opportunities offered by federal agencies to Promise Zones.
 - c) Coordinating efforts to inform and engage local residents about the Promise Zone's activities.
 - d) Coordinating efforts to communicate and publicize the Promise Zone's initiatives and accomplishments.
 - e) Coordinating business development strategies using Promise Zone tax incentives, if enacted by Congress.

- 2) Carry out the local Promise Zone's administration responsibilities and shall serve as the Promise Zone's primary connection to HUD and the federal government. As such, the Promise Zone Lead Organization shall be responsible for:
 - a) Providing HUD with a current copy of the Promise Zone Partners' Memorandum of Understanding (MOU) and Partnership Structure Chart, as such MOU and chart are updated and amended from time to time. If these documents have changed from the original application, submit a current copy 60 days from receipt of designation agreement.
 - b) Participating in coordinated stakeholder engagement and strategic communications activities with HUD and other federal partners, as outlined in Section VI.
 - c) Submitting monthly, quarterly and annual reports to HUD, as outlined in Section VII. In particular, the Promise Zone Lead Organization shall work with local Promise Zone partners and federal staff to determine how much federal funding has been secured for Promise Zone efforts.
 - d) Working with the Promise Zone partner responsible for local data and evaluation efforts to ensure that the impact of the Promise Zone initiative is being tracked and documented at the local level.

- 3) Sign *Promise Zone Certification Form (HUD-50153)* and certify that organizations seeking federal assistance with preferential access for Promise Zones are contributing to the Promise Zone Plan by evaluating each organization's request for a Promise Zone preference and determining whether or not such organization's proposed application for federal grants, technical assistance and other benefits would contribute to the Promise Zone Plan. Promise Zone Lead Organizations may develop their own criteria when supporting applicants' requests for Promise Zone preferences.
- 4) The Promise Zone Lead Organization shall involve the Promise Zone Community Liaison in problem-solving and program delivery activities, including involvement in discussions with implementation partners on Promise Zone activities and meeting at least once per month to review projects and activities underway.
- 5) FPM will periodically release FPM Policy Guidance Issuances, which are intended to provide guidance and technical assistance when implementing the Promise Zone Plan.

SECTION VI: COORDINATED STAKEHOLDER ENGAGEMENT AND STRATEGIC COMMUNICATIONS ACTIVITIES

To support efforts to secure resources for Promise Zone designees and to raise local and national stakeholders' awareness of designees' goals, priorities, needs and initiatives, HUD shall coordinate stakeholder engagement and strategic communications activities between federal agencies and Promise Zone partners.

Responsibilities of HUD

- 1) HUD shall notify the Promise Zone Lead Organization when relevant federal officials are travelling to the Promise Zone to raise awareness of the federal government's work there with local leaders.
- 2) Working with its federal partners, HUD shall help to organize meetings and convenings, both locally and nationally, between Promise Zone Lead Organizations and federal and non-federal stakeholders who can support their initiatives.
- 3) HUD will work with the Promise Zone Lead Organization to produce and disseminate communication materials that highlight milestones and progress in the Promise Zone.

Responsibilities of the Promise Zone Lead Organization

In order for these strategic stakeholder engagement and communications activities to be as effective as possible, Promise Zone Lead Organizations shall work with HUD on these efforts. In particular:

- 1) The Promise Zone Lead Organization shall help identify and maintain a contact within the

Office of the Chief Executive of the UGLG(s) of the jurisdiction(s) in which the Promise Zone is located who will agree to participate, along with the Lead Organization, in coordinated stakeholder engagement and strategic communications activities with the participating federal agencies. If a Promise Zone includes more than one UGLG, the Promise Zone Lead Organization, along with the UGLGs' representatives, shall discuss with the Promise Zone HUD team about which UGLG(s)' officials will be responsible.

- 2) The Promise Zone Lead Organization's communications points of contact shall participate, as necessary, in conference calls, webinars or other meetings to coordinate and engage in communications and stakeholder engagement plans among the federal agencies and Promise Zone communities, especially as these plans relate to federal officials' travel, major funding announcements, major milestones and accomplishments, and more.
- 3) On a quarterly basis, the Promise Zone Lead Organization shall work with HUD communications points of contact on the development of Promise Zone spotlights and/or success stories. The Promise Zone Lead Organization will be asked to sign off on all communication materials. HUD will provide policy guidance on communication materials.

SECTION VII: FRAMEWORK FOR REPORTING AND COMMUNICATIONS

The Promise Zone Initiative's reporting framework is designed to facilitate honest and consistent communication between the Promise Zone Lead Organization and the federal government. Consistent communication between and among partners at the local level and the federal level regarding goals, priorities, challenges and opportunities is key to ensuring the long-term effectiveness of the Promise Zone initiative. Promise Zone's reporting and communications structure, including descriptions of the content and purpose of each report, is described in greater detail in the "Overview of Promise Zone's Reporting and Communications Framework" table in Appendix C.

Responsibilities of HUD

- 1) HUD shall confirm receipt of each Promise Zone's monthly, quarterly and annual reports when they are received.
- 2) HUD shall use Promise Zone Lead Organizations' reports to inform outreach to local and national stakeholders, identify opportunities for technical assistance, develop HUD's action plan for supporting Promise Zone progress over the course of the coming year, and raise awareness of and help to address Promise Zones' needs, goals and priorities.
- 3) HUD shall use the Promise Zones' Monthly Grant Reports (Appendix D) to inform federal partners about federal grants for which the Promise Zone partners plan to or have applied. HUD shall also verify, with other federal agencies, the amount of federal grants

competitively awarded to support Promise Zone activities to ensure both consistency and accuracy of final award amounts that are shared publically.

- 4) Using the Annual Report (Appendix F) submitted by the Promise Zone Lead Organization, HUD shall conduct a review of Promise Zone activities and progress each year.

Responsibilities of the Promise Zone Lead Organization

To facilitate communication between local and federal partners, Promise Zone Lead Organizations shall submit the following reports and documents to their Community Liaisons (or another federal staff member designated by HUD) on a timely basis to support collaboration and problem solving between local and federal partners. These reports will also assist in communications and stakeholder engagement, both locally and nationally, as described in Section VI. HUD templates for each of these reports, as described below, are included in Appendix C-F¹. These templates may change over the course of the 10-year designation. Before any such changes take place, however, Promise Zone Lead Organizations and their partners will have the opportunity to comment on any proposed changes through OMB's Paperwork Reduction Act process.

- 1) **Monthly Federal Grant Report:** By the last day of each month the Promise Zone Lead Organization shall submit a spreadsheet listing federal grants for which it and its Promise Zone partners are planning to apply, have applied, or have been awarded. This includes federal grants that do and do not offer a Promise Zone preference. To track the impact of the Promise Zone initiative, it is critically important to accurately document the amount of federal funding that has been secured for Promise Zone activities.
- 2) **Quarterly Report:** On a quarterly basis the Promise Zone Lead Organization shall submit this spreadsheet to their HUD Community Liaisons. The Promise Zone Lead Organization is asked to submit materials for the following time periods by the following dates: Quarter 1 (October 1 to December 31) by January 15, Quarter 2 (January 1 to March 31) by April 15, Quarter 3 (April 1 to June 30) by July 15 and Quarter 4 (July 1 to September 30) by November 15. The quarterly report for the fourth quarter of the fiscal year, due November 15, will be submitted as part of Promise Zone's Annual Report. The initial Quarterly Report will commence in Fiscal Year 2017, which starts October 1, 2016 or after the reporting forms receive OMB approval.

¹ *Reporting Forms are pending OMB approval. This form is currently available for informational purposes only. Use of this form is not required until OMB approval is obtained. This form is subject to change.*

- 3) **Annual Report:** Using the HUD template in Appendix F, the Promise Zone Lead Organization shall submit an Annual Report that documents the Promise Zone's accomplishments over the previous year and lays out priorities for the next year. Following the submission of its Annual Report, the Promise Zone Lead Organization will participate in a debriefing call on its Annual Report with HUD staff to discuss key takeaways and next steps. Promise Zone Lead Organizations should submit Annual Reports by November 15.

SECTION VIII: DATA AND EVALUATION

A collaborative commitment to tracking results will be key to documenting the long-term effectiveness of the Promise Zone initiative. HUD is committed to working with local partners to track the impact of their efforts and how their community is changing over time. Through its data and evaluation activities, HUD seeks to provide technical assistance and support to Promise Zone designees as they collect data and conduct evaluations of their Promise Zone effort.

As outlined in greater detail in Appendix G, Promise Zones Data: Goals and Core Indicators, this approach supports the collection of key individual and community-level outcomes in order to evaluate the impact of the Promise Zone's activities. This information will be gathered in several ways, as outlined below:

- 1) Group A: Indicators and measures in this group are those that can be easily tracked consistently across Promise Zones using administrative or other national data sets. Examples of these types of data include jobs created, job sectors, income, employment by sector, poverty concentration, and property values. Indicators in this group are typically available by census tract or other administrative boundaries.
- 2) Group B: Indicators in this group are consistent across Promise Zones but require local data sources. For example, indicators might include building permits, crime rates, high school graduation rates, and chronic absenteeism.
- 3) Group C: Indicators in this group are locally defined and require operationalizing. The data are likely drawn from federal and/or local sources. Examples of these indicators might include measures of school quality, workforce development, college entry, accessibility to pre-K or early childhood education, detailed measures of healthy food access, homeownership, and more.
- 4) Group D: Indicators and measures in this group are accessible through surveys, crowdsourcing and other individual-level data collection methods. Examples of these indicators might include perceived neighborhood quality, perception of safety and community trust in law enforcement, and community connectedness.

Responsibilities of HUD

- 1) HUD shall provide a framework for data gathering and sharing across Promise Zone sites that incorporates common goals, policy areas and elements across Promise Zones, and complements local efforts to measure what is most meaningful in their specific context.
- 2) HUD shall provide Group A data metrics that are readily available to HUD or other federal partners for the specific geography defined as the Promise Zone, to each Promise Zone on an annual basis as allowed under the Privacy Act of 1974 as amended. When a Promise Zone does not comport to administrative boundaries defined in the data source, HUD will provide along administrative boundaries that closely represent the zone.
- 3) HUD shall provide consultation to the Promise Zone and its data partner(s) to identify appropriate measures and data sources for Group B and C indicators.
- 4) HUD shall provide consultation to the Promise Zone on practical approaches for identifying resources and strategies to collect Group D data.
- 5) HUD shall archive data it receives from Promise Zone Lead Organizations for use by federal and local agencies and organizations for future policy research and evaluation.
- 6) HUD shall work with participating federal agencies, Promise Zone Lead Organizations and data partners to organize learning communities among federal and local level staff on methodologies and approaches for collecting metrics that are not available at the federal level. This could include data integration across systems, establishing comparison neighborhoods for measuring outcomes of Promise Zone activities, and other topics relevant to assessing the performance of Promise Zones and other place-based strategies.
- 7) HUD shall staff learning community convenings (in person and/or virtual) for Promise Zone Lead Organizations and their data partners on at least a quarterly basis.
- 8) HUD shall include interested outside researchers as appropriate in learning community activities.
- 9) HUD shall work with Promise Zone Lead Organizations and Implementing Partner Organizations to make use of available technology resources across federal government and with civic technologists, universities, and tech organizations in their local communities.

Responsibilities of the Promise Zone Lead Organization

- 1) The Promise Zone Lead Organization and its data partner(s) shall work with HUD annually to define the specific measures and local data sources for indicators in the Group B category, and share that data with HUD.
- 2) The Promise Zone Lead Organization and its data partner(s) shall work with HUD to define the specific measures for Group C data, and – if local data sources are available and appropriate for these measures – share the data with HUD to inform future data and evaluation efforts.
- 3) The Promise Zone Lead Organization and its data partner(s) shall work with HUD to develop methods to gather Group D data, whether through traditional methods such as surveys or creative methods such as crowdsourcing information. The Promise Zone Lead Organization and its data partner(s) shall commit to sharing the data and innovations in data collection for these and other measures with HUD and other Promise Zone designees.
- 4) The Promise Zone Lead Organization and its data partner shall participate in data and evaluation learning community convening's organized by HUD and other federal partners.
- 5) The Promise Zone Lead Organization shall ensure that Promise Zone partners who receive a Promise Zone preference for a federal grant agree to participate in federally funded evaluations of the Promise Zone initiatives, when/if those evaluations occur.
- 6) Via the *Promise Zone Certification Form (HUD Form 50153)*, the Promise Zone Lead Organization shall ensure that Promise Zone partners who receive federal grants with Promise Zone preferences agree to contribute to Promise Zone quarterly and annual reports by sharing information on the amount of federal funding they received and how they have used that funding to contribute to Promise Zone goals.

SECTION IX: Process for Amending the Promise Zone Plan

Over the course of the designation period, the Promise Zone Lead Organization may find it necessary to amend certain elements of their Promise Zone Plan and the roles and responsibilities of implementing partner organizations, as initially proposed in the Promise Zone application. The Promise Zone Lead Organization must obtain HUD approval before implementing changes to the items listed below. As further detailed in Section IX, failure to obtain HUD approval prior to changing these elements could result in the revocation of the Promise Zone designation.

The Promise Zone Lead Organization will notify its Community Liaison in writing of any changes to the elements of the Promise Zone activities or organizational structure listed below, prior to their being enacted. Promise Zone Lead Organization may provide these notifications,

and request that its Promise Zone Plan be changed, as part of its annual report submission or at any other time over the course of the year. Changes for which a Promise Zone Lead Organization must seek an amendment to its Promise Zone Plan include:

- 1) Changes to the geographic boundaries of the Promise Zone.
- 2) A change in the Promise Zone Lead Organization's role or the appointment of a new entity to serve as the Promise Zone Lead Organization.
- 3) The appointment of a new entity to serve as the Promise Zone's lead data and evaluation partner.
- 4) Removal of an organization(s) listed as Implementing Partner Organizations in the MOU, and/or changes to their roles and responsibilities as listed in the MOU and the Promise Zone Application. Promise Zone Lead Organizations are not required to seek HUD's permission before adding partners to its MOU.
- 5) Changes to the goals set forth in the Promise Zone Plan (taken from the Promise Zone Application), as documented in Appendix A, and any previously-approved amendments. Promise Zone lead organizations do not have to request amendments when changing objectives, subgoals or the strategies/activities they plan to employ to accomplish their goals.
- 6) Placement of limitations upon the support for Promise Zone strategy as laid out in the UGLG letter of support included in the original Promise Zone Application.
- 7) Changes to any of the reporting responsibilities outlined in Section VI and VII and associated appendices.
- 8) Changes to data gathering and sharing commitments outlined in Section VIII and associated appendices.

The objective of this amendment process will be to resolve such issues and achieve an approved amendment to the Designation Agreement, which shall not be unreasonably withheld. If issues cannot be resolved, or the Lead Organization and other affected partners do not act in good faith, this Promise Zone Designation Agreement may be terminated and the Promise Zone designation may be revoked by HUD. Examples of Lead Organizations or their partners not acting in good faith include: changes requiring an amendment are implemented before they are approved by HUD, and/or information submitted to HUD pertaining to the impact of the changes on the local Promise Zone's operation, its community or beneficiaries is either incomplete or unreasonably withheld.

Responsibilities of HUD

- 1) When the Promise Zone Lead Organization requests to amend its plan, HUD shall determine, in its sole discretion, whether the proposed changes to the Promise Zone Plan listed above could result in a substantial alteration of the stated goals of the Promise Zone, the local partners' ability to accomplish those goals, or the ability of the community, residents and other beneficiaries affected by the activities to benefit from or participate meaningfully in Promise Zone activities. If such a substantial change is possible, HUD will review the proposed change and its potential impacts to the local Promise Zone and Promise Zone Plan, to verify that the Promise Zone continues to meet eligibility and qualifying criteria, and to determine how the Promise Zone application, with the changes incorporated, would have scored under the selection criteria used when its designation was conferred. If the proposed amendment would have caused the original Promise Zone application to be considered ineligible for designation, or would have caused the application to be scored lower than the 75 points required for the applicant to be selected as a Designee, then the Amendment Request will be denied.
- 2) HUD will notify the Lead Organization within 60 calendar days whether its amendment request is approved or denied. If the amendment request is denied, HUD will commence work with the Lead Organization and its partners to resolve the issues resulting in lower scoring.
- 3) HUD shall exercise the ability to initiate an amendment process with the Promise Zone Lead Organization, when necessary, in order to resolve issues related to the following:
 - a) Actions of the Promise Zone Lead Organization, Implementing Partner Organizations or UGLG(s) which could reasonably cause HUD to question whether the Promise Zone will continue to meet the eligibility and qualifying criteria, and/or score a total of 75 points if its content were re-scored under the selection criteria specified in applicable application guide used during the round of competition in which the Promise Zone was designated.
 - b) Issues of disallowed costs, non-performance, failure to meet fiduciary duties, or non-compliance with cross-cutting requirements under a federal grant or regulation by the Lead Organization or an Implementing Partner Organization with responsibilities under the Promise Zone Application. If the potential compliance difficulties are identified by the Lead Organization, Promise Zone partner organizations or a federal agency prior to non-compliant action being taken, HUD will work with the Promise Zone Lead Organization, any Implementing Partner Organization(s) and the relevant federal agency to address the issues that could lead to non-compliance before administrative action is taken. Such facilitation shall be undertaken as appropriate to the circumstance and all applicable laws and regulations, and shall not interfere with the responsibilities of the federal agency administering the grants and/or requirements in question. If the issues are determined to jeopardize the Lead Organizations' ability to make progress under the

Promise Zone Plan, HUD may move to terminate this Agreement as provided in Section IX.

Responsibilities of the Promise Zone Lead Organization

- 1) The Promise Zone Lead Organization shall notify its Community Liaison if an amendment to its Promise Zone Plan is necessary.
- 2) The Promise Zone Lead Organization shall provide all information necessary for HUD to evaluate its proposed amendment to its Promise Zone Plan.
- 3) The Promise Zone Lead Organization shall wait to implement changes to its Promise Zone Plan until it has received HUD's approval of that change.
- 4) The Promise Zone Lead Organization will work with HUD and any Implementing Partner Organizations to cure potential compliance difficulties if they are identified prior to administrative non-compliance action being taken.
- 5) When a new Chief Executive is elected or otherwise selected to lead an UGLG within the Promise Zone boundary, the Promise Zone Lead Organization shall work with HUD to engage the new Chief Executive and elicit a statement of support for the strategy and activities set forth in the Promise Zone Application, as amended.

SECTION X: TERMINATION OF THE DESIGNATION AGREEMENT and REVOCATION OF PROMISE ZONE STATUS

As outlined above, the following are the circumstances that could result in a termination of this Designation Agreement and loss of a Promise Zone's designation:

- 1) Changes that require amendments to the Promise Zone Plan are implemented without prior written approval of HUD.
- 2) Failure of the Promise Zone Lead Organization to submit an Annual Report or required portions thereof, or repeated failures to submit monthly reports, quarterly reports, or communications materials in a timely manner. If needed, communities may request a waiver of reporting requirements for a period of time, subject to HUD's approval.
- 3) Failure of the Lead Organization to designate a point of contact at the Office of the Chief Executive of the UGLG and the Lead Organization for purposes of coordinating communications and stakeholder engagement or the consistent failure of such points of contact to participate in coordinating meetings or submit communications information and items to the group.

- 4) Failure of the Lead Organization and/or its data partners to participate in data collection and sharing activities as outlined in Section XIII.
- 5) Failure of the Lead Organization to meet with the Community Liaison at least monthly for purposes of identifying and organizing federal response to needs or interests among Promise Zone partner organizations, and/or failure to address barriers to Community Liaison effectiveness in working with the Lead Organization or Promise Zone partners.
- 6) Failure of the Lead Organization or its Implementing Partner Organizations to meet fiduciary obligations or gross mismanagement of funding received from federal grant opportunities with Promise Zone preference as determined by HUD, subject to the provisions of Section IX and Section X.
- 7) Failure of the Lead Organization to report inability to meet fiduciary obligations or issues of gross mismanagement on the part of itself or any of its Implementing Partner Organizations and engage in an amendment process as described in Section IX. The Lead Organization will be held responsible for its failure to report gross mismanagement and/or the inability to meet fiduciary obligations of its Implementing Partner Organizations only to the extent the Lead Organization had prior knowledge these issues, as determined by HUD.
- 8) Refusal of a new Chief Executive of the UGLG to sign a statement of support when submitting the Annual Report. Whenever the administration of an UGLG changes, whether through an election or some other mechanism, a statement of support must be obtained in order to retain the Promise Zone designation.

DUE PROCESS

- 1) If HUD finds cause for termination of this designation agreement and revocation of Promise Zone designation, HUD will notify the Lead Organization and the Chief Executive of the UGLG(s) supporting the designation in writing. In considering such action, HUD will seek input from the local and regional staff of HUD and the participating federal agencies as well as the recommendations of staff administering Promise Zones.
- 2) When a termination letter is issued, the Lead Organization will have 30 calendar days from the date of issuance to review the cause(s) for the termination and request a hearing. HUD will arrange a hearing panel to review information and any new commitments, improvement plans or mitigating information presented by the Lead Organization within the 30 calendar days following such a request. The hearing panel will include senior federal staff responsible for overseeing day to day Promise Zone operations, the senior federal executive with delegated authority for the Promise Zone Initiative, and representatives of any participating federal agencies whose programs or

performance are closely connected to the issues causing the termination. The panel will seek input from the local and regional staff of HUD and the participating federal agencies in addition to the recommendations of other federal staff involved with Promise Zones.

- 3) HUD will notify the Lead Organization and the Chief Executive of the UGLG(s) of its final determination within 60 calendar days of the date of the hearing. If a longer period of time is needed due to the need for additional information or the availability of decision-makers, the parties will agree in writing as to the new deadline.
- 4) After the final determination has been made there will be no further appeals. This Agreement does not provide the Lead Organization with any benefit, legal or equitable right, remedy, or claim following a final determination to terminate the designation.

By entering into this Agreement, the Promise Zone Lead Organization has provided explicit permission for HUD to share updated project and activities information, along with neighborhood demographic data for the Promise Zone’s geographic boundaries and the narratives submitted with its application, as amended, with the public. HUD will also share relevant information with other federal agencies to develop technical assistance for the local Promise Zones.

POINTS OF CONTACT

Zuleika K. Morales-Romero
Field Operations Director, Office of Field Policy and Management
U.S. Department of Housing and Urban Development
(202) 402-7683 / zuleika.k.morales@hud.gov

SIGNATURES

Mary E. McBride
Assistant Deputy Secretary for Field Policy and Management
U.S. Department of Housing and Urban Development

Signature: _____

Sacramento Housing and Redevelopment Agency

Title: _____

Signature: _____

Sacramento Promise Zone

