



INVESTING IN COMMUNITIES

NOTICE OF REGULAR MEETING MEETING
**Sacramento Housing and Redevelopment
Commission**
Wednesday, July 20, 2016 – 6:00 pm
801 12th Street
2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. If you wish to speak under Citizens Comments or on a posted agenda item, please fill out a speaker card and present it to the Agency Clerk. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be “question and answer” periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Commission attendees are requested to silence any electronic devices that they have in their possession during the meeting.

1. **APPROVAL OF MINUTES** - May 18, 2016 Meeting

CONSENT

2. Adoption of Revised Administrative Entity State Emergency Solutions Grant (ESG) Resolution

BUSINESS/DISCUSSION ITEMS

3. Approval of Cosumnes House Loan Forgiveness and Release of Regulatory Agreement
4. Authorization to Execute Promise Zone Designation Agreement – City report
5. Authorization to Execute Promise Zone Designation Agreement – County report

SPECIAL PRESENTATIONS

6. SHRA Property Disposition Plan overview

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk’s office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk’s office during normal business hours and will also be available at the meeting.

AMERICANS WITH DISABILITIES ACT: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



INVESTING IN COMMUNITIES

MINUTES

Sacramento Housing and Redevelopment Commission (SHRC) Meeting

May 18, 2016

Meeting noticed on May 13, 2016

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Creswell. A quorum of members was present.

MEMBERS PRESENT: Alcalay, Creswell, Griffin, Morgan, Raab, Rios, Simas, Staajabu

MEMBERS ABSENT: Johnson, Macedo, Painter

STAFF PRESENT: La Shelle Dozier, David Levin, Vickie Smith, Christine Weichert, MaryLiz Paulson, Sarah Thomas, Tyrone Williams, Karen Johnson, Terren Wing

APPROVAL OF AGENDA – The Chair announced that agenda item # 5 related to the Engagement committee would be postponed until a future meeting.

CITIZENS COMMENTS – Sarah Thomas and Karen Johnson introduced FSS graduate Angela Cook.

Ray Montes provided comments related to his housing situation.

1. APPROVAL OF MINUTES – May 4, 2016 meeting - The meeting minutes were approved unanimously as submitted.

BUSINESS/DISCUSSION ITEMS

2. Agreement By And Between The County Of Sacramento And Taylor Morrison Of California, LLC Relative To An Affordable Housing Strategy For A Previously Approved Project (04-RZB-SDP-0233) Known As Caselman Ranch

Terren Wing presented the item.

On a motion by Commissioner Morgan, seconded by Commissioner Griffin, the Commission recommended approval of the staff recommendation for the item listed above. The votes were as follows:

- AYES: Alcalay, Creswell, Griffin, Morgan, Raab, Rios, Simas, Staajabu
- NOES: None
- ABSENT: Johnson, Macedo, Painter
- ABSTAIN: None
- RECUSE: None

- 3. Sacramento Area Flood Control Agency's Assessment Vote for City, Housing Authority, and Redevelopment Agency Successor Agency Owned Properties
- 4. Ballot Measure For The Sacramento Area Flood Control Agency's Proposed Property Assessment District To Replace The 2007 Consolidated Capital Assessment District

David Levin presented the items.

On a motion by Commissioner Griffin, seconded by Commissioner Morgan, the Commission recommended approval of the staff recommendation for the items listed above. The votes were as follows:

- AYES: Alcalay, Creswell, Griffin, Morgan, Raab, Rios, Simas, Staajabu
- NOES: None
- ABSENT: Johnson, Macedo, Painter
- ABSTAIN: None
- RECUSE: None

SPECIAL PRESENTATIONS

5. SHRA Engagement Committee Activities - Item postponed to future meeting.

EXECUTIVE DIRECTOR REPORT

The Executive Director reviewed the following:

- 1) The next meeting will be July 20, 2016.
- 2) Expressed appreciation to members that attended NAHRO training.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Members Simas, Rios, Morgan, Raab and Staajabu thanked staff for the opportunity to attend NAHRO training.

COMMISSION CHAIR REPORT

Chair Creswell also thanked staff for the opportunity to attend NAHRO training.

ADJOURNMENT

As there was no further business to be conducted, Chair Creswell adjourned the meeting at 6:40 p.m.

Clerk

July 20, 2016



Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT Adoption of Revised Administrative Entity State Emergency Solutions Grant (ESG) Resolution

RECOMMENDATION

Staff recommends adoption of the attached resolution, which authorizes the Executive Director or her designee to:

1. Receive grant funds from the State of California Department of Housing and Community Development (Department). The Sacramento Housing and Redevelopment Agency (SHRA) represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state, federal, and other statutes, rules, regulations, guidelines and laws ("rules and laws"), including without limitation all rules and laws regarding the ESG Program, as well as any and all contracts SHRA may have with Department.
2. SHRA is hereby authorized and directed to receive an ESG grant, in an amount not to exceed \$893,906 in accordance with all rules and laws. The Executive Director, or designee, is further authorized to amend the SHRA budget accordingly.
3. SHRA hereby agrees to use the ESG funds for eligible activities as approved by the Department and in accordance with all program requirements, and other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between State ESG Administrative Entity and Department.
4. The Executive Director, or designee, is authorized to execute the Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the ESG grant

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awarded to State ESG Administrative Entity, as the Department may deem appropriate.

CONTACT PERSONS

La Shelle Dozier, Executive Director, 440-1319
Geoffrey M. Ross, Assistant Director, 440-1357

SUMMARY

In June 2016, the Department notified staff that SHRA had been designated an Administrative Entity (AE) for State ESG funds allocated to the Sacramento (cities of Elk Grove, Citrus Heights and Rancho Cordova) and Vallejo/Solano Services Areas. At that time, the Department requested that SHRA provide a revised resolution containing language that was not previously included when the Commission and Sacramento County Board of Supervisors approved the receipt and administration of the State ESG program by Commission Resolution 2016-04 and Board of Supervisor Resolution 2016-0233.

BACKGROUND

The Sacramento Housing and Redevelopment Commission previously approved SHRA to serve as the AE at its meeting on April 20, 2016 (Resolution 2016-04) The same recommendation was also approved by the Board of Supervisors on April 26, 2016 (Resolution 2016-0233). Since receiving these approvals, the Department has officially designated SHRA as an AE for the Sacramento and Vallejo/Solano Service Areas. SHRA currently administers ESG funds for the cities of Sacramento, Folsom, Isleton, Galt and the unincorporated portion of the County of Sacramento.

In June 2016, the Department provided clarifying resolution language to approved AE's, and accordingly, staff has prepared this report to adopt and ratify the attached resolution which conforms to the Department's requirements and the previous approvals contained sections 5, 6 and 7 of the Board of Supervisors Resolution.

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FINANCIAL CONSIDERATIONS

With the designation as AE, the Department allocated \$893,906 to SHRA to administer the State ESG program to the non-entitlement jurisdictions within Sacramento and Solano Counties.

SHRA currently administers the City and County of Sacramento's federal entitlement ESG Rapid Re-Housing Program with Volunteers of America as the service provider. SHRA will execute a contract with Volunteers of America to implement the State ESG grant in the amount of \$441,509. The Department is allowing SHRA to utilize its previous competitive selection process for Sacramento's ESG Rapid Re-Housing Program in the selection of Volunteers of America for the State ESG program. This will bring the entitlement and State ESG programs into alignment effectively covering every jurisdiction within the County of Sacramento and will rapidly re-house approximately 70 clients residing in the cities of Elk Grove, Citrus Heights and Rancho Cordova.

Likewise, \$441,508 will be available for the County of Solano and its incorporated cities, to rapidly re-house approximately 70 clients. There is no established program to coordinate activities within Solano County, thus SHRA has undertaken a competitive bid process. Staff anticipates the selection of a provider for Solano in August. The remaining \$10,889 in grant funds is available to SHRA for administering the program.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with previously approved policies and federal requirements.

ENVIRONMENTAL REVIEW

The recommended activity is not a project under 14 California Code of Regulations (CCR) §15378(b) (4) and no environmental review is required; and is an exempt activity under the National Environmental Policy Act, 24 CFR §58.34(a) (3).

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M/WBE AND SECTION 3 CONSIDERATIONS

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent they may be applicable.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

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RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTON NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

July 20, 2016

AUTHORIZATION FOR THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY TO APPLY AND ADMINISTER THE STATE OF CALIFORNIA'S EMERGENCY SOLUTIONS GRANT PROGRAM WITHIN THE STATE'S CONTINUUM OF CARE ALLOCATION SERVICE AREAS; EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF THE STATE ESG PROGRAMS AND OTHER ENVIRONMENTAL RELATED FINDINGS

WHEREAS, the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability (NOFA) dated May, 16, 2016, under the Emergency Solutions Grants (ESG) Program ("Program"); and

WHEREAS, the Sacramento Housing and Redevelopment Agency (SHRA) is an approved ESG Administrative Entity; and

WHEREAS, the Department may approve funding allocations for the ESG Program, subject to the terms and conditions of the NOFA, Program guidelines and requirements, and the Standard Agreement and other contracts between Department and ESG grant recipients; and

WHEREAS, the recommended activity is not a project under 14 California Code of Regulations (CCR) §15378(b)(5) and no environmental review is required; and

WHEREAS, the recommended action is an exempt activity under the National Environmental Policy Act, 24 CFR § 58.34(a)(3).

ALL, OR A NECESSARY QUORUM AND MAJORITY OF THE COMMISSIONERS OF THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION, A CORPORATE BODY, CORPORATE AND POLITIC (“STATE ESG ADMINISTRATIVE ENTITY”) HEREBY CONSENT TO, ADOPT AND RATIFY THE FOLLOWING:

1. The above recitals, including the environmental recitals are found to be true and correct.
2. If SHRA receives grant funds from Department, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state, federal, and other statutes, rules, regulations, guidelines and laws (“rules and laws”), including without limitation all rules and laws regarding the ESG Program, as well as any and all contracts SHRA may have with Department.
3. SHRA is hereby authorized and directed to receive an ESG grant, in an amount not to exceed \$893,906 in accordance with all rules and laws. The Executive Director, or designee, is further authorized to amend the Agency budget accordingly.
4. SHRA hereby agrees to use the ESG funds for eligible activities as approved by the Department and in accordance with all Program requirements, and other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between State ESG Administrative Entity and Department.
5. SHRA’s Executive Director, or designee, is authorized to execute the Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the ESG grant awarded to State ESG Administrative Entity, as the Department may deem appropriate.

PASSED AND ADOPTED at a regular meeting of the Sacramento Housing and Redevelopment Commission this 20th day of July, 2016 by the following vote.

AYES: Commissioners,

NOES: Commissioners,

ABSENT: Commissioners,

ABSTAIN: Commissioners,

RECUSAL: Commissioners,
(PER POLITICAL REFORM ACT (§ 18702.5.))

CHAIR

ATTEST:

CLERK



July 15, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Cosumnes House Loan Forgiveness and Release of Regulatory Agreement

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the City of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



**REPORT TO COUNCIL AND
HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA95814-2671
www.CityofSacramento.org**

**Consent
July 26, 2016**

**Chair and Members of the Housing Authority Board
Honorable Mayor and Members of the City Council**

Title: Approval of Cosumnes House Loan Forgiveness and Release of Regulatory Agreement

Location/Council District: 7610 La Mancha Way, Council District 8

Recommendation: Adopt 1) a **City Council Resolution** which: a) authorizes the Sacramento Housing and Redevelopment Agency (Agency) to forgive the outstanding HOME Investment Partnership (HOME) loan balance of \$262,025 for Cosumnes House, b) enter into and execute documents and perform actions necessary to fulfill the intent of forgiving the loan and releasing the associated Regulatory Agreement for Cosumnes House, and c) making related findings; and 2) a **Housing Authority Resolution** which a) authorizes the Sacramento Housing and Redevelopment Agency (Agency) to forgive the outstanding HOME Investment Partnership (HOME) loan balance of \$262,025 for Cosumnes House, b) enter into and execute documents and perform actions necessary to fulfill the intent of forgiving the loan and releasing the associated Regulatory Agreement for Cosumnes House, and c) making related findings.

Contact: Christine Weichert, 440-1353; Tyrone Roderick Williams, 440-1316, Sacramento Housing and Redevelopment Agency

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: Cosumnes House (Project) is a single family home acquired and rehabilitated by Mercy Properties California (Mercy) in 2001 utilizing a City HOME Investment Partnership (HOME) Loan under the Sacramento Housing and Redevelopment Agency's (Agency) Supportive Housing Loan Program. The Project is located on approximately 0.41 acres at 7610 La Mancha Way in South Sacramento. The Project houses five formerly homeless women. Sacramento Self Help Housing (SSHH) provides both property management and supportive services at the Project. The programs and supportive services at the Project are funded by grants from the United States Department of Housing and Urban Development (HUD) which are overseen by Sacramento Steps Forward (SSF).

Minimal tenant rents and the SSF grants generate enough income to operate the Project, but not to enough to repay the HOME Loan which matured on July 1, 2016. Typically, loans made to projects serving homeless individuals are forgiven once the period of affordability is reached.

The Agency seeks approval to forgive Mercy's outstanding loan balance. Mercy has addressed the most urgent physical needs at the property. Agency staff inspected the Project and found the house and grounds to be in good condition without immediate maintenance concerns. The major systems such as the roof, HVAC, and water heaters all meet Agency standards with a remaining useful life of approximately 10 to 15 years. Once the loan is forgiven and the Regulatory Agreement released, the Project will be transferred to Housing Solutions, Inc. (HSI), a 501(c) 3 non-profit formed as an ancillary organization to SSHH. The transfer and forgiveness of the loan will allow the Project's continued operation as affordable housing for formerly homeless women receiving supportive services. More information on the loan forgiveness, property transfer, and supportive services are provided as Attachment 2. HSI, who will acquire the property, lacks the financial resources to purchase the property for fair market value or assume the Agency debt as the property does not generate enough income to make loan payments. This is detailed in Attachment 3.

Staff confirmed with SSF that the permanent supportive housing program at Cosumnes House will continue to receive funding. The program is part of the "Friendship Housing Expansion" program, which is consistently one of the highest rated in the Continuum of Care's annual Notice of Funding Availability process. Staff is confident that following the forgiveness of the outstanding loan and release of the associated regulatory agreement, SSHH and HSI will continue to operate Cosumnes House as permanent supportive housing.

Policy Considerations: The recommended actions are consistent with the 2013-2021 Housing Element, which encourages the preservation and rehabilitation of existing housing to ensure neighborhood livability and promote housing affordability (Resolution No. 2013-415).

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The recommended action, loan forgiveness, is not a project under CEQA as defined in CEQA Guidelines, section 15378(b)(4), as it does not involve any action or commitment to any specific project which may result in a potentially significant physical impact in the environment. This activity is also not a project under CEQA Guidelines section 15378(b)(5) because organizational or administrative activities of government such as forgiving a loan will not result in direct or indirect physical changes to the environment.

July 26, 2016

Sustainability Considerations: The Project has been reviewed for consistency with the 2035 General Plan. If approved, the project will advance the following goal and policy that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from the 2035 General Plan: Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: The Sacramento Climate Action Plan (CAP) outlines measures to improve energy efficiency in existing buildings.

Other: The recommended transfer of property is exempt under the National Environmental Policy Act (NEPA) under 24 DFR 58.34(a) (3) administrative and management services.

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:

NOES:

ABSTAIN:

ABSENT:

Rationale for Recommendation: The actions recommended in this report enable the Agency to continue to fulfill its mission to provide a range of affordable housing opportunities as outlined in the City of Sacramento's 2013-2021 Housing Element. The actions recommended will enable the Agency to remove a non-performing loan while ensuring that the asset will remain affordable permanent supportive housing for formerly homeless individuals.

Financial Considerations: The Agency HOME Loan has a principal balance of \$262,025. This report recommends forgiveness of this loan.

July 26, 2016

LBE/M/WBE/Section 3 and First Source Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent applicable. First Source Program is not applicable to this report. Local Business Enterprise does not apply to this report.

Respectfully Submitted by: _____



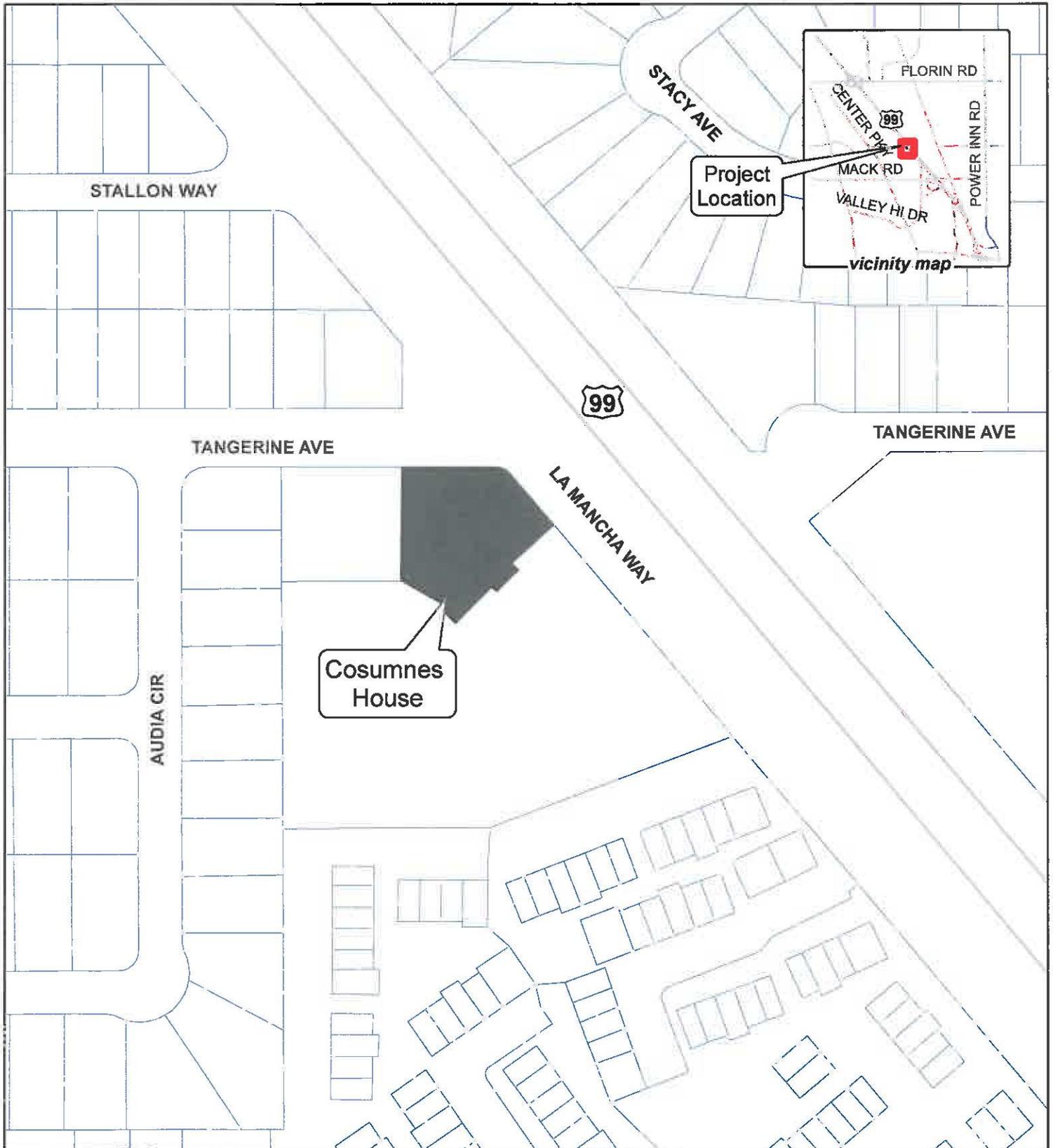
LA SHELLE DOZIER
Executive Director

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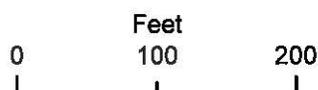
01	Description/Analysis
02	Vicinity Map
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04	Proforma
05	City Council Resolution
06	Housing Authority Resolution



Cosumnes House - 7610 La Mancha Way



7610 La Mancha Way



SHRA GIS
May 10, 2016

Cosumnes House Background Information

Description: Mercy Properties California (Mercy) seeks forgiveness of an Agency HOME loan originally made for the acquisition and rehabilitation of a single family home located at 7610 La Mancha Way, known as Cosumnes House (Project). Mercy is requesting forgiveness of the remaining principal balance of approximately \$262,025. Once the loan is forgiven, the existing Regulatory Agreement will be released and Mercy will sell the property for \$1.00 to Housing Solutions, Inc. (HSI), an ancillary of the existing property management and supportive services provider, Sacramento Self Help Housing (SSHH). The programs and services at the Project are funded by grants from HUD and are overseen by Sacramento Steps Forward (SSF). Use of these funds requires that SSHH and HSI continue to operate the Project as affordable, permanent supportive housing. The loan forgiveness and subsequent release of the Regulatory Agreement and transfer of property will ensure that the property will continue to operate as an affordable, permanent supportive housing program.

Staff confirmed with SSF the continued funding of the SSHH permanent supportive housing program at Cosumnes House. The project is part of the "Friendship Housing Expansion" program, which is consistently one of the highest rated in the Continuum of Care's annual Notice of Funding Availability process. Staff is confident that following the forgiveness of the outstanding loan and release of the associated regulatory agreement, SSHH and HSI will continue to operate Cosumnes House as permanent supportive housing.

The original HOME loan was made in 2001 under the Agency's Supportive Housing Loan Program. Under this program, funds were to be used to provide housing for residents actively involved in supportive services programs. The loan was made at 0% interest and no payments were required or made over the term of the loan. This loan matured July 1, 2016. The existing HOME Regulatory Agreement has a 15-year term which will expire on June 8, 2016 or when the loan is repaid if repayment is at a later date. HOME regulations do not require repayment of funds when the required period of affordability has been met. Accordingly, there are no statutory provisions that prohibit forgiving debt. The loan cannot be assumed, there is no term left to be fulfilled, and the required period of affordability has been achieved. Typically loans made to projects serving homeless individuals are forgiven once the period of affordability has been reached.

The Project is a 2,700 square foot single family home with five bedrooms and two and one-half bathrooms. There is a bonus room attached to the garage that is used as office space. When Mercy initially acquired the Project in 2001, they completed a substantial rehabilitation to the property including: installation of a new roof, HVAC system, Americans with Disabilities Act (ADA) compliance, new windows and appliances, and painting the exterior and interior. The property remains in good condition. Prior to the loan forgiveness, release of the Regulatory Agreement and property transfer to HSI, Mercy Housing California agreed to address the most urgent physical needs of the

property. Mercy has replaced electrical breakers, concrete walkway, exterior lighting, and a water heater. Support posts have been removed or re-secured where necessary. Window flashing throughout the exterior of the home has been re-caulked. The backyard fence has been repaired. In addition, as part of the property transfer, Mercy will provide HSI a \$5,000 capital reserve account for the benefit of the property.

Current Owner: Mercy is a private non-profit corporation dedicated to providing quality affordable housing with supportive programs to low-income persons in California. Mercy has been responsible for the construction of more than 124 multifamily rental properties with a total of more than 7,000 units. Their portfolio includes 18 properties in Sacramento County. Though Mercy has built and owned affordable single-family units in the past, single family homes no longer fit their property profile and thus they are seeking to transfer the property to HSI in order to continue the current usage and public benefit of the property.

Future Owner: HSI was set up as an ancillary organization to SSHH to own real property intended to be used as transitional and permanent supportive housing for formerly homeless individuals or those at risk of homelessness. SSHH operates two permanent supportive housing programs funded by SSF, Friendship Housing and Friendship Community Housing. Both programs serve chronically homeless individuals in shared housing. The program at the Project provides housing and services for five formerly chronically homeless women. Through its Coordinated Entry system, SSF refers the most vulnerable, chronically homeless woman to the program at the Project. Given that SSF supports these programs with funds from HUD and relies on the operation of the Project to house clients from its Coordinated Entry system, both HSI and SSHH will remain accountable to SSF for the operation and performance of the Project as permanent supportive housing.

Resident Services: Services will continue to be provided to residents by Sacramento Self Help Housing (SSHH), a non-profit that runs a number of housing and homelessness prevention programs throughout Sacramento. SSHH operates and provides services at 19 master-leased houses with 94 beds in Sacramento. The SSHH program employs a formerly homeless woman as an on-site house leader. Additionally, case managers visit the house weekly and work with residents to develop a service plan, including addressing alcohol and drug dependencies, medical needs, legal issues, mental health concerns, financial barriers and rebuilding relationships. Maintaining stable housing is also central to the program. All five women currently living at Cosumnes House are extremely low-income. They pay 30 percent of their income towards rent. The remaining portion of the rent is covered by SSF grants.

Property Management: The Project will continue to be managed by SSHH, which has managed the property as permanent supportive housing for formerly homeless women since 2007. Given SSHH's history as a successful property management and resident supportive services provider in the Sacramento Continuum of Care, Agency staff has found that its management plan meets the Agency requirements.

	Annual Increase	2016 Year 1	2017 Year 2	2018 Year 3	2019 Year 4	2020 Year 5	2021 Year 6	2022 Year 7	2023 Year 8	2024 Year 9	2025 Year 10	2026 Year 11	2027 Year 12	2028 Year 13	2029 Year 14	2030 Year 15
<i>Income</i>																
Tenant Rent	2.50%	\$13,920	\$14,268	\$14,625	\$14,990	\$15,365	\$15,749	\$16,143	\$16,547	\$16,960	\$17,384	\$17,819	\$18,264	\$18,721	\$19,189	\$19,669
SSF Subsidy	3.50%	\$10,080	\$10,433	\$10,798	\$11,176	\$11,567	\$11,972	\$12,391	\$12,825	\$13,273	\$13,738	\$14,219	\$14,716	\$15,232	\$15,765	\$16,316
Effective Gross Income		\$24,000	\$24,701	\$25,423	\$26,166	\$26,932	\$27,721	\$28,534	\$29,371	\$30,234	\$31,122	\$32,038	\$32,981	\$33,952	\$34,954	\$35,985
<i>Operating Expenses</i>																
Operating Expenses	3.00%	\$18,940	\$19,508	\$20,093	\$20,696	\$21,317	\$21,957	\$22,615	\$23,294	\$23,993	\$24,712	\$25,454	\$26,217	\$27,004	\$27,814	\$28,648
Assessments	2.00%	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
Property Management	3.00%	\$2,400	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630
Resident Services	2.00%	\$2,160	\$2,203	\$2,247	\$2,292	\$2,338	\$2,385	\$2,433	\$2,481	\$2,531	\$2,581	\$2,633	\$2,686	\$2,739	\$2,794	\$2,850
Total Expenses		\$24,000	\$24,693	\$25,407	\$26,142	\$26,898	\$27,676	\$28,477	\$29,301	\$30,149	\$31,023	\$31,922	\$32,847	\$33,799	\$34,780	\$35,788
Net Operating Income		\$0	\$7	\$16	\$25	\$34	\$45	\$57	\$70	\$84	\$99	\$116	\$134	\$153	\$174	\$197

Cosumes House Cash Flow Proforma

Attachment 4

RESOLUTION NO. 2016 -

Adopted by the Sacramento City Council

on date of

COSUMNES HOUSE: APPROVAL OF LOAN FORGIVENESS OF \$262,025 IN CITY HOME INVESTMENT PARTNERSHIP (HOME) FUNDS; RELEASE OF HOME REGULATORY AGREEMENT; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. Mercy Properties California (Mercy) currently owns and operates a single family home known as Cosumnes House (Project). Mercy acquired the Project in 2001 utilizing a Sacramento Housing and Redevelopment Agency (Agency) HOME Loan (Loan). Minimal tenant rents and grants from Sacramento Steps Forward (SSF) generate enough income to operate the Project, but not enough to repay the HOME loan which was due July 1, 2016. Mercy now seeks forgiveness of this Loan which has a current principal balance of \$262,025. The loan was made at 0% interest and no payments were required or made over the term of the loan.
- B. Upon forgiveness of said Loan, the current HOME Regulatory Agreement will be released. The Regulatory Agreement has a 15-year term, which expired June 8, 2016 or when the loan is repaid if repayment is at a later date. The required HOME regulatory period has been achieved.
- C. The recommended action, loan forgiveness, is not a project under the California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378(b)(4), as it does not involve any action or commitment to any specific project which may result in a potentially significant physical impact in the environment. This activity is also not a project under CEQA Guidelines, section 15378(b)(5) because organization or administrative activities of government such as forgiving a loan program will not result in direct or indirect physical changes in the environment.
- D. The recommended action is exempt under the National Environmental Policy Act (NEPA) under 24 DFR 58.34(a)(3) - administrative and management services.

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

- Section 1. All of the evidence having been duly considered, the facts as presented and stated above, including the environmental facts and findings, are found to be true and correct and are hereby adopted.
- Section 2. The Agency is authorized to enter into and execute documents, as approved to form by Agency Counsel, and perform actions necessary to fulfill the intent of forgiving the loan and releasing the associated Regulatory Agreement.

Section 3. The Agency is authorized to forgive Mercy the outstanding loan balance of \$262,025 in HOME funds.

RESOLUTION NO. 2016 -

Adopted by the Housing Authority of the City of Sacramento

on date of

COSUMNES HOUSE: APPROVAL OF LOAN FORGIVENESS OF \$262,025 IN CITY HOME INVESTMENT PARTNERSHIP (HOME) FUNDS; RELEASE OF HOME REGULATORY AGREEMENT; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. Mercy Properties California (Mercy) currently owns and operates a single family home known as Cosumnes House (Project). Mercy acquired the Project in 2001 utilizing a Sacramento Housing and Redevelopment Agency (Agency) HOME Loan (Loan). Minimal tenant rents and grants from Sacramento Steps Forward (SSF) generate enough income to operate the Project, but not enough to repay the HOME loan which was due July 1, 2016. Mercy now seeks forgiveness of this Loan which has a current principal balance of \$262,025. The loan was made at 0% interest and no payments were required or made over the term of the loan.
- B. Upon forgiveness of said Loan, the current HOME Regulatory Agreement will be released. The Regulatory Agreement has a 15-year term, which expired June 8, 2016 or when the loan is repaid if repayment is at a later date. The required HOME regulatory period has been achieved.
- C. The existing Project Loan, due to the funding source (City HOME funds) and related regulatory agreement, is a housing asset under California Health and Safety Code Section 34176.
- D. On April 1, 2013, the California Department of Finance issued its final determination related to the Housing Asset Transfer assets. This final determination included this existing HOME loan.
- E. The recommended action, loan forgiveness, is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378(b)(4), as it does not involve any action or commitment to any specific project which may result in a potentially significant physical impact in the environment. This activity is also not a project under CEQA Guidelines, section 15378(b)(5) because organizational or administrative activities of government such as forgiving a loan program will not result in direct or indirect physical changes in the environment.
- F. The recommended action is Exempt under the National Environmental Policy Act (NEPA) under 24 DFR 58.34(a)(3) administrative and management services.

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

- Section 1. All of the evidence having been duly considered, the facts as presented and stated above, including the environmental facts and findings, are found to be true and correct and are hereby adopted.
- Section 2. The Agency is authorized to enter into and execute documents, as approved to form by Agency Counsel, and perform actions necessary to fulfill the intent of forgiving the loan and releasing the associated Regulatory Agreement.
- Section 3. The Agency is authorized to forgive Mercy the outstanding balance of \$262,025 in HOME funds.

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

COSUMNES HOUSE: AUTHORIZING LOAN FORGIVENESS OF \$262,025 IN CITY HOME INVESTMENT PARTNERSHIP (HOME) FUNDS; RELEASE OF HOME REGULATORY AGREEMENT; AND ENVIRONMENTAL FINDINGS

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: The recommended action, loan forgiveness, is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378(b)(4), as it does not involve any action or commitment to any specific project which may result in a potentially significant physical impact in the environment. This activity is also not a project under CEQA Guidelines, section 15378(b)(5) because organizational or administrative activities of government such as forgiving a loan program will not result in direct or indirect physical changes in the environment.

Section 2: The recommended action is Exempt 2 under the National Environmental Policy Act (NEPA) under 24 DFR 58.34(a)(3) administrative and management services.

Section 3: Subject to approval by the City Council, the Executive Director, or designee, is authorized to amend the Sacramento Housing and Redevelopment Agency (Agency) budget to forgive Mercy Properties California (Mercy) the outstanding principal balance of their existing HOME loan, in the amount of \$262,025.

Section 4: Subject to approval by the City Council, the Executive Director, or designee, is authorized to execute the related documents, and perform other actions necessary to fulfill the intent of loan forgiveness and release of Regulatory Agreement, including without limitation, subordination, extensions and restricting of payments, all as approved by Agency Counsel.

CHAIR

ATTEST:

CLERK



July 15, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authorization To Execute Promise Zone Designation Agreement

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the City of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



REPORT TO CITY COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Business
August 9, 2016

Honorable Mayor and Members of the City Council

Title: Authorization to Execute Promise Zone Designation Agreement

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

Recommendation: Adopt a **City Council Resolution** 1) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to execute the Promise Zone Designation Agreement, and 2) making related findings.

Contact: Tyrone Roderick Williams, Promise Zone Director/Director of Development, (916)-440-1316

Presenters: Tyrone Roderick Williams, Promise Zone Director/Director of Development

Department: Sacramento Housing and Redevelopment Agency

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 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 1) 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.

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 Promise Zone 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:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

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.

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.

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

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- 01 Description/Analysis
- 02 Resolution
- 03 Exhibit A- Designation Agreement (Appendices on-file with Agency Clerk)
- 04 Map

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 Designation Agreement

Table of Contents:

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

PROMISE ZONES DESIGNATION AGREEMENT

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SECTION IV:	Overview of HUD's Responsibilities
SECTION V:	Responsibilities of the Promise Zone Lead Organization
SECTION VI:	Coordinated Stakeholder Engagement and Strategic Communications Activities
SECTION VII:	Framework for Reporting and Communications
SECTION VIII:	Data and Evaluation
SECTION IX:	Process for Amending the Promise Zone Plan
SECTION X:	Termination of the Designation Agreement

APPENDICES

APPENDIX A:	Sacramento Promise Zone Plan and Amendable Items
APPENDIX B:	Promise Zone Certification Form (<i>HUD Form 50153</i>)
APPENDIX C:	Overview of Reporting and Communications Framework
APPENDIX D:	Monthly Grant Report Template
APPENDIX E:	Quarterly Report Template
APPENDIX F:	Annual Report Template and Guidelines
APPENDIX G:	Promise Zone Data: Goals and Core Indicators

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: _____

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

JULY 20, 2016

WHEREAS, 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.

WHEREAS, 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.

WHEREAS, on November 21, 2014, the Sacramento Housing and Redevelopment Agency (SHRA), along with over 30 partner organizations, submitted a Promise Zone application to HUD.

WHEREAS, on April 29, 2015, HUD selected the Sacramento application and designated the Sacramento Promise Zone.

WHEREAS, 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.

WHEREAS, 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).

WHEREAS, 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).

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. All evidence having been duly considered, the findings, including the environmental findings, regarding this action, are true and correct.

Section 2 The Executive Director is authorized to enter into and execute the Designation Agreement

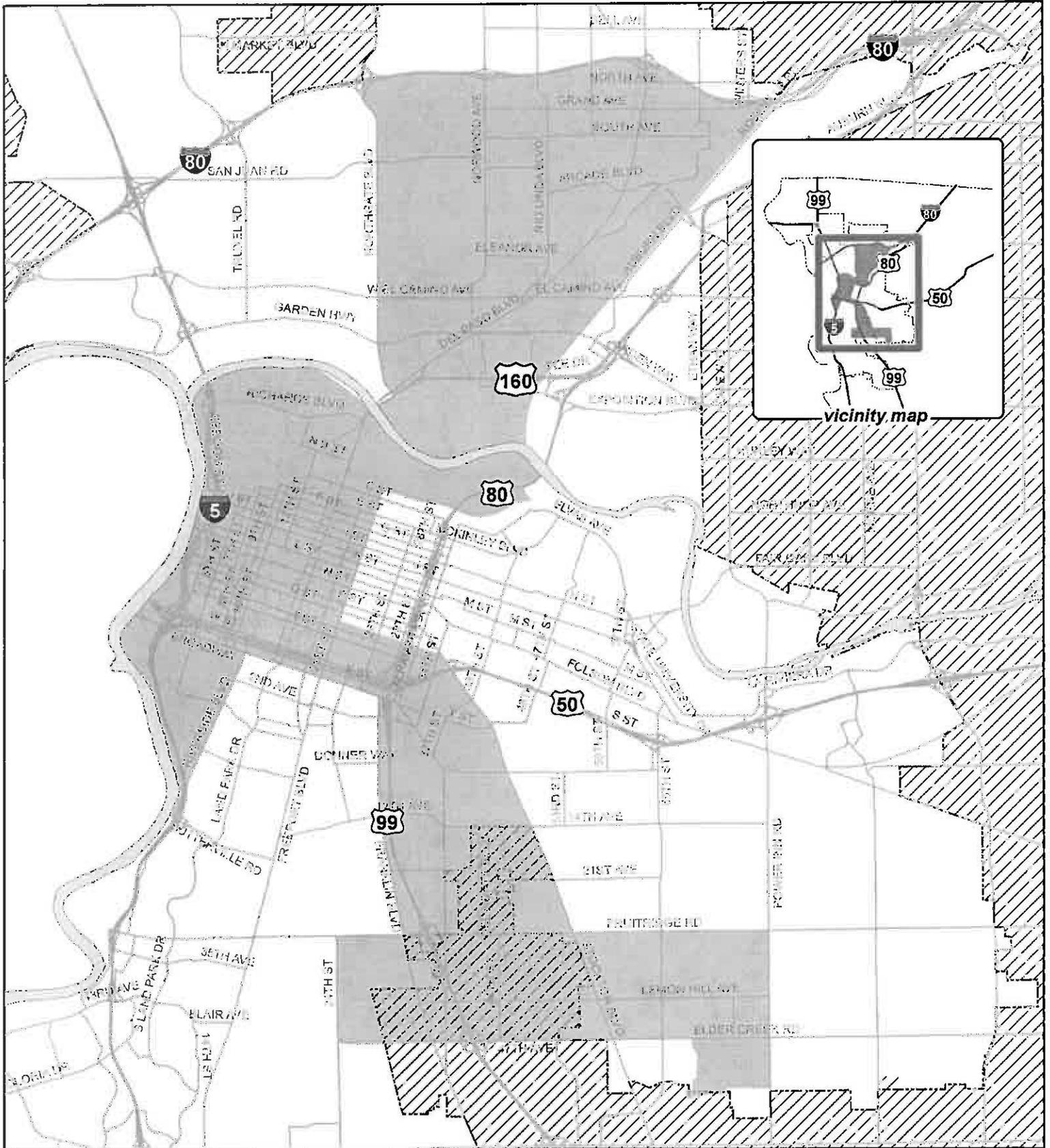
CHAIR

ATTEST:

CLERK

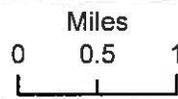


Promise Zone Boundary - 2014



Promise Zone Boundary
 City of Sac Boundary

 Sac County Boundary



SHRA GIS
July 1, 2015



July 15, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authorization To Execute Promise Zone Designation Agreement

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the County of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
August 9, 2016

To: Board of Supervisors of the County of Sacramento
From: Sacramento Housing and Redevelopment Agency
Subject: Authorization To Execute Promise Zone Designation Agreement

Supervisorial

District: Serna, Kennedy

Contact: Tyrone Roderick Williams, Promise Zone Director/Director of Development,
(916)-440-1316

Overview

On April 29, 2015, the U.S. Department of Housing and Urban Development (HUD) designated a portion of the City of Sacramento and unincorporated Sacramento County as a federal Promise Zone under the Promise Zone Initiative (Initiative), and identified the Sacramento Housing and Redevelopment Agency (SHRA) as the Lead Organization to manage the Initiative. The Promise Zone designation does not confer any direct funding, but does provide preference and bonus points on federal grants and other resources for activities related to the Promise Zone goals, as well as other benefits. This report recommends authorization for SHRA to execute the Designation Agreement, which affirms the Promise Zone designation for a period of ten (10) years, and describes the responsibilities of both HUD and SHRA in making the Initiative a success.

Recommendations

Adopt a Board of Supervisors Resolution:

1) authorizing the Sacramento Housing and Redevelopment Agency to execute the Promise Zone Designation Agreement and 2) making related findings.

Measures/Evaluation

The Promise Zone application describes the goals, outcomes and measurements that the Promise Zone Initiative will address across the five core areas of Jobs, Economic Development, Health, Education and Sustainable Communities. Participating partner organizations have agreed to share data necessary to track socioeconomic change over time. SHRA has signed a Memorandum of Understanding (MOU) with University of California Davis to assist in the evaluation design and introduce evaluation concepts to Promise Zone partners.

Fiscal Impact

There is no funding directly associated with the Promise Zone designation. However, 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.

BACKGROUND

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 ten-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% 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.

On September 22, 2015 the Board of Supervisors passed a Resolution which:

1. Authorized the County Executive to enter into and execute a Memorandum of Understanding with Sacramento Housing and Redevelopment Agency (SHRA) regarding Sacramento's Promise Zone designation;
2. Appointed the Chair of the Board of Supervisors to the Promise Zone Executive Committee; and
3. Authorized the County Executive to appoint a representative to the Promise Zone Implementation Council.

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 Promise Zone designation. SHRA has also held information sessions to introduce the benefits of the Promise Zone Initiative to partners, and has 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.

DISCUSSION

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. These responsibilities include:

- General and administrative responsibilities, such as process for amending Promise Zone goals, objectives, Implementation Partners, boundaries, etc
- Stakeholder engagement and strategic communications
- Reporting and communications
- Data and evaluation

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.

COMMISSION ACTION

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

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

The Promise Zone application described the goals, outcomes and measurements that the Promise Zone Initiative will address across the five core areas of Jobs, Economic Development, Health, Education and Sustainable Communities. Participating partner organizations have agreed to share the data necessary to track socioeconomic change over time. SHRA has signed a Memorandum of Understanding (MOU) with University of California Davis to assist in the evaluation design and introduce evaluation concepts to Promise Zone partners.

FINANCIAL ANALYSIS

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.

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.

ENVIRONMENTAL REVIEW

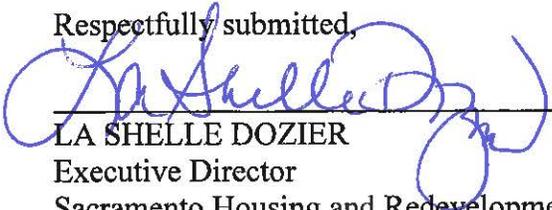
California Environmental Quality Act (CEQA): Activities authorized in this report have been analyzed in accordance with CEQA and are determined to not be a project per 14 California Code of Regulations (CCR) § 15378(b)(5). Execution of the Promise Zone Agreement is an administrative activity that will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

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.”

M/WBE AND SECTION 3 CONSIDERATIONS

The activities in this staff report do not involve funding; therefore, there are no M/WBE or Section 3 requirements.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED

NAVDEEP S. GILL
County Executive

- Attachments:
RES – County BOS Resolution
ATT 1 – Designation Agreement (Appendices on file with Clerk)
ATT 2 - Map

RESOLUTION NO. _____

ON DATE OF

AUTHORIZATION TO EXECUTE PROMISE ZONE DESIGNATION AGREEMENT

WHEREAS, 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; and

WHEREAS, on September 23, 2014, the U.S. 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; and

WHEREAS, on November 21, 2014, the Sacramento Housing and Redevelopment Agency (SHRA), along with over 30 partner organizations, submitted a Promise Zone application to HUD; and

WHEREAS, on April 29, 2015, HUD selected the Sacramento application and designated the Sacramento Promise Zone; and

WHEREAS, 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; and

WHEREAS, 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); and

WHEREAS, 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); and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO

Section 1: All evidence presented having been duly considered, the background facts, as stated above, including the environmental facts, are found to be true and correct.

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

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this 9th day of August, 2016, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

PROMISE ZONES DESIGNATION AGREEMENT

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APPENDICES

APPENDIX A:	Sacramento Promise Zone Plan and Amendable Items
APPENDIX B:	Promise Zone Certification Form (<i>HUD Form 50153</i>)
APPENDIX C:	Overview of Reporting and Communications Framework
APPENDIX D:	Monthly Grant Report Template
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APPENDIX F:	Annual Report Template and Guidelines
APPENDIX G:	Promise Zone Data: Goals and Core Indicators

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 convenings 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: _____

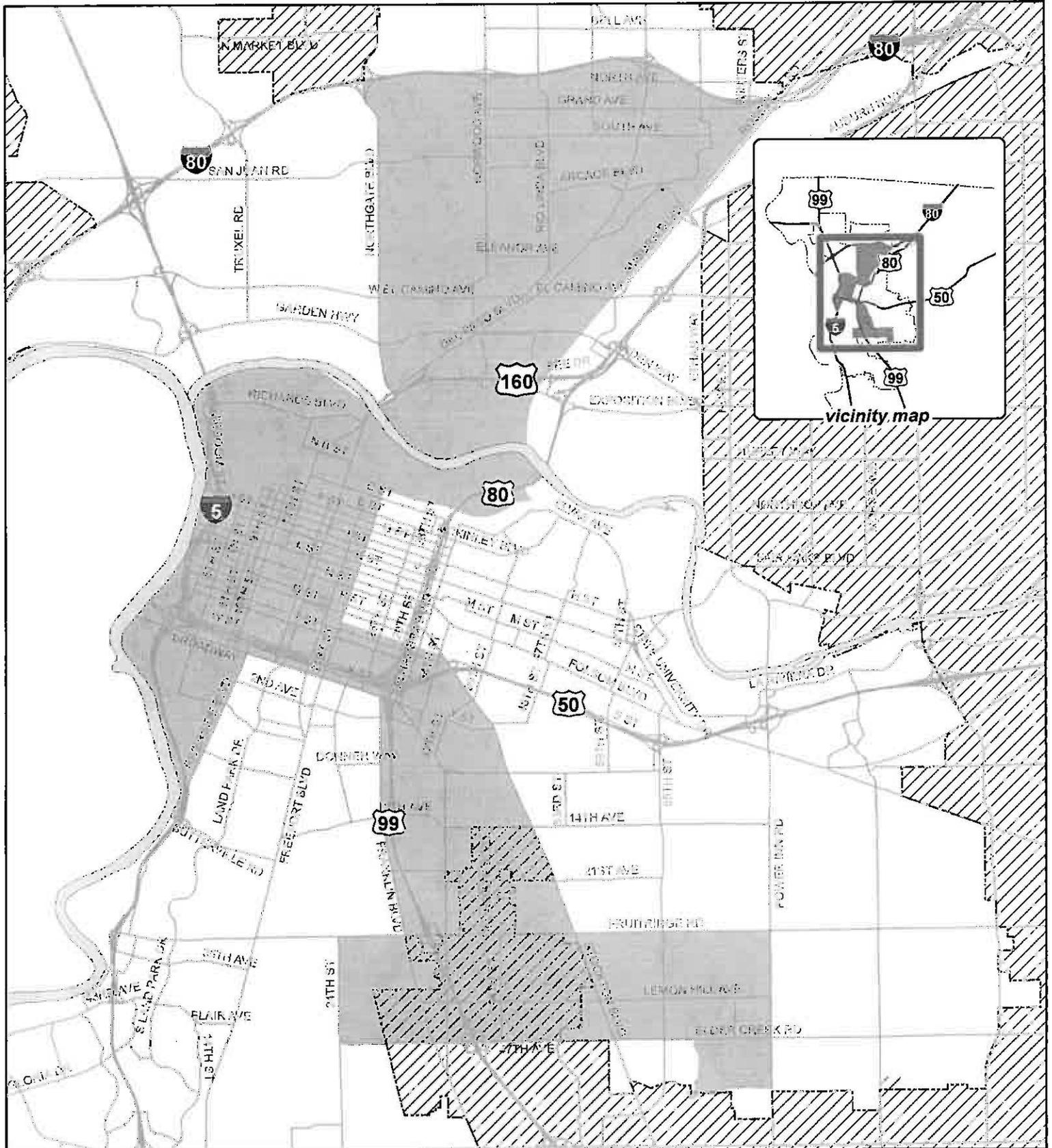
Sacramento Housing and Redevelopment Agency

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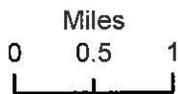
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Promise Zone Boundary - 2014



Promise Zone Boundary
 City of Sac Boundary
 Sac County Boundary



SHRA GIS
July 1, 2015