

# PROJECT PROSPER



May 18, 2018

Summary Report (Draft)

Submitted by:

Darrene Hackler, Ph.D.



# Project Prosper

## SUMMARY REPORT (DRAFT)

### OVERVIEW AND VISION STATEMENT

Project Prosper was initiated by Sacramento Mayor Darrell Steinberg and City Manager Howard Chan, with the support of the City Council, in late 2017 for the purposes of gathering state of the practice knowledge on how modern metropolitan economies function, diagnosing the structural strengths and weaknesses of Sacramento's current economic conditions and trend lines, and developing initiatives to improve the city's future economy. This is an interim report of Project Prosper, which documents progress made from December, 2017 to May, 2018 and outlines actions that have a high likelihood of positively influencing our economic future.

Project prosper has used a two-pronged, iterative process to date. One set of activities has involved the insights and advice of national, regional and local economic experts, most of whom examine how metropolitan, city, or neighborhood economies succeed and fail and apply their knowledge in real world settings. Another set of activities has involved local residents and business people, exposing them to the theories and findings of the project's economic "experts", and asking them to share local experiential knowledge about the current economic strengths and weaknesses of their neighborhood and city.

Project Prosper is tackling a very challenging set of issues, and six months is not much time for research and consensus formation around action initiatives. Nevertheless, the project is off to a strong start. Nearly all of the advice provided by the economic experts, residents, and businesses supported the basic concepts of the Project Prosper Vision Statement that is included in the policy resolution (Appendix A) before the City Council for adoption June 12, 2018, which reads:

"Sacramento's renaissance requires that the city makes intentional investments to increase and diversify our current economic growth in an inclusive and equitable manner that focuses on neighborhoods and their unique needs. The strategy will seek to increase the variety of businesses and the jobs that they create, resulting in more of our residents experiencing increased economic opportunity and a higher standard of living, more livable neighborhoods, and a stronger, more prosperous city."

This report chronologically catalogues the activities of the project to date, with summary information included in the main body of the document and fairly extensive documentation of all activities, including meeting agendas, presentations, and detailed records of resident and business input from a number of community and other meetings included in the Appendices. Some related activities to the project, including consideration of making some organizational changes to the City to focus more intentionally on effective delivery of services to neighborhoods and



recommendations for the design of a neighborhood-based economic and community development process will be addressed in a companion report later this summer.

## NATIONAL EXPERTISE

The founding technical and research work for the project was led and guided by the author, Dr. Darrene Hackler. Key elements of Dr. Hackler's background that relate directly to the tasks of this project include her expertise in strategic economic development and regional growth policy and providing guidance to communities on how to increase their competitiveness through the development of these strategic assets. Her work over the years with universities, think tanks, foundations, governments and funding agencies informs her understanding of the complexity of fostering the local economic development ecosystem. Her resume is included in Appendix B. Dr. Hackler assembled a team of four national economic experts from around the country whose experience and skills reflect the range of economic challenges facing the City of Sacramento. Biographies for the four economists are in Appendix C. Brief introductions to each follow.

- Joe Cortright, of Portland, Oregon is the President, of Impresa Consulting and Director of the City Observatory. Mr. Cortright has conducted research and provided advice to cities throughout the country and has focused on issues like the relationship between educational attainment levels and economic growth, the factors that attract college educated millennials to a metropolitan area, and how urban settlement patterns and housing affect an area's ability to attract and keep skilled labor as well as its overall economic performance.
- Amy Liu, Vice President & Director of the Metropolitan Policy Program, Brookings Institute in Washington, D.C. leads research efforts of the strengths and weaknesses of metropolitan economies throughout the United States as well as action initiatives in several cities and regions that have improved their economic performance. Her current practice focuses on the economic and social imperative of increasing the rate of equitable and inclusive growth and building true wealth.
- Erika C. Poethig, Vice President & Chief Innovation Officer of the Urban Institute in Washington, D.C. The Urban Institute conducts comparative research on the economic challenges and opportunities of disadvantaged communities throughout the country. Ms. Poethig works at the neighborhood and city scale with a focus on housing issues, including homeless and affordable housing, and the skills that are necessary to improve an individual's and family's economic situations in a fast changing economy.
- Robert Weissbourd is the President of RW Ventures in Chicago. His current practice specializes in practical work with challenged communities to identify their sometimes hidden economic assets and create connected networks of public, private, and community partners to grow and take advantage of those assets to improve their community. Prior to forming RW Ventures Mr. Weissbourd was an executive at Shorebank Corporation, designing, delivering and managing comprehensive development finance initiatives to invest in distressed communities. Before Shorebank, Bob spent a decade leading complex civil rights and other constitutional litigation, and representing community and other non-profit groups



and leaders. His current practice is focused on successful turnarounds for disadvantaged neighborhoods and communities.

The task of these four national economic advisors<sup>1</sup> has been to provide the City of Sacramento perspective on: where should the City invest to generate a greater growth rate and increase the size of its economic base (e.g. in housing, place-based neighborhood and commercial corridors, in companies that bring or grow jobs, infrastructure, etc.) and what are effective and tested mechanisms for the recommended investments? It is important to understand that these are large, challenging questions and that it was unrealistic to expect even people with their expertise to recommend a tailored, comprehensive action plan in such a short amount of time. Their task was to share the knowledge obtained from their combined extensive experience and help the City chart a general course forward, identifying areas that initially seemed worthy of further pursuit and areas that at least initially seemed not worthy of further effort.

## WORKING GROUP PREPARATORY MEETING: DECEMBER 11, 2017

Mayor Steinberg and City Manager Howard Chan assembled a group of 35 local and regional people with expertise in economic development to work with the national experts (invitation letter, Appendix D, and roster of Working Group in Appendix E). The participants included people from higher education, regional economic development and housing organizations, chambers of commerce, local Property Business Improvement Districts, an appointed designee from each of the eight Council member districts, and senior city staff.

In advance of the first convening of the Project Prosper Working Group with the national experts, the City held an initial kickoff meeting for local members of the group on December 11, 2012 to provide an overview of the motivations, goals, role of the experts, and to discuss the potential collective work of the local members (agenda, Appendix F). Darrene Hackler presented an overview of her economic development framework to focus the efforts and presented research suggesting that successful local economic systems invest in three essential capacities: people, business, and place (presentation, Appendix G). In addition, Hackler provided the experts and local Working Group members a curated, comprehensive compendium of background materials, including data, maps, and reports explaining the city and regional economies and stakeholders (Appendix H). The meeting provided a productive opportunity for the participants to ask questions, converse directly with the Mayor and City Manager about the goals of the project, discuss how the initiative relates to past and current regional economic planning efforts, and provide suggestions about how they could be most helpful. To help efficiently integrate their knowledge and perspectives with those of the national experts, all members were asked to provide a brief written summary of their current work related to economic development and the successes or challenges faced in relation to economic development in Sacramento (template, Appendix I).

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<sup>1</sup> The terms economic experts and economic advisors are used interchangeably for the four individuals.

## MEETING WORKING GROUP AND NATIONAL EXPERTS: JANUARY 11-12, 2018

During the first convening of the entire Working Group (January 11-12, 2018; agenda, Appendix J), several staff from City Manager's office, economic and community development, youth, parks, and community enrichment, neighborhood services, Mayor's office, and Council attended. The experts presented their approaches to growing an economy in an inclusive and equitable manner. The following provides a synopsis of both the fundamental and critical aspects of their presentations (full presentations, Appendix K).

- Amy Liu emphasized that modern economies have changed, and warned of the dangers of continuing to adhere to traditional economic development strategies. Brookings' research indicates that economic success is dependent not just on growth, but on prosperity and inclusion. She stressed that metropolitan areas must focus on the collective responsibility and coordinated and aligned actions of government, business, and community stakeholders. She explained Sacramento's performance on a number of economic, educational and social indicators is average but not adequate to respond to contemporary challenges. She advised that the City focus on increasing outcomes related to its growth rate, prosperity, and inclusion. Examples of economic development consistent with this framework included emphasizing creating strategies based on growing from within, growing traded sectors (i.e. businesses that sell products and services to people outside the geographic area, thus importing wealth), investment in people, and connecting place with economic activity through placemaking, job nodes, and transit.
- Erika C. Poethig unveiled early findings from a research report on cities' inclusive recovery from the Great Recession, which is the first empirical analysis of how economic health and inclusion interact in US cities over several decades. The study included Sacramento in the sample of 274 cities and concluded that although Sacramento is growing again today at a modest rate, and is relatively inclusive, the benefits of the growth are not shared with poorer populations and this inequality will limit the city's future economic growth unless addressed. This finding is counter to mounting evidence that inclusive places create more economic opportunity by enabling low-income children to climb the income ladder. Eliminating group-based disparities is essential since less segregated places are also more prosperous. She highlighted the variation in our population's income growth, housing and homelessness impacts, and racial inclusion. She suggested that crucial strategies in Sacramento's "playbook" to move forward should include: 1) adopting a shared vision in all city planning efforts with measurable goals; 2) leveraging assets in the City's diversity and infrastructure and the intrinsic advantages of anchor institutions (universities and hospitals); 3) laying the building blocks of inclusion through education, higher education, and affordable housing initiatives.
- Robert Weissbourd stressed that the Next Economy and quality growth that is inclusive and equitable must have integrated solutions that build on unique local strengths. The solutions include: identifying and supporting inclusive economic clusters, aligning human

capital with the jobs in these clusters, having a cross-sector governance sector that focuses innovative and enabling infrastructures, connecting infrastructure to address job and other economic mobility from neighborhoods into wider market opportunities. He emphasized the importance of deep, local research to identify these cluster opportunities and doing that research by directly engaging local businesses in the work. He indicated that there were no “off the shelf” resources that would tell Sacramento or any other area what are its unique, local opportunities, but that often local businesses need assistance to ask and answer the right questions in order to answer this key question – what are our unique, local growth opportunities? Mr. Weissbourd stressed the need for, and benefits of, connectedness: identifying the relationship between a neighborhood’s assets and the regional and national economies, and connecting and aligning local businesses with each other and with civic, community-based, and public institutions towards a common purpose. He gave examples of innovation districts that had been successfully formed after this type of local research defined opportunities and an effective network of people and organizations to manage implementation.

- Joe Cortright emphasized the importance of education to metropolitan prosperity, citing his research on educational attainment (percentage of population with an undergraduate college degree) and how it explained fully two-thirds of the variation in median income across metropolitan areas. During discussion he indicated that if data were available that included two year degrees or certificates and graduate degrees that the explanatory power of educational attainment would likely be even higher than two-thirds. He also showed data indicating that the Sacramento region’s retention rate for students who receive an undergraduate degree from a local higher education institution is well below the national average. To complete the picture, he discussed studies indicating that today’s generation of young, college-educated people place a high priority on a metropolitan area’s urban amenities when they decide where to seek employment. He argued that cities that purposely create neighborhoods with a mix of land uses and transportation options have a competitive advantage in attracting young talent as prospective employees. The dynamics of all of these combined with educational and place-making variables affect a city’s and its region’s poverty, economic opportunity for diverse populations, and long-term economic growth and development because talented people can generate a large return for its economy.

On the second day of the meeting the agenda was modified and each of the national advisors provided more detail on the concepts they had introduced the first day. Highlights of their advice to the Working Group on the second day follow:

- Joe Cortright focused on how important cities are in the emerging economy, both large and medium sized. The quality of city that Sacramento becomes and the types of neighborhoods it builds will have a profound effect on its ability to create a modern economy and attract the types of workers that a modern economy requires. He indicated that, nationally, there is a shortage of the types of urban neighborhoods that are preferred by young workers. On a separate note, he also advised that Sacramento should start looking at the upside of its

“government town status” and start working comprehensively with the State of California to train the workforce it will need in the future.

- Erika Poethig presented additional data from work that the Urban Institute has done regarding credit scores and their impact on people’s economic situations. On the positive side, people of color in the Sacramento region have median credit scores that exceed the national median; however, median delinquent debt is higher than the national average. She suggested that this may be an indication of high rents and the challenges that families face when paying higher rents. She encouraged the group to establish a tangible goal that everyone is willing to support, citing other areas that have successfully used that strategy.
- Robert Weissbourd urged the group to commit to shifting the Sacramento economy away from a consumption-based economy (local people-serving sectors, such as construction and retail) and focus on creating real wealth through growth in locally relevant, traded business clusters. He cited examples in Chicago, Milwaukee, and Syracuse where local business people came together and discovered they had core competencies in areas that were growing in the national and local economies (food, water and drone technology, respectively). The efforts lead to the creation of entirely new business clusters with the repurposing of knowledge and products that they had created in the old economy to thrive in the new economy.
- Amy Liu provided high level, wrap-up observations, urging the group to be aware that continuing on its current economic trajectory was not likely to yield a positive outcome for the City and its residents. She stressed the broad, system-level interventions and actions like purposely connecting Sacramento’s efforts with the regional economic dynamics; being intentional and picking a short list of areas of the economy that we have strengths in and want to grow; not being confused about the types of economic activities that generate true wealth as compared to people-serving, consumption-based businesses and jobs that only exist if a wealth-building engine is functioning; and to really focus on helping our existing businesses to succeed and grow in a modern economy.

At the end of the day each of the local participants of the Working Group provided their observations about what they learned and on what they thought Project Prosper should focus. The comments were overwhelmingly positive about the value of the meeting and advice and information received from the national advisors. Some of the themes heard during the discussion included:

- This has been a unique opportunity locally where the needs of lower income and disadvantaged segments of our City seem truly valued and important and not an afterthought or a minor part of the conversation;
- It was very helpful to hear the lessons learned from successes in other cities;
- Connect the City discussion with the broader regional work that is occurring (both Brookings and Robert Weissbourd are also involved with the regional work);
- Need for many actors in the economic development field in Sacramento area to be better connected and aligned;

- Important that we commit to the holistic approach—People, Business, and Place are all critical to building successful economy;
- City needs to (and will) invest in the staffing necessary to support this quality of economic planning;
- Identify some incremental actions that can succeed and build momentum for larger wins; and
- We need to create an effective structure and an actionable plan—important to act.

Mayor Steinberg asked the four national advisors to provide their final thoughts on what should happen next. Their recommendations included:

- Create small working committees of the larger group to work on individual ideas;
- Create a smaller leadership committee to guide the overall activities and ensure success of the project;
- Do market analysis with local business people to identify a short list of cluster ideas to pursue; and
- Focus on identifying what makes Sacramento unique: what are we first, best, only at?

## COMMUNITY MEETINGS: FEBRUARY-MARCH 2018

Designing events that provide meaningful ways for the general public to provide advice is always a challenge. There are limits to how much time out of their private lives that people are willing to devote to an issue, especially for a complicated topic, and how much time should be devoted to one-way presentation of information for public education versus time for interaction and listening to the voices of the public. The staff and consulting team that designed and executed these community meetings grappled with these challenges and went through many drafts of the meeting agenda, materials, and exercises. From the outset two measures of success were identified: 1) participants should learn something new about how the structure and function of the economy affects their lives, and 2) they should be given ample time and multiple ways to express their opinions in a way that made clear the City was serious about wanting to learn from and act on their thoughts. Talking about the economy was an especially challenging assignment because on the one hand it's easy: do you want more jobs? Yes; do you want higher paying jobs? Yes, etc. More difficult is communicating the complex cause and effect of relationships that determine how a local economy functions so that people are able to decide how they want to alter an economy's foundations and in a way that will actually produce those additional jobs and higher wages.

After creating and critiquing many drafts of the meeting design, the team held a type of “dress rehearsal”. The full Working Group plus approximately an additional 100 people currently active in the economic development field in Sacramento were invited to an afternoon meeting at the Clunie Center in McKinley Park on January 22, 2018. The agenda, materials and exercises were presented in a “live” environment, and at the end of the event participants were asked to critique the event. Most of the ideas for improvement centered on further simplifying the graphic and statistical information that was presented and allocating more time to hear the voices of the community



members. The next three community meetings included these adjustments; these meetings occurred on February 21, 22, and March 3, 2018. The general schedule included:

- Introductory comments by Mayor Steinberg and City Manager;
- Darrene Hackler's presentation structured the economic discussion around three essential capacities of a successful local economy system: People, Business, and Place. She provided examples of how we can invest in each capacity integrated polling on each option as part of the presentation.
- Meeting facilitation and activities guidance by Wendy Hoyt.

The full presentation includes the agenda, economic discussion, and activities (Appendix L).

A Community Meeting Executive Summary report of the three meeting follows as single extracted document and embedded into the body of this report; page numbers do not reflect the Summary found online (see Appendix M for link). Darrene Hackler made post-distribution additions to the Summary that follows to further emphasize and provide more analysis of and context to the discussions for the purpose of this Project Prosper background report. Her additions are denoted by the text [*Hackler Additions*] and [*End of Additions*]. A comprehensive compilation of the meetings, documenting all collected feedback, is in Appendix M.



## **City of Sacramento Project Prosper Executive Summary of Public Meetings**

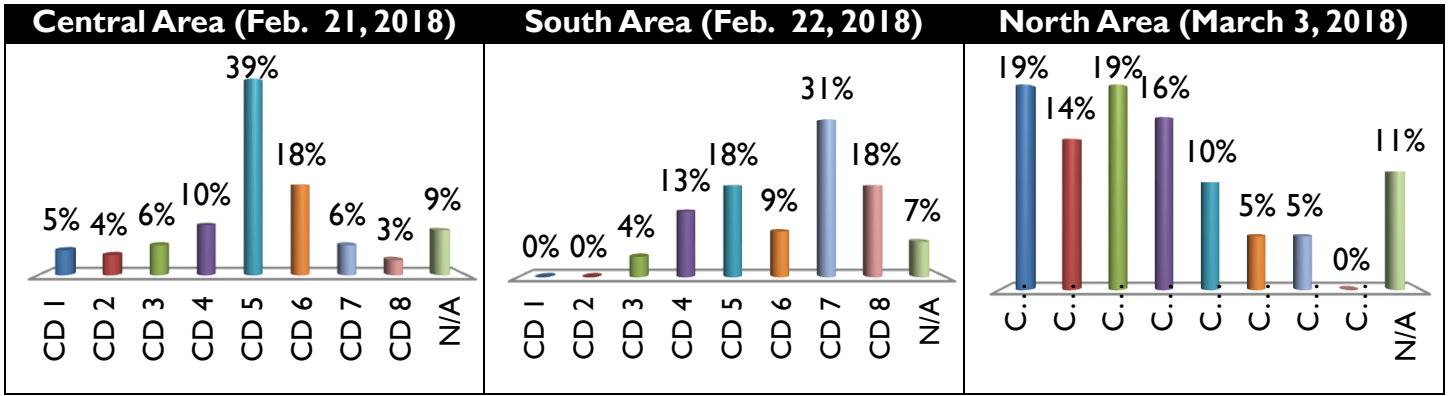
On Feb. 21, Feb. 22 and March 3, 2018, the City of Sacramento held three identical public meetings for Project Prosper. Meeting times and locations were in diverse geographic areas of the City in an effort to maximize opportunities for attendance from a wide range of demographics. Meetings were held in the evening at the Fruitridge Community Collaborative and Bartley Cavanaugh Golf Course, and on a Saturday at the KVIE Community Room.

Mayor Darrell Steinberg and City Manager Howard Chan actively participated in each of the meetings, and several City Council Members participated in meetings in their districts. Additionally, numerous City staff from Economic Development, Neighborhood Services, the City Manager's office and the Mayor's office attended each meeting along with consultants Darrene Hackler, Wendy Hoyt, and Tammy Teurn.

The public meetings were promoted in a variety of ways including emailed invitations to approximately 15,000 people in the City's database, extensive use of the City's social media, individual group presentations, etc. As a result of these efforts, approximately 300 community members attended the meetings (including a Jan. 22 meeting of invited stakeholders). Approximately 1/3 of the attendees indicated that they had either never attended a City public meeting or had not done so in more than a year. Attendees indicated they heard about the meeting as follows: 38% email, 26% Nextdoor.com, 25% personal contact by a friend, City employee, neighborhood or Planning|Design Commission meeting, and 11% social media.

Attendees indicated which Council District (CD) they lived in:

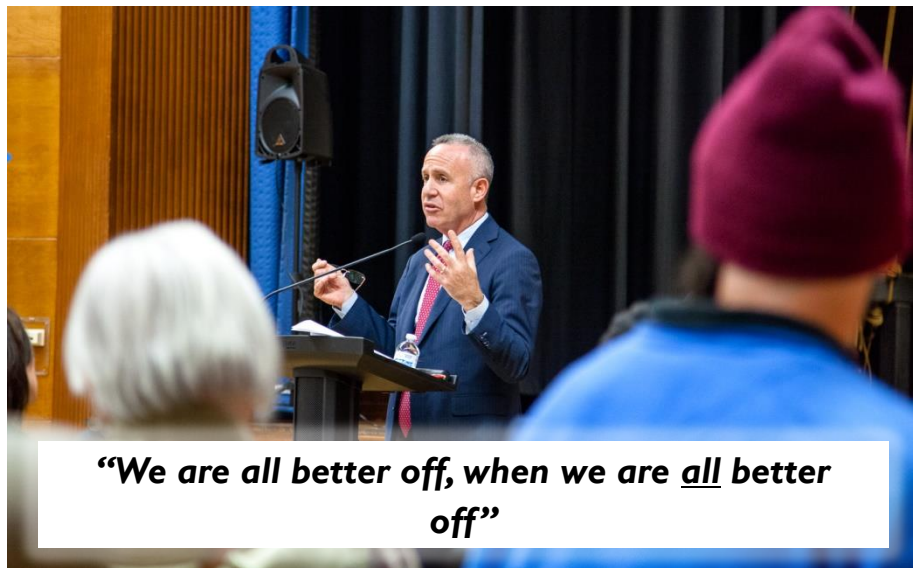
- A. CD 1 – Ashby
- B. CD 2 – Warren
- C. CD 3 – Harris
- D. CD 4 – Hansen
- E. CD 5 – Schenirer
- F. CD 6 – Guerra
- G. CD 7 – Jennings
- H. CD 8 – Carr
- I. I do not live in Sacramento (N/A)



The purpose of the public meetings was to obtain feedback from the public on a broad range of topics that will improve the community’s economic prosperity and empower residents to nurture healthier and more vibrant neighborhoods throughout the City. Residents were given an opportunity to share their ideas through engaging facilitated discussions, group exercises, voting opportunities with immediate vote tallies, and written prioritizations and comment forms.

**Map Exercise:**

At each of the meetings, 15 to 25 large colored maps of the City were placed on walls throughout the room. The maps were divided into three different segments of the City focusing on the North, South and Central areas. Attendees were asked to draw and write on the maps to illustrate and comment on what they felt was positive (working well) and negative (needing attention or improvement) in their local neighborhood.



*[Hackler Additions]* A high level summary of the positive comments included on the maps, inclusive of all 3 workshops, provided the following general themes:

- High quality parks in some locations
- Strong sense of community and quality neighborhoods in some areas
- Libraries
- Trails and parkways
- Strong businesses along certain corridors



A similar level summary of the negative comments included on the maps, inclusive of all 3 workshops, provided the following general themes:

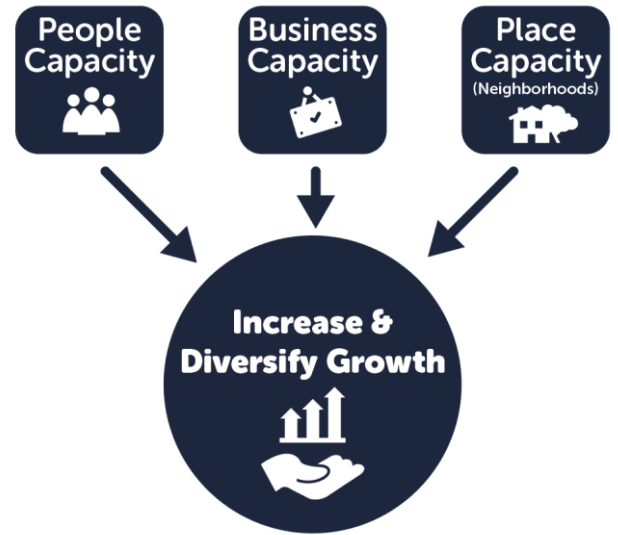
- Need for improved conditions in parks in some locations
- Poor conditions in some neighborhoods
- Impacts of homeless people in several areas in the city
- Need for more businesses, stores and jobs in some areas of the city
- Problems associated with light rail *[End of Additions]*

After the map exercise, comments from a facilitated brief discussion were written on large easel notepads. These comments have been categorized and placed in no particular order below.

POSITIVES	NEGATIVES
<b>Central Area (Feb. 21, 2018)</b>	
<ul style="list-style-type: none"> <li>• Citywide Impact Team</li> <li>• Library system, parks, and 311</li> <li>• Colonial Heights community</li> <li>• Collaborative meetings and discussions</li> <li>• Police attending and sharing information</li> <li>• Mack Road community, positive energy</li> <li>• Fruitridge Manor is very multicultural</li> <li>• City Council and staff attending meetings</li> <li>• Neighborhood for Justice Program</li> <li>• Brentwood South Neighborhood Association is happy with Police</li> </ul>	<ul style="list-style-type: none"> <li>• Extend public transit lines and hours</li> <li>• Interaction with nearby/other cities</li> <li>• Stockton Boulevard (Colonial Heights): homelessness, prostitution and lack of businesses</li> <li>• Access to safe, affordable housing</li> <li>• Lack of housing for homeless</li> <li>• Crime near Martin Luther King Library and William Charlie Park</li> </ul>
<b>South Area (Feb. 22, 2018)</b>	
<ul style="list-style-type: none"> <li>• Safe, parks, comfortable</li> <li>• Diversity and unity in community</li> <li>• Stunning libraries</li> <li>• Accessibility to airport and downtown</li> <li>• New Delta Shores development</li> <li>• Neighborhood associations, Mack Road Partnership, and police collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Bike trail not extended through Pocket area</li> <li>• <b>Political issues resolved</b></li> <li>• Later bus service (Broadway to S. Land Park and Pocket area)</li> <li>• Subway/light rail to airport (extended rail)</li> <li>• Accessible and affordable childcare in urban core/downtown, not just in suburbs</li> <li>• Vacant storefronts</li> </ul>
<b>North Area (March 3, 2018)</b>	
<ul style="list-style-type: none"> <li>• Historic resources to increase businesses, tourism, etc.</li> <li>• (D7) Biking, safe community</li> <li>• Diverse community and longevity</li> <li>• Great neighbors and neighborhood watch (River Oaks Community)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Pocket area</b> is isolated (hence the name)</li> <li>• Lack of public transit and community gathering places</li> <li>• (D2) Needs a library</li> <li>• (D3) Fireworks sounds like a warzone during New Year's Eve and 4<sup>th</sup> of July; please ban fireworks. A show of hands illustrated this was a big concern for several of the attendees</li> </ul>



Following the map exercise, a presentation was given on economic growth capacities to increase and diversify growth. The three capacities included People, Business, and Place. Attendees were given an opportunity to vote on their priority for each capacity by choosing from a multiple choice menu of options. The following pages are poll results including comments from a facilitated brief discussion of pros/cons and additional capacities.



**Which option would most improve the capacity of people to secure jobs in your neighborhood?**

- A. High school graduation rates
- B. Post-high school certificates or degrees
- C. Digital skills
- D. Free community college tuition and fees
- E. Internships, apprenticeships, and career pathways
- F. Train for skills that match our business needs



First Option	Second Option	Top Choice Comments (First Option)																												
<b>Central Area (Feb. 21, 2018)</b>																														
<table border="1"> <tr><th>Option</th><td>A</td><td>B</td><td>C</td><td>D</td><td>E</td><td>F</td></tr> <tr><th>Percentage</th><td>16%</td><td>2%</td><td>6%</td><td>31%</td><td>23%</td><td>22%</td></tr> </table>	Option	A	B	C	D	E	F	Percentage	16%	2%	6%	31%	23%	22%	<table border="1"> <tr><th>Option</th><td>A</td><td>B</td><td>C</td><td>D</td><td>E</td><td>F</td></tr> <tr><th>Percentage</th><td>19%</td><td>5%</td><td>10%</td><td>20%</td><td>33%</td><td>14%</td></tr> </table>	Option	A	B	C	D	E	F	Percentage	19%	5%	10%	20%	33%	14%	<p>D: Free community college</p> <ul style="list-style-type: none"> <li>• Includes everyone (free Community College)</li> <li>• Education critical for better jobs</li> </ul>
Option	A	B	C	D	E	F																								
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Option	A	B	C	D	E	F																								
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Option	A	B	C	D	E	F																								
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**Which option would most improve the capacity of business to grow better and more jobs in your neighborhood?**

- A. Stimulate new local entrepreneurs
- B. Technical assistance to grow local small business
- C. Grow business that import wealth (export goods and services to others)
- D. Attract business with middle income jobs to move or expand in Sacramento
- E. Innovation District



First Option	Second Option	Top Choice Comments (First Option)
<b>Central Area (Feb. 21, 2018)</b>		
<p>A. 19%   B. 32%   C. 13%   D. 18%   E. 18%</p>	<p>A. 25%   B. 22%   C. 12%   D. 21%   E. 20%</p>	<p><b>B: Technical assistance</b></p> <ul style="list-style-type: none"> <li>• Everything electronic (digital skills critical when applying for any job)</li> </ul>
<b>South Area (Feb. 22, 2018)</b>		
<p>A. 21%   B. 20%   C. 7%   D. 19%   E. 23%</p>	<p>A. 20%   B. 39%   C. 2%   D. 20%   E. 20%</p>	<p><b>E: Innovation district</b></p> <ul style="list-style-type: none"> <li>• Model not just for youth folks, but those in transition</li> <li>• Digital skills in high school</li> </ul>
<b>North Area (March 3, 2018)</b>		
<p>A. 25%   B. 20%   C. 9%   D. 22%   E. 25%</p> <p>(Tie between A &amp; E)</p>	<p>A. 24%   B. 16%   C. 7%   D. 20%   E. 34%</p>	<p><b>A: Stimulate new local entrepreneurs</b></p> <ul style="list-style-type: none"> <li>• Skillsets to success; entrepreneurial resources</li> <li>• Streamline and make it easier to do business; City involvement makes things harder</li> <li>• Seed money for businesses</li> </ul> <p><b>E: Innovation District</b></p> <ul style="list-style-type: none"> <li>• Talent to create partnerships and grow businesses</li> <li>• Capitalize on ethnic diversity as an economic driver</li> <li>• 18 hour city</li> <li>• Accelerators in underserved areas (outside downtown)</li> </ul>

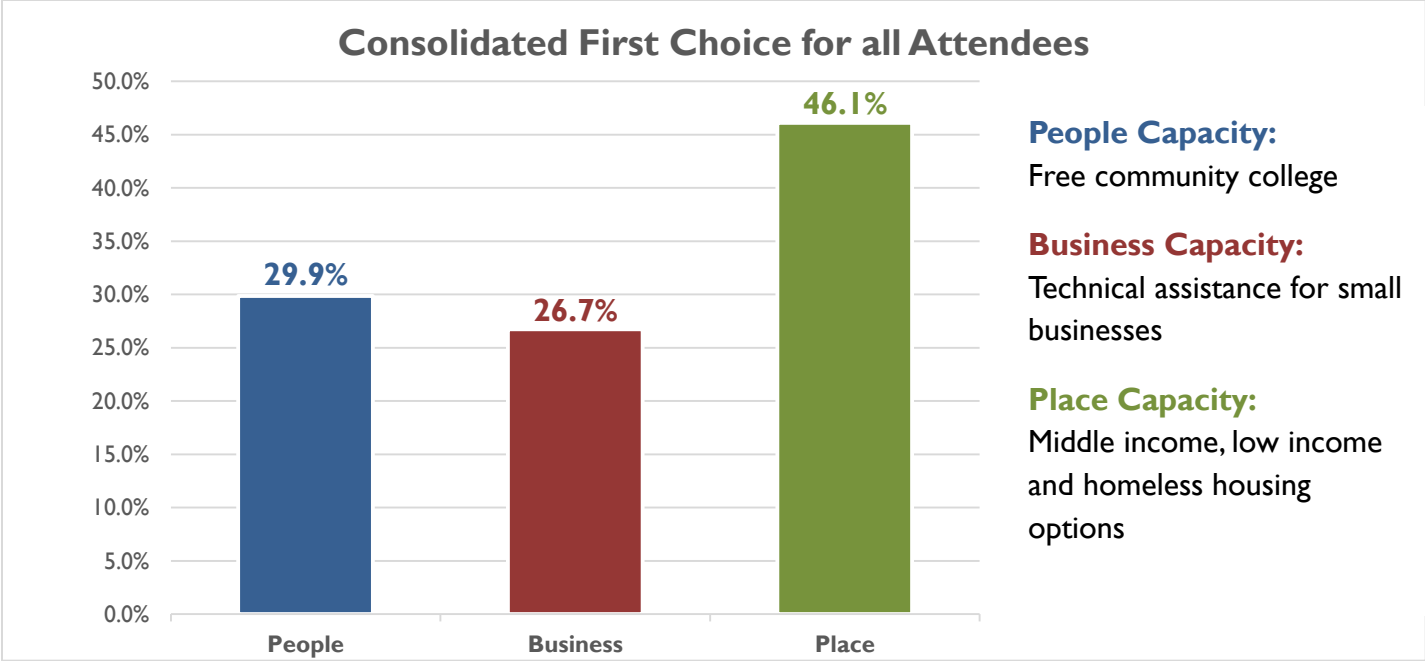


**Which option would most improve your neighborhood’s capacity as a place?**

- A. Middle income, low income, and homeless housing options
- B. Walking, biking, transit facilities
- C. Community safety and cleanliness services
- D. Shopping, eating, and entertainment options
- E. Public places to learn and play



First Option	Second Option	Top Choice Comments (First Option)																								
<b>Central Area (Feb. 21, 2018)</b>																										
<table border="1"> <tr><th>Option</th><th>Percentage</th></tr> <tr><td>A</td><td>46%</td></tr> <tr><td>B</td><td>10%</td></tr> <tr><td>C</td><td>18%</td></tr> <tr><td>D</td><td>16%</td></tr> <tr><td>E</td><td>11%</td></tr> </table>	Option	Percentage	A	46%	B	10%	C	18%	D	16%	E	11%	<table border="1"> <tr><th>Option</th><th>Percentage</th></tr> <tr><td>A</td><td>27%</td></tr> <tr><td>B</td><td>28%</td></tr> <tr><td>C</td><td>27%</td></tr> <tr><td>D</td><td>11%</td></tr> <tr><td>E</td><td>8%</td></tr> </table>	Option	Percentage	A	27%	B	28%	C	27%	D	11%	E	8%	<p>A: Housing options</p> <ul style="list-style-type: none"> <li>Poor/poverty – folks left out of society prevalent in Oak Park</li> </ul>
Option	Percentage																									
A	46%																									
B	10%																									
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<b>South Area (Feb. 22, 2018)</b>																										
<table border="1"> <tr><th>Option</th><th>Percentage</th></tr> <tr><td>A</td><td>52%</td></tr> <tr><td>B</td><td>14%</td></tr> <tr><td>C</td><td>18%</td></tr> <tr><td>D</td><td>9%</td></tr> <tr><td>E</td><td>7%</td></tr> </table>	Option	Percentage	A	52%	B	14%	C	18%	D	9%	E	7%	<table border="1"> <tr><th>Option</th><th>Percentage</th></tr> <tr><td>A</td><td>27%</td></tr> <tr><td>B</td><td>30%</td></tr> <tr><td>C</td><td>27%</td></tr> <tr><td>D</td><td>7%</td></tr> <tr><td>E</td><td>9%</td></tr> </table>	Option	Percentage	A	27%	B	30%	C	27%	D	7%	E	9%	<p>A: Housing options</p> <ul style="list-style-type: none"> <li>Helps students stay in district</li> </ul>
Option	Percentage																									
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<b>North Area (March 3, 2018)</b>																										
<table border="1"> <tr><th>Option</th><th>Percentage</th></tr> <tr><td>A</td><td>43%</td></tr> <tr><td>B</td><td>22%</td></tr> <tr><td>C</td><td>16%</td></tr> <tr><td>D</td><td>6%</td></tr> <tr><td>E</td><td>13%</td></tr> </table>	Option	Percentage	A	43%	B	22%	C	16%	D	6%	E	13%	<table border="1"> <tr><th>Option</th><th>Percentage</th></tr> <tr><td>A</td><td>24%</td></tr> <tr><td>B</td><td>26%</td></tr> <tr><td>C</td><td>21%</td></tr> <tr><td>D</td><td>17%</td></tr> <tr><td>E</td><td>12%</td></tr> </table>	Option	Percentage	A	24%	B	26%	C	21%	D	17%	E	12%	<p>A: Housing options</p> <ul style="list-style-type: none"> <li>Incentivize lower cost housing in City and urban core</li> <li>Lack of affordable housing pushing seniors to homelessness in CD2</li> <li>Students can’t attend college without affordable housing (no roof, no school) as there are a number of students who sleep in their car</li> </ul>
Option	Percentage																									
A	43%																									
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C	16%																									
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**Childcare and Early Childhood Education**

Although not a “Capacity” option provided in the multiple choice “poll,” the issue of affordable childcare, early education and daycare came up over and over again in all three public meetings. In a straw poll suggested by one of the Councilmembers at the North Area meeting, by a show of hands 31 attendees would have chosen this as their first priority had it been an option. Attendees stressed the need for subsidized or affordable childcare in the urban core (not just in the suburbs), and childcare for parents who are working, going to school, or in training apprenticeship programs.

The following are pros/cons of multiple choice capacities, additional capacities and general feedback written on large easel notepads at the public meetings. These comments have been categorized and placed in no particular order below.

Pros/Cons, Additional Capacities and General Feedback		
Central Area (Feb. 21, 2018)	South Area (Feb. 22, 2018)	North Area (March 3, 2018)
<ul style="list-style-type: none"> <li>• How can those not fluent in English participate?</li> <li>• More health and family/youth education</li> <li>• Good non-profits don't have space to work such as those who foster youth, etc.</li> <li>• Ordinance – investors rent houses; halfway houses create cycle of crime, 500 sex offenders within three-mile in Oak Park</li> <li>• Program/intervention with</li> </ul>	<ul style="list-style-type: none"> <li>• Non-profits, services to community</li> <li>• Connection to diversity factor, access to Capitol</li> <li>• Show ratio in local dollars</li> <li>• More housing and density = richer environment</li> <li>• Attract safe, clean businesses</li> <li>• Arts</li> <li>• Better access to rivers</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable daycare and childcare. By a show of hands 31 attendees would have chosen this as their priority if an option</li> <li>• Community outreach, education about resources</li> <li>• Higher minimum wage</li> <li>• Voting model doesn't distinguish attendees' neighborhood</li> <li>• Most of Sacramento largely suburban; isn't 20 min.</li> </ul>





- Murals and live art were often noted as positive community attributes

What you want for your City....

- Affordable or free childcare for those that are employed, in training or in school
- Greater City financial investment into low income neighborhoods (two examples: suggestion for innovation hubs located outside of the urban core in the poorer neighborhoods; and staff at all police stations so reports can be filed in person)
- Help for small businesses, micro businesses, startup businesses, and nonprofits
- Less cannabis dispensaries with greater geographic disbursement
- Repurpose vacant buildings. Transform vacant, blighted infill lots
- Increased public transit service, more routes and evening service

*This Executive Summary of Public Meetings was compiled by The Hoyt Company and City Outreach Staff with data analysis provided by Darrene Hackler.*

*Post-distribution additions (denoted by [Additions] and [End of Additions]) were made for the purpose of the Project Prosper report on the Working Group and community meetings by Darrene Hackler.*

*Because the City cares deeply about your views and ideas, a 50+ page Consolidated Meeting Summary of all comments provided both verbally and in writing has also been prepared by the same team and found on <http://www.cityofsacramento.org/projectprosper>.*



## COMBINED MEETING OF NATIONAL ADVISORS AND COMMUNITY: APRIL 26, 2018

Over 130 people attended a 2-hour evening meeting at the Convention Center to listen to presentations from the four national advisors and directly ask the advisors questions. Approximately half of the meeting time was devoted to presentation and the other half to audience question and answer (agenda, Appendix N). The advisors provided summaries of information that they had presented to the Working Group at the January meeting, described above. Their presentations are included in Appendix O. The audience participation component of the program was remarkable, both due to the range and depth of the questions asked and the deep knowledge shared in the responses. For this reason a fairly detailed record of the question and answer session is included here.

1. I love idea that wealth creation reduces poverty. How do we ensure this new wealth is shared? Does this mean this wealth is concentrated at the higher income levels?

Robert Weissbourd: At the moment the way the economy is working there is enormous new wealth occurring but it is highly concentrated in the top 1%. We wiped out the middle class. All the evidence is that the places with the least inequality do the best in the long run because they don't waste their assets and they don't have the high cost of poverty. Inclusive growth is necessary for a sustainable growth model. How to achieve it: identify growth opportunities; surface minority entrepreneurs; finance them and provide them technical assistance. Focus on where the good jobs are. Start with where the wealth is and then figure out how to place the people where the wealth is.

2. What immediate tangible steps can the City take to promote an inclusionary economy?

Amy Liu: Make sure our residents, neighbors and workers are working in growth areas of the economy. Make sure those employers are engaged in workforce strategies with youth outreach. Too often the growth side of the economy, the labor market workforce training programs and economic development are all disconnected.

3. Do we need to rethink gentrification in Sacramento?

Joe Cortright: I have not been a part of the local conversation on gentrification. However, it has been 50 years since the Fair Housing Act that was passed in 1968 to address profound racial segregation. In a lot of ways we have not made progress. Essentially, there are only two ways to make a city more integrated over time: if white people move into predominantly black neighborhoods or black people move into predominately white neighborhoods. Or low income people move into higher income neighborhoods and higher income people move into low income neighborhoods. The question is – do you hit a tipping point where things totally change and it isn't possible for low income people to live there anymore? Pay attention as neighborhoods begin to change to ways to protect housing affordability so a range of incomes can live in a neighborhood.

4. What is the likelihood of a child moving out of poverty? Think in terms of chance and leveling or shifting of house rules.

Robert Weissbourd: I take this question to highlight the challenges. Where you are born, your family, what physical conditions, educational opportunities have huge impacts on your fortunes. In some ways this has gotten worse. This economy has clear winners and losers. Despite that, there is a growing class of minority professionals and business leaders. There are lots of communities that find ways out of poverty through education, through investment, through connections and reconnection to regional growth. I want to acknowledge the challenge but also suggest that not only is it possible to get out of poverty but it is necessary. It is a business imperative.

5. The examples of cities you used to compare to Sacramento are not in California. How do we compare to other cities in our state that are similar in size to Sacramento?

Amy Liu: There is an art to figuring out what your peer cities are. We tend to think they are similarly sized and generally have a similar composition of industries. We looked at other state capitals, cities that also have ag industry, universities, government. No doubt, California has its own conditions. At the end of the day, don't compare yourself to others, compare yourself to you. Is your community better off based on the assets that you have and is it improving over time?

6. How do you see us achieving fair housing given the influx of IT and Bay Area money that's driving up the cost of housing in Sacramento?

Joe Cortright: This is a California problem – an overwhelming demand for housing. More specifically, there is overwhelming demand for great urban spaces. So when you look at places where housing prices are going up the most, it's in dense urban neighborhoods that are walkable, bike-able, and well served by transit. We make it difficult to build more housing in those places and we don't have enough cities that have those kinds of amenities. It's a supply problem. Part of it is there is a shortage of housing but part of it is there is a shortage of great urban neighborhoods to live in.

7. How is this going to help the development of nonprofits – more opportunities for funding and grants?

Robert Weissbourd: There is a shift of for-profit and non-profits to social enterprise of all kinds. The focus in this economy is on value creation and capture and non-profits are engaged in this. We are seeing a lot more interest in impact investment in foundations, banks and the personal investment world. As we focus on wealth creation it is a vehicle to address poverty and grow the economy. If we are good at it we will be creating value and we will be able to capture it. More and more, nonprofits are partners on all kinds of development. They have special expertise and knowledge.

8. How do we attract and retain high wage companies? Why is it we are below the median for education and how do we change the story?

Amy Liu: One of the things I often tell people is the one thing you don't do to create inclusive economic development is attract a major company. The bulk of jobs don't come from jobs

relocating but from existing companies. 85% of the state's jobs are from the growth and expansion of existing businesses. The way to attract high wage, high service companies is from the assets within your community. If you have a climate that produces a strong pipeline of technical workers with skills relevant to companies and industries in your community, that's how you create jobs. The modern economy prizes a place that produces a high volume of tech workers particularly tied to the industries in your community; k-12 partnerships, community colleges, transportation options, walkable, and the values around diversity – racial diversity and inclusion. Those are the dynamics that make existing companies want to stay and expand and people want to stay. Focus on the ecosystem and the assets in your communities.

9. Can you cite an example of a city that has lowered permit cost and fees to stimulate the housing supply?

Joe Cortright: There is a great range of regulation and taxation in housing. Think about how much land you zone for high density housing. Most communities zone the overwhelming amount of land for single family residential and don't zone enough for multifamily housing. I am personally not familiar with any place that has cut fees but I know of places where it is cheaper to build. Fees in some California cities are a big challenge as is the uncertainty of the fee structure if you don't know how much it will cost you to build. Those kinds of things drive up the price of building. For most places I would be highly focused on liberalizing zoning – allowing more places where you can build more apartments.

10. Explain the systemic process of gentrification and the impact on the community's culture and sense of uniqueness.

Robert Weissbourd: I don't know the particular gentrification issues here. Some neighborhoods fear gentrification yet some would benefit from a little gentrification. You want your neighborhood to get better, to be more appealing, to have better amenities. There will be more demand and that will drive prices up unless you can build more housing. You can't make your neighborhood better without dealing with the possibility of gentrification/displacement. Gradual appreciation is not a bad thing but rapid appreciation means displacement. There are a whole set of programs, government and others, that help alleviate this. Ultimately it is the housing stock, the housing supply must be sufficient if you aren't going to have higher costs push people out.

Joe Cortright: In a study I looked at 1,100 high poverty areas in the US in the 1970s with poverty rates 30% or higher and over 40 years only about 10% of neighborhoods saw poverty rate decline to below 15% (national average). Most poor neighborhoods stay poor and lose population. Those neighborhoods that don't see an improvement lost 40% of their population. It's not that things stay the same if you don't change (don't gentrify), you see displacement even though they don't improve.

11. You listed educational attainment as an opportunity multiplier. Does this only apply to four-year college degrees?

Joe Cortright: I use four-year degrees because it's easy to get those data. You can think of educational attainment as a continuum and the further along the continuum the better. There are



lots of different ways to acquire skills, including apprenticeships, certificates, graduate degrees, doctorates, two-year programs.

12. When activating new capital, should the focus be national or international, entrepreneurial or creative?

Amy Liu: Most industries grow by creating demand from outside of the market. There are a lot of growth opportunities by accessing global demand. If you are talking small/local business access to capital is a challenge. The concern with venture capital, most investments are concentrated in high tech corridors (places that already have high tech growth and wealth concentration). We are beginning to see migration, but that will be based on entrepreneurs here creating relationships with investors in other markets.

13. We have a history in Sacramento of bad land use decisions which has created a disconnect between people and neighborhoods and jobs, do you have recommendations on how to address that historic bad land use?

Robert Weissbourd: When we talk about spatial efficiency we talk about the importance of increasing productivity of people in firms, the qualities of places that allow goods, people and ideas to move around. A Harvard economist says the very reason we have cities is to reduce the transportation cost of moving goods, services and ideas. I don't know Sacramento well enough to know how you fix it. It means you need to be more deliberate as you target different clusters and industries whether it is autonomous vehicles or advanced business services or food manufacturing, there will be different parts of the region in which they concentrate. Government and private sector can take actions to influence where these things concentrate and to improve access. It is partly a matter of building the right infrastructure, including digital infrastructure.

14. Is it possible to compete in the digital sphere considering how late we are in the game, specifically as it relates to human capital dependent sectors?

Amy Liu: We are still at the very beginning of the full promise of the digital revolution. We still have yet to see the impacts of big data, machine learning, artificial intelligence, the internet of things and so on. In order to create more productivity and wealth in the country we need to unlock these technologies into more firms, industries and regions. Every single industry and occupation is transforming right now. We did a study last year on the digitalization of occupations. 90% of the occupations in this country and 70% of jobs today, including pathway jobs, require people to have mid to high digital competency. I worry about inequality, even though demand for mid and high tech workers is increasing (and they pay more), the bulk of our Hispanic and African American workers are not in those mid- to high- tech occupations. As we are digitalizing and our workforce diversifying, we are not taking advantage of the wealth creating potential of the digital economy for everyone. This goes back to why the alignment of educational skills with industry needs is really important to create inclusiveness.

15. In Sacramento we focus on initiatives for youth under 18, should we be focusing on millennial workforce development?

Joe Cortright: My sense is investments earlier in life have the highest pay-offs. Early childhood education and pre-K education tend to have the highest payoffs. If forced to choose where to make the investments, that's where I would focus. When it comes to those finishing high school and college aged, internships and mentorships are really important as bridges between the academic world and the world of work. In the U.S we don't put enough focus on that transition out of the academic environment.

16. What role do middle skill jobs play in economic growth as opposed to entry-level?

Amy Liu: My other concern about the digital industry is the occupation is very polarized, with a lot of middle skilled jobs eliminated because of automation. We are seeing an economy that is creating a lot of high skilled, high wage jobs and a lot of low wage, low tech jobs. We do not have a lot in the middle, which is contributing to the lack of wage mobility. There are not a lot of occupational choices for people to move up the income ladder. We are having conversations with local leaders around the country, how do we identify the industries that have mid skill and mid pay jobs and grow those sectors to create more occupational pathways in a community.

17. What lessons in economic development have we seen in cities with similar demographics and industries as Sacramento (like Albany, NY) to prevent brain drain?

Robert Weissbourd: I am not familiar with Albany, but I am thinking of Washington, D.C. D.C. for a long time was a government town and then it found its center of gravity in a whole other set of economic activity that balanced it. To make that transition you need to find out what else you are good at that is tradeable. We are hearing more about right-sized cities as places, like San Francisco, are getting too saturated. There are disamenities if places get too dense. People are looking for livable communities with a decent job base. One thing I am intrigued by here in Sacramento is the base of business services, right now it is oriented towards government services, but more and more there is a cluster and maybe that cluster can be organized and expanded to serve new markets. This base of business services could grow and it arose out of government being here. What are your existing assets and what ancillary industries can they serve in order to grow? You need to ask and answer these questions.

18. What have other cities done to adapt to a modern economy?

Joe Cortright: How do you create the set of conditions that generate new knowledge and new firms and entrepreneurship? You want to do a great job at educating your kids and building a community that smart people want to live in. Industries are growing and changing, some will wither and die. Do you have the right set of conditions to grow a new set of businesses?

Robert Weissbourd: Think about your community's government and governance. I've worked in many cities that have an "old boy" network where you had to know someone to get in. That doesn't work anymore. An entrepreneur will not go to a place where they cannot quickly plug-in and succeed. The best governments are creating development authorities, creating cross-sector

institutions and engaging the private and civic sectors in different ways, making their places much more accessible for entrepreneurs, people and firms to find each other.

Amy Liu: The modern economy is a fast-moving economy. Every product is either becoming increasingly disruptive or becoming obsolete. What it means for cities and educators is that status quo will not work anymore. Everyone must be quicker, more nimble. You have to work more closely with your firms. Understand their needs; understand how you can support their innovation and R & D needs. Help them connect with other companies and understand what skills they need to keep pace with the competition. We cannot have training programs operating by themselves. We cannot have neighborhood investments that are not tied to where the firm growth opportunities are. This cannot be solved with a real estate deal. Build on the talent and historic strengths that are here versus inventing them whole. Work directly with companies and talent to align them.

## WORKING GROUP SUBGROUP WORK

At the close of the January Working Group and national advisors meeting, a decision was made to form topical subgroups around the three capacities of people, business, and place to begin researching in more detail the issues associated with implementing the menu of options and program ideas that were discussed and voted on in the Community Meetings. Volunteers from the broader Working Group formed into three subgroups, each of which met twice during March. The basic questions pursued over the course of the pair of meetings for each group were:

1. Existing Conditions – what is currently happening in Sacramento in each area (e.g. small business technical assistance, housing, programs to increase high school graduation rates)? And who are the service providers?
2. What do we know about how effective current efforts are? (What is their scale compared to need and what is their overall impact?)?
3. Are there other initiatives or program ideas that were not presented in the Community Workshops that should be added to the research list?
4. Based on existing (incomplete) information, what do subgroup participants judge would be the magnitude of impact of implementing the program aggressively?
5. Again, based on existing incomplete information, who do subgroup members judge would be the economic and political feasibility of implementing the program aggressively?
6. If this program is to be expanded, or created, what is the appropriate role for the City of Sacramento to play?
7. All things considered, should this program be a high, medium, or low priority for the city to further pursue?

The project team asked the subgroup participants to answer these questions fully aware that at this stage of the project only partial information was available on each program and that there are obvious limitations to offering opinions that might be misinterpreted as conclusive. Participants were assured that when their information was shared, it would be made clear that their opinions

are tentative and interim and subject to amendment as more detailed and definitive information became available.

The subgroups identified relatively few additions to the list of programs, including:

- To people capacity, “Pre-K” was added, largely based on input from the Community Workshops.
- To business capacity, an item originally titled “business retention and recruitment” was split into separate items because the activities associated with, and evidence of effectiveness, are quite different for retention and recruitment; access to capital was also discussed.
- The subgroup also added a new “innovation and creative economy” item to business capacity, both to respond to input from the community workshops and to the unique characteristics of this particular idea.
- In the category of place capacity, the subgroup divided the generic category of “infrastructure” into several subcategories (e.g. transportation, utilities, etc.) because the dynamics of each are different; public art and support of arts and culture were also discussed with respect to increasing private amenities and public places.

Below is the amended list of program ideas.

**People Capacity** (Human Capital) is about increasing human capital and it refers to how we can develop talent and increase education levels, deploy people with talent and higher education levels, and attract those people with talent and higher education levels from elsewhere.

- Pre-K, early education, childcare
- Increase high school graduation rates
- Increase post-high school certificates or degrees
- Sacramento Promise: Free community college tuition and fees
- Increase digital skills
- Internships, apprenticeships, and career pathways
- Train for skills that match our business needs

**Business Capacity** is how much work that can be handled by an organization, team, process, service or tool. It can often be scaled up and down by adding, reallocating and subtracting resources (employees, inventory, equipment, etc.).

- Stimulate new local entrepreneurs
- Technical assistance to grow local small business
- Access to capital, small business lending
- Grow business that import wealth (export goods and services to others), or increase tourism
- Attract business with career pathway to middle income and higher paying jobs to move to or expand in Sacramento
- Retention business with career pathway to higher paying middle income jobs to move to or expand in Sacramento
- Innovation District



**Place Capacity** is about place building and refers to the physical and emotional relationship that residents have with their home, neighborhood, and city. It seeks to create spaces that are comfortable and desirable for people to be and live in.

- Increase middle income, low income, and homeless housing options
- Services to increase community safety and cleanliness services
- Increase shopping, eating, entertainment, and grocery stores options (private mixed use)
- Increase public places to learn and play
- Infrastructure: Internal and external connectivity, climate change adaptation and flood protection; broadband; adaptation modification of existing physical assets for livability and leveraging existing assets; re-use of existing assets; development of public utilities, roads, bridges, etc.

Darrene Hackler prepared one page summaries on the expanded list of program ideas based on the subgroup's identification efforts and her further research (Project Prosper Capacity Investment Narratives, Appendix P). Again, it is important to stress that this is work in progress and much more detail will need to be added before action decisions can be made. The Impact and Feasibility of Capacity Investments table, included in Appendix Q, depicts nearly all of the ideas that scored positively both for impact and feasibility. Programs related to housing (place capacity), providing technical assistance to existing small businesses (business capacity), and providing employment internship programs for youth (people capacity) scored high both with the participants in this subgroup exercise and in the three community workshops.

## SECOND CONVENING OF WORKING GROUP AND NATIONAL ADVISORS: APRIL 27, 2018

The next convening that brought the national experts and the, now labeled, Project Prosperity Working Group together occurred on April 27, 2018 (agenda, Appendix R). During this session, several staff from City Manager's office, economic and community development, youth, parks, and community enrichment, neighborhood services, Mayor's office, Council, Sacramento Public Library, Sacramento Metropolitan Arts Commission, and Sacramento County attended. The experts advised in three ways:

1. Further inform the Project Prosper process around the ideas presented during the community workshops, about how Sacramento could increase and diversify our current economic growth in investment in the three essential capacities of successful local economic system—People, Business, and Place Capacities—in an inclusive and equitable way. The experts participated in a community workshop (April 26, 2018) and shared fundamentals of their advice.
2. Provide additional strategic advice and feedback on the types of investment within People, Business, and Place Capacities that were presented and polled during the community

meetings. The experts shared opinions on what should be considered priority investments in terms of alignment with the City's goals and challenges.

3. Provide tactical feedback on how to implement or modify investments and tactics based on their expertise, experience, and observations of other places, which included advice on next steps, and how Sacramento could leverage or connect the investments to other efforts.

The presentations to the Project Prosper Working Group focused on the strategic and tactical advice; all presentations are accessible in Appendix S.

- Amy Lui presented new data, the Sacramento Market Assessment, sponsored by Valley Vision, SACOG, GSEC, and Metro Chamber. The conclusions from the data suggested that the Sacramento region lacks a strong economic base of competitive industries and needs to become less reliant on the State for employment. There is a need for Sacramento to create a distinguishing factor that gains efficiencies through shared inputs; focuses on infrastructure supply chains; improves the education and skill (digital) level of the labor market; provides better access to workers of color; and creates a climate of constant learning and innovation. Sacramento cannot be complacent about the current industry and economic trajectory; it needs to pursue deep industry intelligence and engagement of diverse stakeholders from business and community across the region to strengthen industrial capacities and make inclusion a value throughout the system of investments from design to implementation.
- Erika Poethig provided a focused and example-laden presentation to Sacramento's housing issues to ensure greater inclusion and economic opportunity. Housing is a bundle of quality, affordability, stability, and location. An inclusive policy needs to increase the supply and preservation of existing affordable housing, which may include dedicating local resources to rental assistance; finding innovative ways to fund housing with supportive services; and creating strategies and mechanisms to help keep new housing supply family friendly.
- Robert Weissbourd focused on strategies to embed neighborhood dynamics into the design of innovation clusters and the design of the organizational institutions that can support these cross-sector efforts. This included the advice of conducting an in-depth, systematic analysis of existing industry assets and linkages to understand a unique cluster potential, business planning to ensure the best use of strategic investments to enhance clusters (including connections to neighborhood assets and development of supportive innovation districts), and examining combined public ownership with private management for implementation and development of these efforts.
- Joe Cortright provided three viewpoints on Sacramento's economic growth strategy. First, he suggested that state government was an anchor industry with jobs that grow steadily, offer good wages, highly unlikely to relocate to another city or disrupted by global competition. In addition, over the next few years 40,000 state employees will reach retirement age, providing opportunities for jobs for younger workers. Sacramento could focus on career pathways, training of its youth, and assisting local businesses with developing procurement expertise and market share. The second focused on how the Bay Area presented both challenges and opportunities to Sacramento. The cost of living in Sacramento, although higher than the median, is lower than the Bay Area, but the



Sacramento area must focus on its talent and educational attainment to compete. He stressed that placemaking in addition to talent cultivation efforts would further Sacramento's prosperity because young, college graduates are driving city population growth as cities are consolidating instead of sprawling. Physical development and housing efforts should focus on walkability and creating more vibrant, quality neighborhoods to create inclusive prosperity. In addition, he spoke to the idea that Sacramento could examine the kinds of businesses that need close proximity to the Bay Area, which could suggest enhancements in Sacramento's distributional logistics.

## NEXT STEPS

As noted above, this report documents a substantial body of Project Prosper work conducted during the last six months, but is an interim report in the sense that Project Prosper continues. Next steps are summarized below for community engagement, implementation-related research, and project organizational issues.

### Community Engagement

The City's Office of Neighborhood Services and Mayor's office are combining efforts to reach out to private, civic, religious and community organizations who would like to participate in abbreviated versions of the Community Meetings and complete a survey that includes content from the meetings. A digital version of the content from the Community Meetings will be available at: <https://www.cityofsacramento.org/City-Manager/Major-Projects/ProjectProsper>.

### Implementation Related to National Experts' Recommendations

As part of the Working Group process, the experts recommended a number of fundamental strategies that Sacramento should consider and will require further research and planning. The following offers an introduction to each as it is related to Sacramento's efforts to increase and diversify its local and regional economy in an inclusive and equitable manner. The collection of these activities would develop a cohesive, inclusive regional prosperity and growth plan that recognizes Sacramento's current challenges and updates the Next Economy Capital Region Prosperity Plan 2013 - 2017, which to date has lacked collective implementation.<sup>2</sup> The efforts would enlist civic, business, and other stakeholders to develop the vision, the focus on, and business plans for the following enumerated strategies. A fuller description of each follows the list of strategies below:

- I. Innovation clusters, where firms from the similar industries and supply chains gather in close geographic proximity to increase economies of scale and other beneficial productive relationships; clusters include understanding of the innovation ecosystem and

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<sup>2</sup> [http://valleyvision.org/wp-content/uploads/2017/10/capital\\_region\\_prosperity\\_plan\\_mar\\_19\\_2013.pdf](http://valleyvision.org/wp-content/uploads/2017/10/capital_region_prosperity_plan_mar_19_2013.pdf)

- entrepreneurship and connections to neighborhood business development (Weissbourd and Liu presentations);
2. Innovation districts, where research universities and private companies locate next to each other and to work together more on new research and product development, companies benefit from the research and development infrastructure and an educated work force, and university researchers benefit from having companies that can help scale and market their innovations (Weissbourd and Liu presentations);
  3. Development authority that manages large-scale, next-economy economic development efforts, including directing and delivering on a set of cross-cutting, integrated growth strategies as well as supplementing and attracting new resources and capacity to the existing public, private and civic support the efforts (Weissbourd presentation); and
  4. State capital and government sector strategy, where a cluster approach would explore further connections for business and workforce development around the state capital (Cortright presentation).

### **Innovation Clusters, Innovation and Entrepreneurship Ecosystem, and Neighborhood Business Development**

Economic development strategies over the past few decades recognize the opportunity of fostering clusters of firms in similar industries and supply chains; however, economic trends have affected value-added in those supply chains and increased the need for a focus on value added production in traded sectors<sup>3</sup>. Innovation and business clusters focus on existing strengths and unique assets in the firm base, workforce demand, and real estate needs. In-depth qualitative and quantitative research is needed to not miss emerging clusters due to changes in technology and market demand and identify overlapping supply chains and assets. The demanding efforts are able to develop cross-cutting strategies that align with workforce, innovation, entrepreneurship, infrastructure activities; in addition, the broad-based approach enables the intentional crafting of inclusive strategies and includes diverse partners from the start—a regional examination of firms of all sizes, diverse ownership, key stakeholders and partners for driving changes.

Innovation cluster efforts result in a variety of organizational leadership and business plans, but it is a priority that the private sector plays a primary role and engages alongside non-profits, academia, and the public sector. It is essential that the efforts prioritize transformative clusters that have the best projections and potential for job and wage growth, innovation, inclusion, and other specific goals. For example, innovation clusters should seek to understand and build pipelines of opportunity for other actors, including the innovation and entrepreneurship ecosystem and neighborhoods business development. The innovation ecosystem, with its state of entrepreneurship and the support for entrepreneurs, including access to capital, enable a larger

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<sup>3</sup> Traded sectors and businesses export goods and services to other regional, national, and global economies and by doing so bring wealth (other people's money) into our local economy. This can lead to more local jobs and higher incomes because every time a local economy generates a new job by growing and/or attracting a new business in the traded sector, a significant number of additional jobs are created in the non-traded, local-consumer-serving sector. This is a multiplier effect, and it is particularly large for jobs with high levels of human capital and for high-technology industries.



degree of cluster growth. In addition, the connections of the clusters to neighborhoods and focus on inclusive business development requires an emphasis on identifying and assisting firms in regional growth industry supply chains, tailoring workforce upskilling and placement for underemployed middle skill workers, and providing workforce centers for opportunity youth.

## **Innovation Districts**

At the heart of the rise of the development of innovation districts is the increasing need for open collaboration and innovation opportunities and the economic potential generated from these opportunities. “Innovation districts constitute the ultimate mash up of entrepreneurs and educational institutions, start-ups and schools, mixed-use development and medical innovations, bike-sharing and bankable investments—all connected by transit, powered by clean energy, [and] wired for digital technology” according to Bruce Katz and Julie Wager of Brookings.<sup>4</sup> A few models exist. The “anchor plus model” is where research universities and research-intensive private companies locate next to each other and to work together more on new research and product development. The other two models are districts that either makeover industrial or warehouse areas closer to the downtown core and connected by transit or urbanized science park in the outer rings of the area but helping spur in-fill mixed use development.

The benefits of the districts accrue for the companies and universities through increased research and development infrastructure, collaboration, and commercialization. Districts can also reinforce related innovation clusters, intersecting industries, and entrepreneurship ecosystem (venture capital, accelerators, co-working spaces), cultivate startups and business expansion, provide jobs and attract investors. In addition, districts serve as an employment destination for talent, can boost retention of graduates, and provide opportunities for district housing, transit, walkability, density of firms, and connections to multiple job centers and regional nodes.

Innovation district planning must engage cross-sector, inclusive leadership to uncover emerging or potential ideas, firms, and partners. A strong governance structure is essential in articulating a clear vision and to implement initiatives through the identification and assembly of a variety of resources from investment funds, grants, partnership agreements.

## **Development Authority**

Large-Scale, comprehensive economic development efforts demand organizations with understanding of the need for new “governance” beyond government and inclusive of cross-sector institutions and operating relationships. Development authorities have organizational forms, capacities, and powers to impact a wide range of development sectors (e.g., real estate, workforce development, supply chain and cluster growth, etc.) while remaining nimble and responsive.<sup>5</sup>

The development authority is a connector of stakeholders, partners, and resources and financing (industrial revenue bonds to tax credits to specialized business and housing investment funds) to build linked, transformative strategies that include workforce, clusters, infrastructure, and

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<sup>4</sup> Montini, “3 Types of Thriving ‘Innovation Districts’ in America.”

<sup>5</sup> RW Ventures, “New Institutions for a New Economy.”

neighborhoods but also able to align and scale programs. They are able to perform targeted government economic development functions and focus on public purposes, while being business like, nimble, market driven in engaging private sector, and sufficiently independent to avoid bureaucracy, politicization, “horse-trading,” and short-term deal focus.

In addition, the independent and long-term focus can result in robust wealth creation and value capture, with long-term investment horizons to the benefit both private and public stakeholders to share in the gains from growth.

### **State Capital and Government Sector Strategy**

As a state capital, the state government accounts for a quarter of our jobs, and it provides steady growth, pays higher than average wages, and will likely provide job opportunities because of 40,000 state retirements over the next 10 years.<sup>6</sup> State government is not a traded sector since it does not offer dynamic growth potential as an innovative, advanced and traded sector would; however, in Sacramento’s economy, state government imports money (chiefly tax revenue) from the rest of California, which is then spent in the form of salaries and purchases in metropolitan Sacramento. A strategy that would build on the assets of the state government as an anchor institution and cluster could examine the issues and connections related to:

- Understanding how Sacramento’s small businesses currently serve the local government sector. Sacramento has 81% of its business employing less than nine employees, and 66% having fewer than five employees. In addition, Sacramento has 20% of its businesses and 12% of employees in professional, scientific, technical, and legal services. Thus, a high percentage of the business services are likely small businesses. Helping Sacramento’s small businesses understand the market niche and opportunities related to the government sector and needs to grow the business enterprise could be valuable. In addition, such assistance may indicate that some portion of these businesses could expand into other non-local markets, such as other non-local state and local governments. This transition can help diversify our economic base as these small businesses produce goods and services more like traded sectors.
- Understanding administratively how to ensure robust pipelines along procurement opportunities for small and diverse business owners. What technical assistance and tools are needed to make procurement more responsive and make them ready to take advantage of procurement opportunities?
- Investigate how partnerships with the state government could facilitate workforce development and internships, creating entry points and pathways for local Sacramento residents to learn about and prepare for potential state government jobs. For example, elementary and high schools could offer career awareness and job shadowing programs or partnerships that include state agencies and create partnerships with agencies around internship programs for high school and college students.

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<sup>6</sup> According to the American Community Survey, about 30 percent of state government employees in the region are 55 or older, meaning most will qualify for retirement within a decade. This could produce more than 30,000 job openings in Sacramento, even if total state employment remains flat.



- As the functions of government change, determine the future needs of government and prepare businesses to take advantage of those needs. This is particularly true in information technology systems that are the operational heart of the state’s coordination and service delivery.
- Leverage our proximity to state regulatory policy setting and assist innovative firms and clusters in the setting of regulatory policy and readiness to adapt to regulatory changes.
- Assess if the City government delivers a particular service in a robust and efficient manner that it could itself contract out to smaller cities.

### **Project Prosper Organization Issues**

The Working Group should be reconvened to discuss an agenda that includes, at a minimum:

1. whether to form a smaller leadership group (as recommended during January meeting);
2. whether additional interests and/or organizations should be added to the group (e.g. K-12 educators, Sacramento County, business owners, people representing inclusive economy interests); and
3. purpose and role of the Working Group moving forward.

## **CITY COUNCIL ADOPTION OF POLICY RESOLUTION**

On June 12, 2018, the Sacramento City Council is scheduled to adopt the draft Resolution based on the work of Project Prosper to date, titled “Policy to take Comprehensive, Intentional Actions to Increase and Diversify our Economic Growth in an Inclusive and Equitable Manner that focuses on Neighborhoods and their Unique Needs” (Appendix A). The document includes the Vision Statement introduced in the first section of this report, a background section that describes the challenges facing Sacramento’s economy, and principles to guide future actions in the capacities of people, place and business and the operations of the city government.



## ACKNOWLEDGMENTS

The author appreciates the input, advice, guidance, and support of the staff of the City of Sacramento’s City Manager’s Office, Mayor’s Office, and multiple departments, including but not limited to, Economic Development, Community Development, and Neighborhood Services. To Mike McKeever, your engagement in the dialogue and guidance of the process was, and continues to be, essential to our work on Project Prosper: *grazie ti cuore*. Without the teamwork behind this effort, the work of Project Prosper would not be at where it is today—advancing a community conversation on the essential investments that a community must make to foster an inclusive and equitable economic future.

## APPENDICES

- A. City Council Draft Resolution, Policy to take Comprehensive, Intentional Actions to Increase and Diversify our Economic Growth in an Inclusive and Equitable Manner that Focuses on Neighborhoods and their Unique Needs
- B. Darrene Hackler, Ph.D. Resume
- C. National Expert Biographies
- D. Invite Letter to Working Group
- E. Roster of Working Group
- F. Agenda for December 11, 2018 Working Group Meeting (kickoff)
- G. Darrene Hackler's Presentation from December 11, 2018
- H. Working Group Background Materials
- I. Working Group Organization Template
- J. Agenda for January 11-12, 2018 Working Group Meeting
- K. National Experts' Presentations from January 11-12, 2018
- L. Darrene Hackler's Presentation and included agenda and activities for February 21, 22, and March 3, 2018 Community Meetings
- M. Executive Summary (in document above) and Comprehensive Summary of Community Meetings: Available at:
  - a. <https://www.cityofsacramento.org/-/media/Corporate/Images/CMO/ProjectProsperSpringSummary.pdf?la=en>
  - b. PDF found below and at <https://www.cityofsacramento.org/-/media/Corporate/Images/CMO/ProjectProsperSpringComprehensiveMeetingSummary.pdf?la=en>)
- N. Agenda for April 26, 2018 Community Meeting
- O. National Experts' Presentations from April 26, 2018
- P. Project Prosper Capacity Investment Narratives
- Q. Impact and Feasibility of Capacity Investments Table
- R. Agenda for April 27, 2018 Working Group meeting
- S. National Experts' Presentations from April 27, 2018 Working Group



## APPENDIX A

### RESOLUTION NO. 2018-

Adopted by the Sacramento City Council

### **POLICY TO TAKE COMPREHENSIVE, INTENTIONAL ACTIONS TO INCREASE AND DIVERSIFY OUR ECONOMIC GROWTH IN AN INCLUSIVE AND EQUITABLE MANNER THAT FOCUSES ON NEIGHBORHOODS AND THEIR UNIQUE NEEDS**

**May 17, Draft 3**

#### **BACKGROUND**

- I. Financial Condition of Residents and Businesses in Sacramento
  - A. Project Prosper. In 2017 the City launched Project Prosper to identify effective ways to improve the city's economy and quality life. The City hired national economic experts, created a broad-based Working Group of local and regional economic development specialists, and held 5 well attended community meetings. That initiative focused on capacities in three key areas, all of which are essential to create wealth and stimulate inclusive growth – business, people and place.
  - B. Business Capacity
    - i. Most job growth and economic output in healthy economies comes from expansion of existing firms with between 10 and 100 employees. Sacramento has 81% of its business employing less than nine employees, and 66% with fewer than five employees.
    - ii. Research shows a high return on investment from targeted, comprehensive technical assistance services to help existing local businesses improve and expand their businesses. The Sacramento region does not provide such comprehensive, targeted technical services.
    - iii. Research shows that growth in existing firms or recruitment of in-state firms to expand or relocate to a local area represents 86% of all job growth.
    - iv. The Sacramento Region has a larger than average share of research and development (R&D) expenditures in higher-educational institutions, but a lower than average share of companies that spin off from this research and only 0.3% of regional employment is in advanced industries that are reliant on R&D.
    - v. The local metropolitan entrepreneurial ecosystem is experiencing increases in startup activity, main street entrepreneurship, and growth entrepreneurship, resulting in a ranking the bottom 25% of U.S. metros. But the Sacramento region has a gap in innovation and entrepreneurship support and financing, with few, disparate, and non-connected entrepreneurial support activities for

entrepreneurs and few growth funding opportunities from venture capital in comparison to our competitors.

- vi. Sacramento has a lower than average percentage of wealth-generating, traded sectors (17% vs. 28% for U.S.) that sell their products and services outside of our local regional economy and bring wealth into the region. In fact, the annual employment growth rate in the region's traded sectors has declined by 0.7% in the past decade, and local traded sector production associated with goods and services exports accounted for about 6 percent of Greater Sacramento's economy, lower than that of its competitors.
- vii. Experience throughout the country and world suggests that well developed networks of businesses working within an economic industry cluster lead to wealth creation, which is the engine of sustainable economic growth. We lack these networks particularly in higher-wage, traded industries. In both manufacturing and services, the region experienced increased employment but at a slower rate than the nation.
- viii. Research throughout the country indicates that clear alignment of public, private, and civic actors toward targeted economic outcomes significantly increases success rates. We have progress to make in this area, and we need to do research with our local and regional businesses and networks to identify unique linkages and industry clusters that represent high prospects for economic growth, such as R&D in food, agriculture, and technology that can seed startup firms in traded sectors.
- ix. Long term partnerships that cultivate university and industry innovation districts can be beneficial to research and product development, generating more wealth for a region and becoming an employment destination for graduates from our region and elsewhere.
- x. As a state capitol, the state government accounts for a quarter of our jobs, and it provides steady growth, pays higher than average wages, and will provide job opportunities because of 40,000 state retirements over the next 10 years. However, the sector does not offer dynamic growth potential as an innovative, advanced and traded sector would.
- xi. According to the Creative Edge plan adopted by the City Council, creative occupations, industries and economic health of the city are higher than the national and regional average but have been declining since 2013.

### C. People Capacity

- i. Sufficient quantities of educated and trained work force in areas of the economy that we want to grow are required to achieve our vision; today, significant disparities by race and ethnicity exist in both educational attainment and skills.
- ii. High levels of income inequality in a city lead to lower incomes and growth rates. Sacramento has higher income inequality than the national average, and larger disparities across race and ethnicity and neighborhoods.

- iii. The current economy requires, at the very minimum, a high school diploma. High school graduates are better prepared to enter the workforce and have greater opportunity and earning potential; social benefits include improved health, lower crime, and unemployment. Sacramento has a low high school graduation rate, with nearly one-sixth of our working population not graduating.
- iv. Digital skills are essential for 72% of jobs, including 82% of middle-skill jobs that pay above the national living wage but don't require a bachelor's degree. Sacramento has a higher than national average percentage of workers of color in low-tech jobs.
- v. Much research shows that higher levels of post-high school certification and degrees are the single strongest indicator of higher incomes in a population. Sacramento has lower college graduation rates than the State of California and the nation.
- vi. Child care is a burden to low income and single parents and limits their labor force participation and economic opportunity. One third of our families in the region struggle to make ends meet.
- vii. There is strong evidence that effective pre-K education leads to higher high school and post high school graduation rates. When viewed from the societal perspective, most early childhood programs have positive benefit-cost ratios for the child and society in the range of \$2 to \$4 for every dollar invested.

#### D. Place Capacity

- i. Research shows that today's young job seekers are placing a high priority on finding a city with high urban amenities and neighborhoods that are dense, diverse, interesting, bikeable, walkable, and transit-served. Place-making is an economy development strategy and improves the quality of neighborhoods when done in an intentional and equitable manner. Sacramento has some of these neighborhoods and plans to build more, but we must increase the rate at which we are creating these neighborhoods.
- ii. A healthy transit system to connect all residents to jobs, especially those with lower rates of access to cars, is essential. In comparison to our region, the city of Sacramento has the lowest car access per household. This is particularly difficult for those living in poverty because low-income adults face greater hurdles to reach and access jobs due to the lack of viable transportation alternatives. Sacramento has plans to build a streetcar system in the downtown, but our light rail system is incomplete, and our bus system is subpar and not serving populations most in need of viable transit mobility options.
- iii. Access to affordable housing is an essential component of attracting a work force to support a growing economy. Sacramento's rate of growth, diversity, and affordability of housing are all significantly lagging. For example, Sacramento County accounts for 23% of the share of low-wage jobs, but only 19% of affordable housing units.
- iv. People want to live in clean and safe neighborhoods and have a positive relationship with their police force. Sacramento is implementing many reforms and expanding community policing, but many reforms need resources to be implemented at scale.



- v. People want convenient access to a range of public facilities (parks, recreation) and private stores (food, shopping, and entertainment). Many neighborhoods do not have a full complement of these services today.
- vi. People have a strong interest in arts, creative, cultural services and events, and 77% of Sacramentans want to see a business-friendly environment for artists and creatives.

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

1. **VISION:** Sacramento's renaissance requires that the city makes intentional investments to increase and diversify our current economic growth in an inclusive and equitable manner that focuses on neighborhoods and their unique needs. The strategy will seek to increase the variety of businesses and the jobs that they create, resulting in more of our residents to experience increased economic opportunity and a higher standard of living, more livable neighborhoods, and a stronger, more prosperous city.
2. **PRINCIPLES:** To address these issues and inequities in the city, the city must focus its economic and community development investments and planning for long-term and short-term delivery of services to make vibrant, livable neighborhoods that are safe and enable our residents and future generations to have greater economic opportunity and mobility and businesses to thrive. The principles below were gathered from analytical work done by local, regional and national economic experts and input received from residents during several interactive community meetings. These ideas, which are intended to build a thriving local economy that is inclusive and equitable and results in a shared and lasting prosperity for the city and our community of neighborhoods, will continue to be examined by the city for implementation. During this process, of course, other ideas may be identified as well.
  - A. The City will prioritize investments in Businesses Capacity that:
    - i. Focus on opportunities related to industry clusters and facilitate university-industry innovation districts;
    - ii. Identify and target assistance to cultivate economic industry clusters;
    - iii. Cultivate the entrepreneurial ecosystem;
    - iv. Provide technical assistance to existing businesses and attract new businesses to grow high-road, accessible jobs;
    - v. Target growth in traded sectors; and
    - vi. Explore implementing a variety of financial mechanisms to support business and employment opportunities that are consistent with these principles.
  - B. The City will prioritize investments in People Capacity that:
    - i. Cultivate homegrown talent through a strong cradle-to-career pipeline;
    - ii. Increase the economic security and mobility of all residents; and
    - iii. Work with partners to create pathways and opportunities in the local and state government sector.
  - C. The City will prioritize investments in Place Capacity that:

- i. Create vibrant, healthy, opportunity-rich neighborhoods for all residents across the city;
  - ii. Increase access to high-quality, affordable homes for middle- and low- income and homeless populations;
  - iii. Promote clean and safe neighborhoods; and
  - iv. Build resilient, connected infrastructure.
- D. To effectively support the growth of an inclusive economic, City Government , itself, will:
- i. Maintain and improve current services and expand the reach of services it provides to residents and businesses;
  - ii. Aggressively ensure maximum efficient and effective deployment of all city resources through performance outcomes-based management and create an “inclusion and equity investment”;
  - iii. Aggressively promote inclusion and equity of all segments of our city in all hiring and contracting processes;
  - iv. Promote democracy and accountability through transparency and accessibility in all the city’s activities;
  - v. Continue just policing reforms and expansion of community policing;
  - vi. Focus on building healthy, community engagement connections and networks to ensure alignment among the city and other local governments, non-profit service providers, and community and business organizations;
  - vii. Right size the city’s role in different services to align with core competencies and create maximum beneficial impact, from roles of policy champion and facilitator/convener of multiple parties;
  - viii. Organize the investment in, planning, and provision of all city services to focus on integrated, comprehensive action to improve neighborhoods;
  - ix. Focus on opportunities related to industry clusters and facilitate university-industry innovation districts that promote R&D and technology transfer and cultivate startups and business expansion; and
  - x. In recognition that the Principles set forth are consistent with PolicyLink’s All-In Cities policy framework, the Council directs the City Manager to research and report back to Council whether the City should make a formal application to become an All-In City.



## APPENDIX B

### **DARRENE L. HACKLER, M.A.P.P., PH.D.**

Sacramento, CA 95818 | darrene.hackler@gmail.com

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#### **PROFILE**

Dr. Darrene L. Hackler provides dynamic, innovative, evidence-based strategic and technical assistance and guidance to communities and their leaders who are seeking expert advice on how to integrate economic sustainability, innovation and technological advantage into their economic development strategies. She has extensive consulting experience in economic development and regional growth policy issues, examining the organic nature of cities and regions and their internal strengths. She integrates feedback, designs and utilizes quantitative and qualitative assessment tools, and provides individualized policy guidance to her clients to help them increase competitiveness and capitalize on their strategic assets. Darrene has assisted local and regional government officials, as well as large and small economic development organizations with their grassroots efforts, strategic plans, incentives analysis, and technical assistance. Darrene is adept at working with a variety of stakeholders, including universities, think tanks, foundations, governments and funding agencies, to understand the critical changes needed and models of success to foster the local economic development ecosystem.

#### **STRENGTHS & SKILLS**

- Local and regional strategic economic development and incentives policy
- Regional growth, sustainability, entrepreneurship, innovation, and broadband policy
- Non-profit and board capacity building
- Strategic partnerships and foundation relations
- Management and leadership skills
- Quantitative statistical and economics analysis
- Qualitative, survey, and focus group design and analysis

#### **PROFESSIONAL EXPERIENCE**

##### **Consultant, Sacramento, CA**

**Principal**, December 2015 - Present

Policy research and strategic advice related to state and local economic development strategies and incentives policy. Specialty areas include: economic sustainability, innovation, entrepreneurship, broadband, and high- and clean tech.

Policy and economic analysis expertise includes surveys and large scale data sets; interviews, focus groups and benchmarking; and policy design, implementation and evaluation.

##### **Profiled projects:**

- *City of Sacramento* (May 2017 – Present): Research, planning, and guidance on the development of a neighborhood-based economic and community development framework, including strategic economic development planning and community engagement process; coordinated neighborhood services organizational structure and resource plan; and coordination and facilitation of Mayor, Councilmembers, policy and staff discussions, working groups, and community workshops.
- *Greater Sacramento Area Economic Council* (October 2015 – March 2016): Organizational assessment of research function (products, reports and processes), capacity, and human resource management and structure; and advised on strategic economic development policy agenda.
- *Business Development Advisors / Smart Incentives*, Arlington, VA (August 2013 – Present): Advisor on client projects, providing guidance, research and analysis for state and local economic development incentive and downtown revitalization strategies; presentations of findings to large stakeholder groups and client teams; analysis techniques include surveys and large scale data sets; interviews, focus groups and benchmarking; policy design, implementation and evaluation.

- *Essergy Consulting*, Huntington Beach, CA (January 2014 – Present): Senior Associate participating in contracts entailing research, analysis and design of economic development and innovation strategies and Economic Development Administration-funded comprehensive economic development strategies.
- *College of Urban Planning and Public Affairs, University of Illinois-Chicago*, IL (October 2014 – October 2016): Consultant for research and analysis on post-recession fiscal and economic challenges to local governments as a sub-contract to Dr. Michael P. Pagano’s MacArthur Foundation grant.
- *United Cities and Local Governments*, Barcelona, Spain (September 2012 - July 2013): Consultant to lead comprehensive assessment of U.S. infrastructure (transportation, broadband, water, sanitation and energy) and local government provision for an international comparative policy and governance report U.S.
- *Arlington County Economic Development*, VA (May 2011 - February 2012): Lead research and facilitated a community strategic planning process on economic sustainability; the project produced a white paper defining economic sustainability frameworks, benchmarked local communities, and worked with the Economic Development Commission and County Supervisors to define Arlington’s strengths and design the strategy.

**Office of Research, University of California, Davis, CA**

***Executive Director, Humanities, Social Science & Arts Research, Interdisciplinary Research & Strategic Initiatives***, February 2013 - September 2016

Develop and foster strategic research partnerships, funding opportunities and collaborations among faculty and with external stakeholders (foundations, industry and government).

Research development, facilitation, capacity building, proposal grant writing, and project management.

Coordinated a flexible, cross-division Office of Research team (5-20) for the Interdisciplinary Frontiers in the Humanities and Arts grant program (\$3.6 million in awards for seven research teams, 96 members).

**George Mason University, Fairfax, VA**

***Associate Professor and Assistant Professor***, Department of Public and International Affairs, August 2000 - August 2012

Developed curriculum and taught courses in public policy, local economic development, and research design and statistics courses (undergraduate, masters, doctorate).

Directed and redesigned a multi-department interdisciplinary Urban and Suburban Studies Minor and the Departmental Honors Program, working with college deans and department faculty and staff.

Directed, as principal investigator with cross-university faculty and students and contractors, funded research projects on economic development (broadband, entrepreneurship, green/clean tech and innovation, design and evaluation of economic development incentives, economic sustainability, and transportation); funders include Small Business Administration, Kauffman Foundation and CGI.

Published peer-reviewed book and journal articles, organization trade journals, corporate white paper series, contract research reports, and blogs.

**International Economic Development Council, Washington, DC**

***Vice President of Knowledge Management and Development***, interim, September 2010 - March 2011

Managed a 10 person team (\$1M budget) responsible for content development of membership conferences and training courses for economic development professional certification (CEcD), updates of CEcD manuals and exams; provision of technical assistance for multiple federal and state contracts, and production of multiple research reports, quarterly journal and bi-weekly newsletter.

**Information Technology & Innovation Foundation, Washington, DC**

***Senior Fellow***, February 2010 - September 2010



Created a new research team and policy agenda on the green innovation economy; research and analysis (reports, briefs, blogs and public forums) to inform federal and state clean energy policy advocacy discussions and legislation.

**RHK, Inc., South San Francisco, CA**

**Editor and Telecommunications Analyst**, January 2000 - July 2000

Developed an e-magazine publication strategy and web presence; wrote short and long form articles on telecommunications technologies and industry trends with engineers and analysts.

**Claremont Information Technology Institute, Claremont, CA**

**Senior Research Associate**, May 1996 - March 2000

Directed research and data collection for telecommunication master plan for a master planned community; lead research projects concerning economic and social impacts of information technology.

**Tomás Rivera Policy Institute, Claremont, CA**

**Research Associate**, May 1995 - January 1996

Directed a research project examining education and health issues in the Latino community; identified research and other fundraising opportunities and wrote proposals.

**EDUCATION**

**Claremont Graduate University, Claremont, CA**

**Ph.D. in Political Science and Economics**, January 2000, John R. Haynes Dissertation Award

**Master of Arts in Public Policy (M.A.P.P.)**, 1996, Frank Biondi Fellowship

Fields: Public Policy, Economics

Dissertation: "Location, Location, Information? Industry Location and Cities in the Information Age," analysis of industrial location patterns of high-technology manufacturing and local policy.

**Albertson College of Idaho, Caldwell, ID**

**Bachelor of Arts, Political Science and Economics**, magna cum laude, 1992

**COMMUNITY SERVICE & PROFESSIONAL AFFILIATIONS**

- Verge Center for the Arts Board Member
- California Association for Local Economic Development
- Urban Affairs Association
- National Advisory Council for Economic Development Administration, US Department of Commerce, Triple Bottom Line Return on Investment Tool
- College Alumni Board of Directors and Alumni Ambassador
- Hugh O'Brian Youth Foundation Alumni
- JET Alumni
- National Organization of Research Development Professionals (NORDP), 2014 – 2016
- NORDP Liaison on Advisory Board for Commission on Innovation, Competitiveness and Economic Prosperity, Association of Public and Land Grant Universities, 2014 - 2016

## **PERSONAL INTERESTS & ACTIVITIES**

Avid tennis player (United States Tennis Association member), wine lover and import consultant, gourmet cook, hot chile pepper gardener, and travel enthusiast

## **PUBLICATIONS BY TOPIC**

### **Economic Development: Broadband, Telecommunications, and Technology**

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### **Economic Development: Entrepreneurship**

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### **Economic Development: Strategy, Sustainability and Incentives**

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### **Green Innovation and Climate Change**

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### **Technology: Nonprofit and Government Capacity**

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## APPENDIX C

### JOSEPH CORTRIGHT

Joe Cortright is director of City Observatory, a think tank focusing on urban economic issues founded with support from the John S. and James L. Knight Foundation. City Observatory produces original research on what makes cities successful in the 21st Century, and offers daily commentary on a range of issues including economic opportunity, urban transportation, housing affordability and neighborhood change at [CityObservatory.org](http://CityObservatory.org).

Joe is also President and principal economist with Impresa, a Portland consulting firm specializing in regional economic analysis, innovation and industry clusters. His firm advises policy makers in North America and Europe.

Joe's work casts a light on the role of knowledge-based industries in shaping regional economies. His *City Vitals* report is widely used as a tool for benchmarking metropolitan progress. Cortright has also written extensively on the migration of talented young workers among cities in a series of studies entitled *The Young and Restless*. Cortright is an expert on industry clusters, having produced three studies published by the Brookings Institution, including detailed analyses of the geography of high tech and biotech clusters and a new, full-color comic book: *Clusters: An Illustrated Introduction*. His work is quoted regularly in the media, in publications ranging from the *Wall Street Journal* and *The New York Times* to *The Economist*, *Business Week* and *USA Today*.

Joe has served as a non-resident Senior Fellow at the Brookings Institution and is currently Chair of the Oregon Governor's Council of Economic Advisors. He has served on the editorial board of *Economic Development Quarterly*, and was co-founder of *EconData.Net*, a pioneering web-based leading guide to regional economic data.

Prior to starting Impresa, Joe served for 12 years as the Executive Officer of the Oregon Legislature's Trade and Economic Development Committee. Joe is a graduate of Lewis and Clark College and holds a Master's degree in public policy from the University of California at Berkeley.

## AMY LIU

Amy Liu is vice president and director of the Metropolitan Policy Program at Brookings and the Adeline M. and Alfred I. Johnson Chair in Urban and Metropolitan Policy. She is a national expert on cities and metropolitan areas adept at translating research and insights into action on the ground. As director of Brookings Metro, which Liu co-founded in 1996, she pioneered the program's signature approach to policy and practice, which uses rigorous research to inform strategies for economic growth and opportunity. Liu has worked directly on such strategies with scores of public and private sector leaders in regions around the country, including Chicago, Kansas City, Phoenix, upstate New York, and New Orleans.

Most recently, Liu authored "Remaking Economic Development: The Markets and Civics of Continuous Growth and Prosperity," in which she argues that city and metropolitan leaders must adopt a broader vision of economic development that can deliver economic growth, prosperity, and inclusion for all residents. In "Remaking Economic Development," Liu discusses the limitations of existing strategies, outlines five principles that define a new model of economic development, and highlights innovations underway in cities and metropolitan areas across the country emblematic of this broader vision.

In 2011, Liu was lead editor of "Resilience and Opportunity: Lessons from the Gulf Coast after Katrina and Rita," a volume of essays exploring ways to accelerate the region's recovery. This built on her co-authorship of the New Orleans Index, a multi-year series of reports that tracked New Orleans' progress in the aftermath of Katrina.

Liu also has extensive experience working with states and the federal government to develop policies and strategies to support cities and metropolitan areas. In 2013, Liu served as a special advisor to the U.S. Secretary of Commerce, guiding policy priorities related to trade, innovation, and data. In 2010, Liu co-authored "Delivering the Next Economy: The States Step Up," outlining a model for states to support bottom-up regional innovation.

Prior to her work at Brookings, Liu was Special Assistant to HUD Secretary Henry Cisneros and staffed the U.S. Senate Banking Committee's subcommittee on housing and urban affairs.

Liu serves as an advisory board member for ACT of Alexandria, a local community foundation, and as a trustee of Hopkins House, a Northern Virginia early childhood education non-profit that serves low-income families.

Liu holds a degree in social policy and urban studies from Northwestern University. In 2015, she completed the High Impact Leadership Program at Columbia Business School.

## **ERIKA C. POETHIG**

Erika Poethig is an Institute fellow and director of urban policy initiatives at the Urban Institute. She leads the Policy Advisory Group, which assembles Urban experts to help leaders draw insights from research and navigate policy challenges facing urban America. She also leads partnerships to develop new programs and strategies, translate research into policy and practice, and align philanthropic investments and federal policy.

Before joining Urban, Poethig was acting assistant secretary for policy, development, and research at the US Department of Housing and Urban Development. During her tenure in the Obama administration, she was also deputy assistant secretary for policy development and was a leading architect of the White House Council for Strong Cities and Strong Communities. At the MacArthur Foundation, she was associate director for housing. She also was assistant commissioner for policy, resource, and program development at the City of Chicago's Department of Housing. In the 1990s, she developed Mayor Richard Daley's campaign to combat predatory lending, prevent foreclosures, and stabilize communities. Previously, she was associate project director of the Metropolis Project, which produced the Metropolis 2020 agenda for regional leadership around the major issues faced by the metropolitan Chicago area. Poethig serves on the boards of the Center for Community Progress, Mercy Housing, and the College of Wooster board of trustees.

Poethig was a Phi Beta Kappa member at the College of Wooster, a Fulbright Scholar at the University of Vienna, and has an MA with honors in public policy from the University of Chicago.

## **ROBERT WEISSBOURD**

Robert Weissbourd manages RW Ventures, LLC, an economic development firm specializing in technical analysis of urban assets and markets, and in creating the products and enterprises necessary to successfully grow urban and regional economies. He was a lead developer of the Greater Chatham Initiative, TREND, Chicagoland FOOD, MetroEdge, the Center for Financial Services Innovation and the Metropolitan Business Planning Initiative, which he co-managed with the Brookings Institution. He previously served for ten years in executive positions at Shorebank Corporation, designing, delivering and managing comprehensive development finance initiatives to invest in distressed communities. Before Shorebank, Bob spent a decade leading complex civil rights and other constitutional litigation, and representing community and other non-profit groups and leaders. He brings over thirty years of experience leading economic development work in dozens of cities and scores of neighborhoods.

Bob serves or has served as a nonresident Senior Fellow at the Brookings Institution Metropolitan Policy Center, an adjunct professor at the University of Chicago Harris School of Public Policy, Chair of the Obama Campaign Urban Policy Committee, on the Obama Transition HUD Agency Review Team, and as President or Vice-President of the Boards of City Colleges of Chicago, Crossroads Fund, Elevate Energy, the Center for Neighborhood Technology, BPI and PROCAN, as well as on the Visiting Committee of the University of Chicago Law School. He is a frequent author, public speaker and guest lecturer on a broad range of urban markets, housing, business and economic development issues, and has testified on these issues before federal, state and local legislatures.

## APPENDIX D

### Dear Valued Community Partners:

Mayor Steinberg and City Manager Chan invite you to join them for the **Growing Sacramento's Economic Future Working Group**. The Working Group will provide a forum for engaged discussion and deliberation about how Sacramento can strategically invest in its economic future. The Working Group will be comprised of four nationally-renowned experts (*information below*), a designee from each of the Council districts, and approximately 25 other people broadly representative of organizations working in the city and region on economic growth issues as well as our higher education institutions. We expect the full Working Group to meet twice to:

- Garner external advice of leading city and regional economic thinkers about growing Sacramento's economy and economic opportunity for its residents and businesses.
- Inform our economic development and growth strategy about what types of efforts and projects that the City should invest (e.g. in housing, place-based neighborhood and commercial corridors, in companies that bring or grow jobs, infrastructure, etc.).
- Gather input on what are effective and tested mechanisms for the recommended investments.

In advance of convening the national external experts, we would like to host local members of the Working Group and Council district designees for an introductory meeting to provide an overview of the effort and describe the objectives of the Working Group. The introductory meeting will be on Monday, December 11, 2017, 2:30 – 3:30 pm in City Hall Room 1119. If you are unable to attend, we encourage you to invite a designee that represents your organization's economic and business interests. We will need the name, title, and contact information of your Working Group representative by December 8, 2017. *Please send this information, along with any questions you may have to Darrene Hackler ([dhackler@cityofsacramento.org](mailto:dhackler@cityofsacramento.org)).*

The entire **Growing Sacramento's Economic Future Working Group** of local stakeholders and four national external experts will convene for a day and a half of presentations and discussion to garner insight on how Sacramento can strategically invest in its economic future. The first Working Group convening will be on Thursday, January 11, 9:00 am – 4:30 pm in City Hall Room 1119 for introductions of the City and to provide the experts with perspectives on the City's economic desires and the goals. The day would include the experts' presentations, advice, strategic vision, and investment ideas on Growing Sacramento's Future Economy with time for discussion. Over the first day and the morning of Friday, January 12, 9:00 am – 12:00 pm in City Hall Room 1119, we will have the opportunity to refine the topics of interest allowing for a deeper dialogue and develop recommendations for next steps. The entire Working Group will be reconvened in the spring at a time still to be determined to further our discussions.

Thank you,

Darrell Steinberg  
Mayor, City of Sacramento

Howard Chan  
City Manager, City of Sacramento

## APPENDIX E

<b>Growing Sacramento's Economic Future (Project Prosper)</b>				
<b>January 11-12, 2018</b>				
<b>First Name</b>	<b>Last Name</b>	<b>Title</b>	<b>Organization</b>	
Darrell	Steinberg	Mayor	City of Sacramento	
Howard	Chan	City Manager	City of Sacramento	
Mike	McKeever	Senior Advisor to Mayor Steinberg	City of Sacramento	
Darrene	Hackler	Executive Consultant	City of Sacramento	
Amy	Liu	Vice President and Director	Brookings Institution Metropolitan Policy Program	
Joe	Cortright	President and Principal	Impresa Consulting	
Erika C.	Poethig	Director, Urban Policy Initiatives	Urban Institute	
Robert S.	Weissbourd	President	RW Ventures	
<b>Council Designees</b>			<b>CM District Representative</b>	
Emily	Baime Michaels	Executive Director	Midtown Business Association	D3 Harris
Becky	Heieck	Executive Director	North Natomas Transportation Management Association	D1 Ashby
Nicolina	Hernandez	Legislative Advocate	Political Solutions, LLC	D6 Guerra
Todd	Kaufman	Commissioner	Planning and Design Commission	D4 Hansen
Bill	Knowlton	Executive Director	Mack Road Partnership	D8 Carr
Devin	Lavelle	Senior Researcher	California Research Bureau	D7 Jennings
Jane	Macaulay	President	Woodlake Neighbors Creating Transparency Neighborhood Association	D2 Warren
Danielle	Marshall	Past President	Natomas Chamber of Commerce	D1 Ashby
Adrian	Rehn	Project Associate	Valley Vision	D5 Schenirer
<b>Local Economic &amp; Community Development Members</b>				
Meg	Arnold	Managing Director	Valley Vision	
Barry	Broome	President and CEO	Greater Sacramento Economic Council	
Edgar A.	Calderón	Representative, Lotus Sacramento Corp	Sacramento Hispanic Chamber of Commerce	
James	Corless	CEO	SACOG	
Cathy	Creswell	Principal	Creswell Consulting	
Azizza	Davis Goines	President and CEO	Sacramento Black Chamber of Commerce	
Robert	Dugan	Senior Vice President for Public Policy & Economic Development	Sacramento Metro Chamber	
Kevin	Ferreira	Executive Director	Sacramento-Sierra Building and Construction Trades Council	
Pat	Fong Kushida	President and CEO	Sacramento Asian Pacific Chamber of Commerce	
Phil	Garcia	Vice President for Public Affairs and Advocacy	California State University Sacramento	
Cassandra	Jennings	CEO	Sacramento Urban League	
Brian	King	Chancellor	Los Rios Community College District	
Henry	Li	General Manager/CEO	Sacramento Regional Transit District	
Jim	Lofgren	Executive Director	Rental Housing Association of Sacramento Valley	
Stacy	McAfee	Associate Vice President for External Relations	University of the Pacific	
Robert S.	Nelsen	President	California State University Sacramento	
Mai	Nguyen	President	Greater Sacramento Vietnamese-American Chamber	
Chris	Norem	Director, Government Affairs	North State Building Industry Association	
Erik	Rasmussen	Public Affairs Consultant	Sacramento Association of Realtors	
Darryl	Rutherford	Executive Director	Sacramento Housing Alliance	
Mabel	Salon	Director, Community Relations & Local Government Relations	University California Davis	
Fabrizio	Sasso	Executive Director	Sacramento Central Labor Council, AFL-CIO	
Michael	Sestak	Executive Director	Sacramento Rainbow Chamber of Commerce	
Sergey	Terebkov	President	Slavic-American Chamber	
Joshua	Wood	CEO	Sacramento Region Business Association	

## APPENDIX F

# AGENDA

### Growing Sacramento's Economic Future Working Group

#### Local Members Convening

**Monday, December 11**

**2:30 p.m. – 3:30 p.m.**

*Hosted by: City of Sacramento*

City Hall

915 I Street, First Floor Training Room (CH 1119)

Sacramento, CA 95814

2:30 p.m. – 2:40 p.m.

#### **Welcome and Self-introductions**

2:40 p.m. – 2:50 p.m.

#### **Motivation and Overview of the Working Group**

Mayor Darrell Steinberg

2:50 p.m. – 3:10 p.m.

#### **Models of Economic Growth and Investment**

Darrene Hackler

3:10 p.m. – 3:20 p.m.

#### **Convenings, Community Meetings, and Next Steps**

Darrene Hackler

3:20 p.m. – 3:25 p.m.

#### **Comments and Questions**

3:25 p.m. – 3:30 p.m.

#### **Wrap-up**

Mayor Darrell Steinberg



## APPENDIX G

See [Growing Sacramento's Economic Future Working Group](#).

## APPENDIX H

### Growing Sacramento's Economic Future Working Group (Project Prosper)

#### Background Materials

January 11-12, 2018

1. City of Sacramento: [City Council Form of Government](#), [Council Districts](#), [Neighborhood Maps](#), [Community Profile and Demographics](#), [Economic Development Strategy 2013](#), and [Sacramento Employment and Economic Development \(SEED\) Corporation](#).
2. Sacramento Neighborhood plans, city-led and other:
  - [Del Paso Heights Sustainable Design Assessment Team](#) 2015
  - [Strategic Neighborhood Action Plan \(SNAP\)](#) 1999 - 2009
3. Greater Sacramento Economic Council provided a range of links to data depicting the socioeconomic demographics, job and industry demographics, regional economic measures, and logistics. [GSEC Additional Data](#), [GSEC Dashboard December 2017](#), [Interconnected Labor Market](#), and [Region on the Rise](#). *Note: Shared via Google Drive and requires google login.*
4. [Sacramento Promise Zone](#): The U.S. Department of Housing and Urban Development announced Sacramento's Promise Zone designation on April 28, 2015, and the lead applicant is the [Sacramento Housing and Redevelopment Agency](#), which is a Joint Powers Authority created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs. The [Promise Zone](#) encompasses 22 square miles of the City's 98 square miles and Zone is comprised of the economically hardest-hit neighborhoods in the city from Del Paso Heights in the North Area to The Avenues in the South County. More than 30% of residents in the Promise Zone have yet to achieve a high school diploma or GED. Nearly a quarter of the residents are foreign born with limited English proficiency. Other high level Zone statistics are:
  - Total population covered is 127,893 residents.
  - Poverty rate is 34%.
  - Unemployment is 19%.
  - Life expectancy for residents in the Promise Zone is 72 years verses 79 outside the zone.
5. Sacramento Choice Neighborhoods Initiative: The U.S. Department of Housing and Urban Development awarded the City of Sacramento and the Sacramento Housing and Redevelopment Agency \$30 million Choice Neighborhood implementation grant in September 2015. The Twin Rivers neighborhood is located in the wedge-shaped Dos Rios Triangle that sits on the banks of the Sacramento and American Rivers and originally developed in the 1920s as a commercial and industrial enclave due to its proximity to rail and river infrastructure. The Twin Rivers neighborhood within the Triangle was originally developed in 1952 by the federal government as a public housing project with 218 units, and CNI plans the development of 487 units of mixed-income housing. Reading: <https://www.hud.gov/sites/documents/PROJSUMFINALFY1415.PDF>; <http://www.sacbee.com/news/business/real-estate-news/article163046558.html>; <https://archpaper.com/2017/07/sacramento-demolish-twin-rivers-neighborhood/>; and <https://valleyvision.org/sacramento-scores-30-million-choice-neighborhoods-grant/>.

6. Federal Reserve Bank of Chicago, Community Development and Policy Studies division (CDPS), The [Peer City Identification Tool](#) (PCIT) is a data comparison and visualization instrument that can help policymakers and practitioners understand a municipality in the context of peer cities. Drawing on city-level indicators from the American Community Survey and historical Decennial Census records (2015 latest data year), the PCIT performs a cluster analysis to identify groups of similar cities along economic, demographic, social, and housing dimensions. Peer cities are grouped along [four key themes](#) (5 indicators for each theme), and thus, Sacramento's peer cities change with each of the following themes: Equity and Inclusive Growth; Economic Resilience; Housing Affordability; and Outlook of Demographic and Economic Future. The tool does not provide a composite score for the themes, but it does show how Sacramento fairs on each indicator and relative to the peer cities for that theme. Data is downloadable.
7. Brookings, Metro Monitor 2017 Dashboard: The dashboard tracks economic performance of the 100 largest metropolitan areas along three dimensions: growth, prosperity, and inclusion. The intent is to focus on economic development that provides robust long-run growth (growth) while improving the productivity of individuals and firms and raising local standards of living (prosperity) for all people (inclusion). For each dimension, the Metro Monitor tracks three indicators across 1999 – 2015, and more detailed analysis is reported on each indicator than just the composite rank provided [below](#):
  - Growth indicators measure gross metropolitan product, number of jobs, and number of jobs at young firms. Sacramento is 66<sup>th</sup> in growth.
  - Prosperity captures living standards for workers and families, productivity, and average annual wage. Sacramento is 46<sup>th</sup> in prosperity.
  - Inclusion indicators measure employment rate, median wage, and relative poverty. Sacramento is 58<sup>th</sup> in inclusion.
8. PolicyLink and the USC Program for Environmental and Regional Equity (PERE), National Equity Atlas: The National Equity Atlas is a tool that tracks and measures [indicators](#) demographic change, racial and economic inclusion, and the potential economic gains from racial equity for the largest 100 cities, largest 150 regions, all 50 states, and the U.S. The tool informs the development of policies, plans, strategies, business models, and investments to advance equitable growth and sustainable and resilient economy. The [Sacramento page](#) provides equitable growth and equity indicators: economic vitality that is inclusive and sustainable, readiness for the future, connectedness of residents to live healthy and productive lives, and finally economic benefits of equity to quantify the benefits of racial and economic inclusion to the broader economy; see [Exhibit 2](#)
9. Urban Institute, [Financial Health of Residents](#): The dashboard provides a snapshot of the economic well-being of residents in 60 cities across the country to tell the story of city financial health across 15 indicators. The tool indicates how cities can build more financially healthy and inclusive cities. The [Sacramento page](#) features:
  - The dashboard characterizes Sacramento as an economically stable city with high housing costs and provides information about cities that share similar challenges and possible interventions. The tool identifies peer cities as Albuquerque, NM, Boston, MA, Los Angeles, CA, Minneapolis, MN, New York, NY, Oakland, CA, Omaha, NE, Portland, OR, and Washington, DC.

- A summary of the financial and economic well-being of Sacramento residents and a printout that compares the city’s financial metrics to peer city and national averages. ([An excel sheet with data on the metrics for all 60 cities.](#))
  - A set of broad-based policy approaches that reflect the unique opportunities and challenges facing Sacramento, including policies that integrate financial and savings interventions into existing programs and platforms (e.g., housing, employment, community colleges, tax preparation, and public utilities) to reach more residents and meet people where they are.
10. Community Services 2050 (CS2050), Kikai Individual Vitality Index (KIVI): The index of individual economic vitality assesses the economic standing of individuals, drawing on census tract-level indicators from the historical Decennial Census records. The KIVI includes five indicators to Commute Time to Work, Educational Attainment, (Un)Employment Rate, Household Median Income, and Housing Vacancy Rate. KIVI displays the economic conditions by Census Tract on a scale of 0 to 1. Census tracts closer to zero (Red) indicate lower levels of economic health and vitality. Census tracts closer to one (Green) indicate greater levels of economic health and vitality; see [Exhibit 3](#).
- Four maps depict, Sacramento’s City KIVI score with respect to its MSA KIVI score for the 2000 and 2010 Census data. The first two maps hold the MSA 2010 boundary definition for a comparative geography and KIVI scores, and the second two maps depict each Census year’s MSA definition. Note: With the MSA 2010 boundary static, the KIVI scores declined over the decade for the City and the MSA over the decade, but the City declined 9.2% while the MSA only declined 5.8%.
  - The City’s KIVI is always lower than the MSA for both 2000 and 2010, indicating lower levels of economic vitality.
11. Valley Vision, Comprehensive Economic Development Strategy, [Next Economy Prosperity Plan](#), identifies core business clusters from the economic activities in the Capital Region to identify a set of potentially viable cluster opportunities. Six business clusters were identified as offering leading opportunities for economic growth, expansion and diversify the economy: advanced manufacturing, agriculture/food, clean energy technology, education, information technology and health care/life sciences.
- Next Economy Cluster Research, [Workforce Needs Assessment](#)
12. U.S. Cluster mapping Summaries, [Sacramento County](#) and [Sacramento Metropolitan Area](#), include
- performance drivers (GDP/capita, Unemployment, Annual Wage, and Employment) and
  - cluster portfolio for 2015 (Distribution and e-commerce, Hospitality, Insurance, and Financial Services are the four largest traded clusters);
13. [Sacramento Startup and Innovation Ecosystem Circuit Board v3.2](#), [Resources](#), [Venture and Angel Capital](#), and [Start-up Directory](#)
14. Bay Area Council Economic Institute, [The Northern California Megaregion: Innovative, Connected, and Growing](#): The report details the NorCal Megaregion and how distributing job growth within the megaregion across a range of industries could also hold the answer to nagging housing and transportation problems, the report suggests, while also helping spread greater prosperity.

15. JLL, [Cracking the Hardest Code](#): “What’s probably more surprising about Sacramento is that it hasn’t come up as a tech hotspot before now. Thanks to spillover from the expensive San Francisco Bay Area, Sacramento is becoming an attractive option for homebuyers and a talented workforce that wants to tap into lower-cost living. With a computer programmer talent pool of more than 11,000 people at a median salary of \$84,000 per year, Bay Area companies looking to expand an hour north will enjoy a 21% discount on wages.”
16. California Association for Local Economic Development, [Primer on California’s New Tax Increment Financing Tools: Complete projects with CRIAs and EIFDs to further your economic development goals](#): The primer details the local economic development financing options post redevelopment: Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization Investment Areas (CRIAs).
17. U.S. Department of Housing and Urban Development Office of Policy Development and Research, [Comprehensive Housing Market Analysis for Sacramento--Roseville--Arden-Arcade, California](#).
18. Colliers, [Commercial Real Estate Development](#) (Multifamily, Office, Industrial, Retail)
19. Sacramento Business Journal, May 19, 2017: [Redefining the Core: Your guide to major projects in the urban core](#); [Railyards Project Current](#); [Golden ICenter 2016](#).
20. Valley Vision, [Urban Jobs Initiative Infographic](#): Valley Vision’s Urban Jobs Initiative seeks to tackle the problems associated with concentrated poverty in the region. Sacramento County has 83,674 residents living in concentrated poverty, that is, neighborhoods where more than 40% of the population falls below the federal poverty threshold. In separate City analysis of its 126 neighborhoods, in 32 neighborhoods, at least one census tract had above 40% of the population living below the poverty level.
21. Raj Chetty and Nathaniel Hendren (2017), “[The Effects of Neighborhoods on Intergenerational Mobility](#)”: [Online Data Table II](#) provide county-level estimates of how neighborhoods in which children grow up shape their earnings, college attendance rates, and fertility and marriage patterns. The study reports that a child spending one more year of childhood in Sacramento County, CA decreases household income by 0.04% relative to the national mean for a child with parents at the 25th percentile of national household income. Even for a child with parents at the 75th percentile of national household income, spending one more year of childhood in Sacramento County, CA decreases household income by 0.33% relative to the national mean.
22. Economic Innovation Group Distressed Communities Index: The Distressed Communities Index (DCI) combines seven indicators to measure of community economic well-being, using data from the U.S. Census Bureau’s American Community Survey 5-Year Estimates for 2011-2015 and Business Patterns data from the years 2011 and 2015. The seven components of the DCI are: No high school diploma, 25 years and older; Housing vacancy rate; Adults not working; Poverty rate; Median income ratio; Change in employment 2011 to 2015; and Change in business establishments 2011 to 2015. Across the all of the U.S. zip codes included in the analysis, Sacramento falls in the “At Risk” quintile, with a Distressed Score of 77.6. Its score places it in the second-worst performing quintile of cities (values ranging from

60.0 to 80.0). Sacramento had 11.7% of its population living in Distressed zip codes, and 13.4% of the population living in Prosperous zip codes; see [Exhibit 4](#).

23. Community Health Needs Assessments (CHNA) are mandated by the Patient Protection and Affordable Care Act (ACA), and all nonprofit hospitals must conduct a CHNA every three years and adopt an implementation strategy to meet the community health needs identified through the CHNA.
- UC Davis Medical Center (UCDMC) Hospital Service Area (HSA), [Sacramento County CHNA 2017](#)
  - Dignity Health, [Mercy General Hospital Community Benefit 2017 Report and 2018 Plan](#); [Methodist Hospital of Sacramento Community Benefit 2017 Report and 2018 Plan](#)
  - Kaiser Permanente Foundation Hospital Sacramento [CHNA 2016](#)
  - Sierra Health Foundation, [Sacramento County CHNA 2016](#)
  - Sutter Roseville Medical Center and Sutter Auburn Faith Hospital and the Sacramento Region Community Health Needs Assessment (CHNA) Collaborative, [CHNA 2016](#).

## APPENDIX I

### **Growing Sacramento's Economic Future Working Group (Project Prosper)**

January 11-12, 2018

**Organization Name:**

**Name of Representative Attending:**

**Briefly describe your organization's work and current efforts related to Sacramento's economic growth.**

**Briefly describe specific your organization's recent successes and how these relate to Sacramento's economic growth.**

**Briefly describe specific your organization's recent challenges and how these relate to Sacramento's economic growth.**

# AGENDA

## Growing Sacramento's Economic Future Working Group

**Thursday, January 11  
9:00 a.m. – 3:30 p.m.**

**Friday, January 12  
9:00 a.m. – Noon**

*Hosted by: City of Sacramento*

City Hall  
915 I Street, First Floor Training Room (CH 1119)  
Sacramento, CA 95814

### **Thursday, January 11, 2018**

**9:00 – 9:40 am**      **Welcome, Introductions, Why this discussion now?**

Mayor Darrell Steinberg

City Manager Howard Chan

*Welcome by Mayor, 30 second introductions of local members, provide the experts with perspectives on the City's economic desires and the goals.*

**9:40 – 9:45 am**      **Expert Introductions**

Darrene Hackler

**9:45 – 10:20 am**      **Expert 1 & Q&A**

Amy Liu, Brookings Institution Metropolitan Policy Program

**10:20 – 10:55 am**      **Expert 2 & Q&A**

Robert Weissbourd, RW Ventures

**10:55 – 11:30 am**      **Expert 3 & Q&A**

Erika C. Poethig, Urban Institute



**11:30 – 12:05 pm    Expert 4 & Q&A**

Joe Cortright, Impresa Consulting and City Observatory

**12:05 – 12:30 pm    Break**

**12:30 – 1:30 pm    Working Lunch**

*Round Robin: 2 min Reactions to Experts (Challenges, ideas that work, or ideas that don't work)*

**1:30 – 1:50 pm    Scenario Wall Prioritization**

*Five scenarios are on the walls on the large White Post-It easel pads:*

- *Improve Business Capacity*
- *Improve Human Capital's Infrastructure Capacity*
- *Improve Physical Infrastructure Capacity*
- *Increase Outside Investment and Expenditures Capacity*

- 1) *What do you see as issue areas that Sacramento should emphasize in its economic growth strategy? Use the Green/Blue Post-It to write your response and place it under the scenario category on the wall with which it fits the best.*
- 2) *What do you see as issue areas that Sacramento should not emphasize in its economic growth strategy? Use the Red/Pink Post-It to write your response and place it under the scenario category on the wall with which it fits the best.*
- 3) *If your idea is distinct from the scenarios, write your response on the Yellow/Orange Post-It and place on the "OTHER IDEAS" White Post-It.*

**1:50 – 2:00 pm    What's on the wall?**

*Where is there consensus? What ideas are lacking, and why? What is there that is most surprising?*

**2:00 – 3:00 pm    Mayor-Facilitated Group Discussion**

**3:00 – 3:30 pm    Concluding Lightning Round**

*Each participant has one minute on what are you motivated to talk about tomorrow, day 2?*

**3:30 pm    Adjourn**

**Friday, January 12, 2018**

**9:00 – 9:05 am    Learning Lab Ground Rules: Ranking and Information Need**

Darrene Hackler

*As we proceed through the Expert Reflections and Roundtable Discussion, think about the following:*

- 1) *What ideas are most appealing?*
  - a. *Use Blue lined Post-It to write a few ideas that could work in Sacramento.*
  - b. *Use Pink lined Post-It to write a few unappealing ideas.*
  - c. *Use Yellow lined Post-It for any ideas that you are unsure about whether it could work in Sacramento.*
- 2) *For each appealing idea (BLUE), what information do we need to know more about in order to pursue the idea? If you would want information related to the unappealing and or uncertain ideas, write these under the ideas on the Pink and Yellow Post-It cards.*

**9:05 – 10:35 am      Experts Reflections and Roundtable Discussion and Q&A**

Experts with Mayor Darrell Steinberg and City Manager Howard Chan

**10:35 – 10:45 am      Learning Lab Finalization of Rankings and Information Need Cards**

**10:45 – 11:00 am      Break**

*Organize responses on the wall by ranking.*

**11:00 – 11:05 am      What’s appealing? What do we need to know?**

**11:05 – 11:35 am      Mayor-Facilitated Group Discussion**

*Where is there consensus? What information is key to proceeding?*

**11:35 – 11:50 am      Round Robin**

*Short 30 second reactions: After the day and half, what are you thinking about the most important in terms of we are trying to accomplish in Sacramento with this working group? How could you be more helpful to the effort over the next 4 months?*

**11:50 – Noon                      Wrap-up and Next Steps**

Mayor Darrell Steinberg

City Manager Howard Chan

*Details to come in email also:*

- *Community meetings recruitment of attendees from their networks (January 22, February 21, 22, and March 3);*
- *Late April convening for one day with the experts to take a further dive into growing Sacramento’s future economy.*

## APPENDIX K

See National Experts' Presentations from January 11-12, 2018:  
[Cities and Prosperity](#)

[The Future of Economic Development](#)

[Catalyzing Growth for All in Sacramento](#)

[Economic Development Practice for the Next Economy](#)

## APPENDIX L

See [Project Prosper Powerpoint](#).

## APPENDIX M

See [City of Sacramento Project Prosper Consolidated Meeting Summary](#).



APPENDIX N

# AGENDA

Project Prosper Community Meeting  
Thursday, April 26  
6:00 – 8:00 p.m.  
Convention Center  
Room 202/203

6:00 – 6:10 pm

**Welcome & Introductions**

Wendy Hoyt, Emcee

City Manager Howard Chan

6:10 – 6:20 pm

**Summary of Input from Previous Community Meetings**

- Darrene Hackler, Executive Consultant, PhD

6:20 – 6:50 pm

**Economic Advisors Review and Share Findings**

- Amy Liu, Brookings Institution Metropolitan Policy Program
- Erika C. Poethig, Urban Institute
- Robert Weissbourd, RW Ventures
- Joe Cortright, Impresa Consulting and City Observatory

6:50 – 7:50 pm

**Facilitated Q and A with Economic Experts**

7:50 pm – 8 p.m.

**Closing and Next Steps**

Mayor Darrell Steinberg

## APPENDIX O

See National Experts' Presentations from April 26, 2018:  
[Cities and Prosperity](#)

[Inclusive Growth in the Sacramento Region](#)

[Increasing Opportunities for Young People of Color in Sacramento](#)

[Quality Growth for Sacramento in the Next Economy](#)

## APPENDIX P

### Project Prosper Capacity Investment Narratives

*Hackler, April 2018*

Project Prosper is a City-wide economic and community development initiative to grow a thriving local economy and build a shared and lasting prosperity in our community. The overall goal is to increase and diversify our current economic growth in an equitable and inclusive manner. We seek to grow the size of our economy and increase the diversity of businesses and the jobs that they create to enable more of our residents to have opportunities to achieve a higher standard of living and share in the prosperity. The Initiative is focused on the investment in three essential capacities of a local economy: People (human capital), Business, and Place.

The Initiative has several components, primarily the following two:

1. Project Prosper Working Group with the advice of four national economic experts are examining strategic and tactical steps to develop a city economic development strategy and priorities that guide future investment into inclusive and equitable economic development in Sacramento. The Working group convened in January and April, with topical subgroups (people, business, and place capacity investments) meeting in March 2018.
2. Project Prosper Community Workshops (four) were held in the winter of 2018 to: a) provide public education on the ways we can invest in People, Business, and Place; and b) understand resident priorities from a neighborhood perspective to inform the City's interest in neighborhood-based strategies to increase equitable neighborhood opportunities. The neighborhood approach seeks to align resident needs with City efforts and administrative structure across neighborhoods to create efficiencies and prioritization of projects and investment.

The narratives below summarize each of the People, Business, and Place capacity investments to provide detail on how strategic investment can address our goal to increase and diversify our current economic growth in an equitable and inclusive manner. The strategy would include a mix of investments, and more research and detail would be needed to focus further on robust and comprehensive strategy. As a first step, I provide a brief definition of each capacity and then address the following questions for each of the investment options falling under People, Business, and Place to inform the development of a comprehensive scenario of investment:

**What is it?** Description of investment

**What impact does it have?** Research and data analysis

**What's happening in Sacramento?** Current delivery system (s) and population served

**What was the Project Prosper Community Workshop result?** Over three meetings, which option was the first priority?

**What was the Project Prosper Working Subgroup evaluation?** Discussion of impact on economic growth, feasibility of implementation, the priority of the investment overall, and role the City should play.

**What's the cost, if known, & examples?**



### **People Capacity (Human Capital)**

The capacity focuses on increasing education level and skills, developing talent for workforce opportunities, and the attracting talent from elsewhere. A total of seven options are discussed below, but only 6 voted were presented and voted on during the community workshops.

#### **I. Pre-K, early learning vs. childcare programs**

**What is it?** Pre-K and early learning programs provide four- and/or three-year-old children education, knowledge, and skills to increase school readiness for entry into Kindergarten. Childcare programs allow low- and moderate-income and women to enter the workforce and are not necessarily related to education and skill development.

**What impact does it have?** Most early childhood programs have positive benefit-cost ratios for the child and society in the range of \$2 to \$4 for every dollar invested, when viewed from the societal perspective.

**What's happening in Sacramento?** California State Preschool Program (CSPP) provides full- and part-day preschool for eligible three- and four-year-olds from low- and moderate-income families. AB 1754 in 2018 is attempting to expand Transitional Kindergarten for all four-year-olds. Sacramento City Library offers some programs to promote language learning and pre-reading skills and exploratory learning. Sacramento Unified School District programs have limits: 1) programs are only 1/2 day and working families need full day program; and 2) there are questions about the quality given the District doesn't have enough Transitional Kindergarten certified teachers and are using K/1st grade teachers to meet the need. More information is needed on Sacramento County Office of Education, First 5 Sacramento, Head Start, and other community-based and private programs.

**What was the Project Prosper Community Workshop result?** This was not an option at the workshops. The conversation at the community workshops and the People Working Subgroup identified it as an essential option for consideration.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to be a high impact, strategic investment in the future workforce and assist low economic and diversity populations; it was thought to have medium feasibility of implementation since the City does not have control of the school districts and multiple actors. The option should be a medium level priority and the City should play the role of a convener and/or a minority partner in any investment.

**What's the cost & examples?** Sacramento's costs are unknown. Other cities with programs provide some estimates. NYC program passed Pre-K For All in 2014, and has an average cost to taxpayers of \$11,900 per pupil; FY 2018 \$20.4 million for three and four year-olds. Two city examples of note have sales tax revenue-supported programs: 1) San Antonio's Pre-K 4 SA passed in 2012 and is funded by a 1/8 cent sales tax and has a budget of \$47.6 million for FY 2017, including revenue from the sales tax revenue, state funds, and grants; it served 2,000 students during the 2016-17 academic year. 2) Denver Preschool Program (<https://dpp.org/>) sales tax measure failed twice in 2000 and 2001 and passed in 2006 with \$77 million from taxpayers between 2007 and 2014; in 2014 it passed for another 10 years to 2026. DPP is funded by a 0.15 percent sales tax.

## 2. Increase high school graduation rates

**What is it?** Comprehensive focus on K-12 system to increase the percent of students graduating from high school and often also addresses college or career readiness, from curriculum, skills, monitoring, after-school and summer learning programs; particularly focused on diverse and low-income populations.

**What impact does it have?** Research<sup>7</sup> indicates high school graduates are better prepared to enter the workforce and have greater opportunity and earning potential; social benefits include improved health, lower crime, and unemployment. 99% of the jobs created since the recession has required a HS diploma.

**What's happening in Sacramento?** Align Capital Region is working with Sacramento City Unified, Sacramento City College, and Sacramento State. Other community-based organizations (CBOs) include College Track, City Year, Reading Partners, and the HAWK Institute. More information is needed.

**What was the Project Prosper Community Workshop result?** Increasing high school graduation rates was the fourth highest priority in the People Capacity with 12.8% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium-high impact and medium feasibility of implementation since the City does not have control of the school districts and multiple actors. The option should be a medium to low level priority overall, with the suggested role of the City as a convener.

**What's the cost, if known, & examples?** Sacramento costs are unknown.<sup>8</sup>

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<sup>7</sup> Based on March 2014 data from the U.S. Bureau of Labor Statistics, high school dropouts are nearly three times more likely to be unemployed than college graduates. Even when employed, high school dropouts earn about \$8,000 a year less than high school graduates and approximately \$26,500 a year less than college graduates, based on calculations by the Alliance for Excellent Education. <https://all4ed.org/take-action/action-academy/the-economic-case-for-reducing-the-high-school-dropout-rate/>

<sup>8</sup> <http://gssaweb.org/wp-content/uploads/2015/04/Best-Practices-in-Raising-High-School-Graduation-Rates-I.pdf>

### **3. Increase post-high school certificates or degrees focused on continuing education and adult learners to upskill, including vocational, CTE certification or credentials.**

**What is it?** Create educational attainment strategies to lower barriers and attract adult learners that are close finishing a degree that could improve employment opportunities.

**What impact does it have?** Research indicates strong earnings in labor market returns to a range of more technical certificate and associate degree programs in a recent study of Florida and California. According to Align Capital Region, 62,000 people are within 15 units of completing an academic program. Sacramento will be able to narrow the educational attainment gap and support our region's economic growth since 41% of jobs in 2025 and 27% of Sacramento's annual job openings (2014 – 2024) will require a bachelor's degree<sup>9</sup>, and 60% of jobs by 2020 in California will require an associate's degree.

**What's happening in Sacramento?** Align Capital Region is working with Sacramento City Unified, Los Rios Community College District, and Sacramento State.

**What was the Project Prosper Community Workshop result?** Increasing post-high school certificates or degrees was the fifth highest priority in the People Capacity with 6.6% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium-high impact and medium feasibility of implementation since the City does not have control of the multiple actors. The option should be a high level priority overall, with the suggested role of the City as a minority partner role as it concerns workforce development.

**What's the cost, if known, & examples?** Unknown; awaiting briefing by Sacramento State on Align Capital Region.

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<sup>9</sup> <http://www.csus.edu/oir/assessment/academic-program-needs-assessment-of-the-greater-sacramento-region-of-california.pdf>

#### 4. Sacramento Promise: Free community college tuition and fees

**What is it?** The investment would address a student's first year (possible second year?) and cover both tuition, fees, and could cover all non-tuition fees (course materials, books, lab fees, degree transfer costs).

**What impact does it have? Current** research estimates indicate that average associates degree completed at local community colleges can increase a person's earnings \$11,100 each year in comparison to a high school diploma, resulting in a benefit-cost ratio of \$3.4.

**What's happening in Sacramento?** California College Promise (AB 19) was passed in 2017, included in the Governor's January budget proposal, and there is indication that it will be funded. Funding would allow eligible college to use funds to waive some or all of the fees for up to one year for first-time California Community College students who are enrolled at the college full time and complete and submit either a Free Application for Federal Student Aid or a California Dream Act application. Los Rios wants find a way to further reduce financial barriers for students in the community and cover tuition, fees, and all non-tuition fees.

**What was the Project Prosper Community Workshop result?** Free community college was the highest priority in the People Capacity with 29.9% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was a medium impact on economic growth and medium feasibility of implementation. The priority of the investment overall was low due to AB 19, with the suggested role of the City equally split among no role, convener, or minority partner.

**What's the cost, if known, & examples?** A) West Sacramento and Rancho Cordova sales tax measure for first year tuition only. B) SF's free city college program is only for tuition and paid for through increase of the transfer tax via a ballot measure.<sup>10</sup>

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<sup>10</sup>

[https://ballotpedia.org/San\\_Francisco,\\_California,\\_Real\\_Estate\\_Transfer\\_Tax\\_Increase,\\_Proposition\\_W\\_\(November\\_2016\)](https://ballotpedia.org/San_Francisco,_California,_Real_Estate_Transfer_Tax_Increase,_Proposition_W_(November_2016)); SPUR analysis: <https://spurvoterguide.org/sf-nov-16/prop-w-transfer-tax/>; FAQ's: <https://www.ccsf.edu/ccsf/en/student-services/freecity/faq>

## 5. Increase digital skills

**What is it?** Programs focus on teaching basic digital skills and connect the skills to one's increase employment opportunities.

**What impact does it have?** Greater Sacramento's share of occupations that require digital skills have increased from 2002 – 2016 with High skills jobs increasing from 6% to 24% and medium skills jobs increasing from 41% to 48%. Other research found that 82% of the jobs that pay above the national living wage and don't require a bachelor's degree require higher digital skills.

**What's happening in Sacramento?** More information is needed on school system and the variety of programs (Hacker Lab Sac City and Folsom, maker spaces, Square Root Academy at John Stills Middle School, Valley Vision's access programs, Greater Sacramento Urban League' Comcast Digital Connectors program).

**What was the Project Prosper Community Workshop result?** Increase digital skills option was the last priority in the People Capacity with 6.2% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was a medium-high impact on economic growth and medium feasibility of implementation. The priority of the investment overall was medium-low, with the suggested role of the City as convener. However, the City's RAILS and Creative Economy grants could examine a matching grant role, like the Seattle example described below.

**What's the cost, if known, & examples?** In 2016 the Seattle IT Community Technology program released the Digital Equity Action Plan, and the City has a technology matching funds program providing up to \$50,000 of City funds that are matched by the community's contribution of volunteer labor, materials, professional services, or cash to increase connectivity, digital skills training, and provides devices and technology support.

## 6. Internships, apprenticeships, and career pathways

**What is it?** Programs focus on creating academic, practical work experience and training, essential skills (professionalism, communication, teamwork), and pathways connected to employment opportunities.

**What impact does it have?** Internships increase the likelihood of full-time employment and improve career direction. Apprenticeships improve an apprentice's earnings, soft skills, and problem solving, and companies indicate that there is a gain in production and workforce benefits (reduced turnover, improved recruitment, and a pipeline of skilled employees and future managers).

**What's happening in Sacramento?** 1000 Strong, but more information is needed on how it could be linked to economic development incentives, procurement and regulatory policy, and a State partnership. The programs of the following are also not well defined: Sacramento City Unified, Sacramento City College, and Sacramento State, and organized labor and joint labor management efforts. The Capital Region Academies for the Next Economy (CRANE) impact is also unknown; it's mission suggests that it provides students with academic and career pathways in next economy jobs; it is jointly led by the Sacramento and Placer County Offices of Education, consortium of county offices of education and school districts with many other post-secondary, industry, civic/government, and community based partners.

**What was the Project Prosper Community Workshop result?** Internships, apprenticeships, and career pathways option was the second priority in the People Capacity with 23.7% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was a medium-high impact on economic growth and feasibility of implementation. The priority of the investment overall was medium, with the suggested role of the City as convener. The City should examine linking efforts to business incentives, procurement and regulatory policy, and a State partnership

**What's the cost, if known, & examples?** More information is needed.

## 7. Train for skills that match our business needs of today and tomorrow in growth clusters and advanced industries

**What is it?** Customized, sector-based job training (on or off the job) provides skills training to meet specific firm needs.<sup>11</sup>

**What impact does it have?** Research suggests that job skills training can increase state and local job growth and increase the earnings for disadvantaged workers. For every \$1 a government spends on providing a business the incentive to train their employees for a specific job skill, the return to the economy is two to 10 times as much as other types of tax incentives.

**What's happening in Sacramento?** More information is needed in general and on the following programs: North State Building Industry Association (residential/commercial apprenticeships), Valley Vision Siemens Growth Manufacturing Initiative, Healthcare academy in the Sacramento City Unified, UC Davis in Life Sciences, IT, and Clean Tech, and Sutter Health.

**What was the Project Prosper Community Workshop result?** Train for skills that match our business needs option was the third priority in the People Capacity with 20.9% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was a medium-high impact on economic growth and feasibility of implementation. The priority of the investment overall was medium, with the suggested role of the City as convener. Discussion indicated that efforts should be shaped around growth clusters, middle income/living wage jobs, disadvantaged workers.

**What's the cost, if known, & examples?** More information is needed.

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<sup>11</sup> [Bartik \(2016\)](#)

### **Business Capacity:**

The capacity addresses how much work that can be handled by an organization, team, process, service or tool. It can often be scaled up and down by adding, reallocating and subtracting resources (employees, inventory, equipment, etc...). A total of seven options are discussed below, but only five voted were presented and voted on during the community workshops.

## **I. Develop new local entrepreneurs and stimulate local entrepreneurship**

**What is it?** An entrepreneurial ecosystem is the dynamic interaction of local social, institutional, and cultural processes and actors that encourage and enhance new firm formation and growth. A range of activities can build this supportive ecosystem: 1) facilitate creation of dense connections among entrepreneurs and organizations that support them (e.g. regular roundtables for different sectors and stage of entrepreneur, networking, mentoring, peer learning, etc.); 2) help individual firms to deal with regulations and government programs and ensure occupational licensing is not a barrier to entrepreneurs seeking to bring new innovations and business models to market; 3) provide entrepreneurial training and advice; and/or 4) offer or partner to increase access to capital (gap financing, match funds, etc.).

**What impact does it have?** New and young businesses create nearly all net, new jobs in the United States, the more diverse those entrepreneurs are, the better the economic success.

**What's happening in Sacramento?** Assessments of Sacramento's entrepreneurial ecosystem conclude that there is a gap in innovation and entrepreneurship support and financing. There are few, disparate, and non-connected entrepreneurial support activities for entrepreneurs in the "idea and launch" stage (i.e. there are co-working spaces, but not accelerators), and few growth funding opportunities (e.g. crowdfunding, angels in the \$10-500k; venture capital funds in the \$100k-40M, like MicroCap VCs, Corporate Strategic VCs, and Professional VCs.

- *List of Venture Capital Funding Sources in Greater Sacramento:* Ag Innovation Fund, AGR Partners, Akers Capital, Almond Tree Capital, Blacktop Capital, Bow Capital, Central Valley Fund, Davis Funding Club, DCA Capital, Impact Venture Capital, Jaguar Ventures, Moneta Ventures, American River Ventures, Melton Investments, Sacramento AQMD, Palmer Capital, Inc., Next Generation Capital, e.Republic Ventures.
- *Other Entrepreneurial Funding Sources in Greater Sacramento:* Angel Investment: Davis Angels Network, Sacramento Angels, Sierra Angels, Silicon Bay Partners; Corporate-based Capital: Rabobank, Citibank, Bank of the West, The McClatchy Company, Sutter Health, VSP Global, Sacramento Kings; Gov't/Nonprofit/, Pension Fund: California Energy Commission, CalSTRS, CalPERS, Sacramento Area Regional Technology Alliance (SARTA); Private Equity/Investment Bank: CVF, CA Capital, Hansen Investment Holdings, CVF Capital Partners, River Bank America, Lowenthal Capital Partners, RMC Capital

Examples of the other resources include: Capital Region Small Business Development Center (SBDC) is a resource for growing small businesses and helping entrepreneurs start new businesses that is housed and administered by the Metro Chamber in collaboration with Sacramento State and other partners; California Capital technical training (micro/small business); Hacker Lab (Training, physical /makerspace, resource network, co-working); I/O accelerator is building out still; Co-working: Urban Hive, Cannery, CapCity; Sac Startup—networking, co-working, incubator/accelerator (AgStart, CleanTech, etc.); McClellan County Valley Extends (startup, co-working, to mature small manufacturing); California IHUB: networking and



collaboration, ecosystem partners; RAILS; Creative Economy Pilot Project; Velocity Ventures Capital hosts annual intensive 10-week boot camps at its entrepreneurs campus in Folsom that include coaching and mentoring from business and financial veterans with the goal of refining the startup's business models and investor pitches.

**What was the Project Prosper Community Workshop result?** Develop new local entrepreneurs and stimulate local entrepreneurship was the second highest priority in the Business Capacity with 21.8% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium impact and medium feasibility of implementation since the City does not have control of the multiple actors. The option should be a medium level priority overall, with the suggested role of the City as a minority partner. Discussion suggested that efforts should focus on regular cultivation of networks (a central hub for networking, mentoring and funding for startups) and target diversity, e.g. minority entrepreneurs as well as diverse business types and industries.

**What's the cost, if known, & examples?** Sacramento costs are unknown beyond the City's programs.

## 2. Technical assistance to grow local small business

**What is it?** Small business technical assistance seeks to help business owners increase sales with mentoring and coaching that includes data analysis to help understand what competitors are doing and how to strengthen its competitive edge; design new marketing plans; find new non-local markets to sell goods and services; and identify ways to improve cash flow and systems for employee recruitment and training.

**What impact does it have?** Small businesses of between 10 and 100 employees accounted for over 1/3 of the US economy's jobs and sales even though they only represented 17 percent of all US businesses. But 81% of Sacramento businesses have fewer than 9 employees in comparison to California and US at 60%; growth of these businesses would generate a large number of jobs. For example, in 6 years, the state of Florida's small business technical assistance Economic Gardening program increased regional sales to nearly \$2 Billion and had a return on investment of \$9 for every dollar of state, local, and private funding. Rochester, New York's program in 2013 – 2016 had 93 companies participated, and they created 685 new jobs and increased revenues by \$142 million.

**What's happening in Sacramento?** Small business assistance is contracted out from the City to the Asian Chamber, but other organizations offer various assistance: California Capital technical training for micro/small business on business basics to capital; local chambers assistance for starting small businesses; Capital Region Small Business Development Center (SBDC) is a resource for growing small businesses and helping entrepreneurs start new businesses that is housed and administered by the Metro Chamber in collaboration with Sacramento State and other partners; SCORE is an end-end solutions mentorship; Small Business Administration; SacPAC helps small business in pursuing procurement with public agencies; PBIDs programs like Downtown Partnership's Calling all Dreamers and Power Inn Alliance's Making Your Mark focus on new and sometimes expanding businesses; National Association of Women Business Owners; Impact Foundry supports the nonprofit sector with resources for running their nonprofits like a business.

**What was the Project Prosper Community Workshop result?** Technical assistance to grow local small business was the highest priority in the Business Capacity with 26.7% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium-high impact and feasibility of implementation given the number of small businesses with fewer than nine employees. The option should be a medium to high level priority overall, with the suggested role of the City as a minority partner.

**What's the cost, if known, & examples?** Economic Gardening program for second stage companies (2,030 in Sacramento MSA with 10-99 employees and \$1 – 5M revenue) could contract with National Center for Economic Gardening at a cost of \$4,290/company plus City administrative costs to support company identification and follow-on support with networking roundtables (e.g. 1/4 time staff). Total cost would depend on number of companies a year. Stockton Chamber is currently piloting the program and has created an investor model with funds from banks and other private companies to support the cost.

### 3. Access to Capital and Small Business lending

**What is it?** Small businesses lack access to capital and claim this is a barrier to future expansion and hiring of additional employees. This is thought to be due to less availability of resources in the post-recession and/or lack of flexibility of the capital programs for small and minority business owners. Identifying funding sources, documenting gaps in access to investment capital markets, and creating collaborative methods to leverage investment capital can help small businesses expand and further develop their markets.

**What impact does it have?** Small businesses are the primary source of new jobs, creating 63% of net new jobs created between 1993 and mid-2013, or more than 14 million of the nearly 23 million net new jobs created during this period.

**What's happening in Sacramento?** Capital Region Small Business Development Center (SBDC) is a resource for growing small businesses and helping entrepreneurs start new businesses; it is housed and administered by the Metro Chamber in collaboration with Sacramento State and other partners. California Capital assists with lending to small business. The Grow Sacramento Fund is an economic development partnership established and capitalized by the Sacramento Municipal Utility District (SMUD), the City of Sacramento, Sacramento County and the National Development Council (NDC) to assist eligible small businesses within Sacramento County obtain the financing required to grow their small businesses. Community and small banks in general and under Community Reinvestment Act lend and include: Five Star, Golden Pacific, Farmers and Merchant, and RaboBank. Some of the venture capital and entrepreneurial funders under entrepreneurship capacity scenario also provide small business capital.

**What was the Project Prosper Community Workshop result?** This was not an option at the community workshops, but the Business subgroup felt that the City should know the gaps in the system.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium-high impact and medium-low feasibility of implementation. The option should be a medium level priority overall, with the suggested role of the City as a minority partner. The City would need to work with private sector partners because it would be infeasible to set up a fund, pay for management, and bring it to scale for great impact. The City should also explore facilitating the Labor-Capital-Business investment opportunities as a source to capital-aggregation for cooperatives and start-ups.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

#### **4. Grow business that import wealth (export goods and services to others), or increase tourism**

**What is it?** Sacramento needs more of these businesses because their sales bring wealth (other people's money) into our local economy, and this can lead to more local jobs and higher incomes. Two primary strategies: 1) Develop our traded sectors: Increase the number of businesses or help existing ones grow so that they can export goods and services to other regional, national, and global economies. 2) Tourism that increases visitors' spending money in restaurants, hotels, or on admissions fees.

**What impact does it have?** Every time a local economy generates a new job by attracting a new business in the traded sector, a significant number of additional jobs are created in the non-traded sector. This multiplier effect is particularly large for jobs with high levels of human capital and for high-technology industries.

**What's happening in Sacramento?** Right now, only 25% of Sacramento's jobs are in businesses that produce goods and services here, but sell them to people and organizations outside of our local regional economy. More information is needed on the efforts of the following: Northern California-Sacramento Regional Center for International Trade Development (CITD, at Los Rios Community College District) is part of a statewide organization that assists California's small businesses in their efforts to advance their global competitiveness; Asian Chamber; Power Inn Alliance's export programs; Sac-China-UC Davis; Mexican Consulate.

Tourism: Right now, our tax revenue generated from tourism places Sacramento 40th out of California's 58 counties in per household tourism dollars even though we are 11th of 58 counties in total state and local tax generated. More discussion needed with Visit Sacramento and Visit California.

**What was the Project Prosper Community Workshop result?** Grow business that import wealth (export goods and services) was the lowest priority in the Business Capacity with 9.9% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a high impact and medium feasibility of implementation since it would be a long term growth strategy for the City but it does not have control of economic markets. The option should be a medium to high level priority overall, with the suggested role of the City as a convener. The discussion suggested that efforts should focus on diverse (ownership and type) small and medium enterprises (SME) in both today's and tomorrow's industries. In addition, it should be linked to small business technical assistance efforts that are most beneficial when focused on exporting businesses or assisting them with developing and export plan.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

## 5. Attract business with career pathway to middle income and higher paying jobs to move to or expand in Sacramento

**What is it?** Target economic development incentives (hiring credits, infrastructure, etc.) to create inclusive and equitable results, like improving the quality of workforce opportunities (higher pay, healthcare insurance for FT employee, existence of a employ stock ownership program, retirement, paid sick days, child care, etc.), skilled worker training, and early-pathway youth-work-career development. This would target new businesses not in Sacramento and existing local businesses that want to grow or expand.

**What impact does it have?** Targeting firms that can offer the greatest local spillover benefits are those that pay high wages, conduct research and development, and export their products and services outside the local economy. This is because growth of these firms generates multiplier effects that ripple throughout the rest of the economy. The greatest social benefit comes when the hiring they induce goes to previously unemployed workers in the local economy.

**What's happening in Sacramento?** The City's new employment incentive addresses some of the job quality aspects. It seeks to grow middle and upper income jobs: For every 1,000 jobs created that pay 120% median salary of Sacramento County, the City will pay the company \$2.7 million, or \$9,000 per net new employee for up to 300 employees. To keep the incentive payments, the company must begin hiring by an agreed upon date and retain the net new employees for at least two years.

Other organizations with business attraction in general: GSEC's marketing, business development, attraction, expansion, cultivation on NorCal and also home grown opportunities. SETA focuses on "High-road jobs" where quality jobs benefit the greater community. State Workforce Development Board and Slingshot grant is helping Valley Vision on a project supporting entrepreneurs and small business in disadvantaged or under-represented populations. Valley Vision is working with the four regional Workforce Development Boards to leverage a \$1 million grant to create a seed fund for the innovation ecosystem across the region's six most predominant growth clusters.

**What was the Project Prosper Community Workshop result?** Attract business with middle income jobs was the fourth highest priority in the Business Capacity with 19.8% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium impact and medium to low feasibility of implementation since the attraction is very incentive dependent. The option should be a low level priority overall, with the suggested role of the City as a convener and possible minority partner when it concerns expansion in Sacramento, higher paying jobs, and career pathways. The discussion also stressed this effort should focus on small and medium enterprises with emphasis on supporting diverse owners, businesses from both today's and tomorrow's growth industries.

**What's the cost, if known, & examples?** Sacramento costs are unknown from incentive to date. More information is needed.

## **6. Retention business with career pathway to higher paying middle income jobs to move to or expand in Sacramento**

**What is it?** Target economic development incentives (hiring credits, infrastructure, etc.) for retaining existing local businesses to create inclusive and equitable results, like improving the quality of workforce opportunities (higher pay, healthcare insurance for FT employee, existence of a employ stock ownership program, retirement, paid sick days, child care, etc.), skilled worker training, and early-pathway youth-work-career development.

**What impact does it have?** This is similar to the attraction narrative above; retention incentives should also target firms that can offer the greatest local spillover benefits because they pay high wages, conduct research and development, and export their products and services outside the local economy. This is because growth of these firms generates multiplier effects that ripple throughout the rest of the economy. The greatest social benefit comes when the hiring they induce goes to previously unemployed workers in the local economy.

**What's happening in Sacramento?** GSEC's marketing, business development, attraction, expansion, cultivation of NorCal and also home grown opportunities are main efforts.

**What was the Project Prosper Community Workshop result?** The option was not an option and added by the Business subgroup to focus on growing from within our economic base.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium impact and medium to low feasibility of implementation since the attraction is very incentive dependent. The option should be a medium to high level priority overall, with the suggested role of the City as a minority partner when it concerns expansion in Sacramento to grow medium size enterprises, higher paying jobs, and career pathways. The discussion highlighted retention of Blue Diamond may be a good example.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

## 7. Innovation District

**What is it?** Geographical areas where research universities and private companies locate next to each other and to work together more on new research and product development. Companies benefit from the research and development infrastructure and an educated work force, and university researchers benefit from having companies that can help scale and market their innovations.

**What impact does it have?** The companies reliant on research and development are likely to generate more wealth for a region because they create new technologies, sell their products and services outside of our local economy, and pay their employees good wages. Another additional benefit is that the district serves as an employment destination for graduates. The innovation district would also foster innovation and connect entrepreneurs to the correct mentorship and funding.

**What's happening in Sacramento?** 1) Aggie Square partnership of the City and UC Davis is planned for Oak Park. 2) The Sacramento Center for Innovation (SCI) is a 240-acre area that is designated by the City of Sacramento to foster the exchange of technical knowledge and expertise between students, faculty and innovative businesses and technology companies; it is located in the Power Inn Alliance PBID, and Sacramento State is the largest single land owner with 25 acres to develop. SCI's newest project, The Crossings, is a state-of-the-art student housing community that will include an 11,000-square-foot Innovation Lab as a central location for students, faculty and businesses to exchange knowledge, build connections and stimulate innovation. It will also offer space for retail shops, an eatery and convenience stores.

Other innovation hubs to examine and possibly leverage for colocation: McClatchy Video Lab West is at Sacramento Valley Station and is a planned hub for journalism and technology communities inside McClatchy and beyond. Valley Extend, McClellan Business Park is a tech incubator that also provides back-office space to Silicon Valley companies (co-working and sales and marketing). Food Factory (nonprofit food incubator), VSP The Shop (eye wear), I/O Labs, SMUD Innovation Generator (energy related technologies), and Bayer Crop Sciences Collaborator (West Sacramento).

**What was the Project Prosper Community Workshop result?** Innovation District was the third highest priority in the Business Capacity with 21.8% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium-high impact and feasibility of implementation since the City does not have control of the school districts and multiple actors. The option should be a high level priority overall, with the suggested role of the City as a minority or sole partner to seed job centers for inclusive and equitable growth across the City. Discussion suggested the district would be beneficial to both today and tomorrow's industries, and possibly have a regulatory focus (new industry and workforce development) that connects to Sacramento Urban Technology Lab ([SUTL](#), Mayor's Office for Innovation & Entrepreneurship) plan to have Sacramento become a test bed for ideas.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

### **Place Capacity:**

The capacity is about place building and refers to the physical and emotional relationship that residents have with their home, neighborhood, and city. It seeks to create spaces that are comfortable and desirable for people to be and live in. A total of five options are discussed below, but only five voted were presented and voted on during the community workshops.

## **I. Increase middle income, low income, and homeless housing options**

**What is it?** More housing of all types is needed to allow existing stock to become available to a greater diversity of buyers. California's land and development costs with prevailing wages are part of the housing market problem. The premium in Sacramento's housing construction market isn't as profitable as the Bay Area. We lose development and construction labor to that market, but our costs for building and labor are about the same as the Bay Area. Thus, Sacramento's housing is relatively more expensive with lower supply of new housing to meet normal population growth.

Given the cost of building, policy options that may address the market and be more effective could be subsidized housing, decreasing the development charges/fees, zoning reform (e.g. increase allowable density in neighborhoods that are dominated by single-family homes), and streamlining, project approval, permit review, and other regulatory processes.

**What impact does it have?** Decreasing transaction, direct, and indirect costs of building should increase supply of housing. In the case of homeless housing, research indicates that priority access to permanent rental assistance (subsidy) for homeless families provides improved housing stability, family preservation, adult well-being, child well-being, and self-sufficiency. These subsidies limit families' contributions to rent and utilities to about 30 percent of monthly adjusted income.

**What's happening in Sacramento?** More information is needed on the efforts listed below.

1. Sacramento Self Help Housing Boarding facilities; Homeless Housing:  
<https://www.voa-ncnn.org/>, <https://www.windyouth.org/>,  
<http://www.sacloaves.org/>, <http://saintjohnsprogram.org/>, <https://sacramentostepsforward.org>
2. Sacramento Housing Alliance, Sacramento Steps Forward, Mutual Housing
3. Habitat for Humanity, Neighborworks (technical assistance housing), Volunteers for America,
4. Repurposed conversions Veterans-Ville; Rebuilding Together (build or repair over 6,500 homes in the Sacramento region); Affordability by Design
5. Alley activation: The City is currently using the Downtown Transportation Study done by Public Works to clear any environmental for infrastructure improvements including alley activation. The City continues to look for grants to pilot alley activation projects
6. Tiny Homes and PODs (mobile, UC Davis engineering program to build, and maintain)
7. Housing Trust Fund.

**What was the Project Prosper Community Workshop result?** Housing was the overwhelming highest priority in the Place Capacity with 46.1% of the votes.



**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a high impact and medium feasibility of implementation since the size of the City's investment to have a moderating effect on prices is not known. The option should be a high level priority overall, with the suggested role of the City as a convener and minority partner.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

## 2. Services to increase community safety and cleanliness services

**What is it?** Resources and programs for essential public safety services including, 9-1-1 response, police officers, gang/youth violence prevention, fire protection/emergency medical response, other essential services including park maintenance, youth/senior services and libraries.

**What impact does it have?** Increased community satisfaction and investment, improved quality of life

**What's happening in Sacramento?** Measure U; City's community service project, Downtown Streets Team, which provides social and economic benefits to team of homeless, or formerly homeless, who are cleaning up areas in District 2.

More information needed on:

1. Youth graffiti abatement program; Youth Advisory Committee (Ashby)
2. Beautify Sacramento—religious groups, “Adopt A X” programs; community associations
3. IMPACT Team and Navigator teams
4. Vision Zero initiative to get us to zero pedestrian and bicycle fatalities.
5. AmeriCorp at McClellan(AmeriCorpsNCCCPacific); CA Conservation Corp; Civic Spark by the Local Government Commission: <http://civicspark.lgc.org/>

**What was the Project Prosper Community Workshop result?** Clean and safe service was the second highest priority in the Place Capacity with 17.5% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium to impact and medium to high feasibility of implementation. The option should be a medium to level priority overall, with the suggested role of the City as a convener and sole partner, depending on the project.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

### 3. Increase shopping, eating, entertainment, and grocery stores options (private mixed use)

**What is it?** Increase diversity of amenities in neighborhood economic zones to include options like grocery stores, clothing, retail, movie theaters, and public art and cultural activations to denote the significance of the area. Options include: 1) leverage vacant space to encourage diverse, innovative pop-ups from arts, social enterprises, or new businesses; 2) tenant improvements fees and regulation to encourage diversity and adaptive reuse; 3) facilitate community conversations with real estate and business owners to understand needs and address how gentrification and displacement could be limited with collaboration on new tenants; 4) Permitting of small grocery-marts in multifamily housing units to improve access. The overall focus could also fit with redevelopment of underutilized sites and the construction of affordable housing and mixed-use development.

**What impact does it have?** Increase quality of life and economic opportunities and investment in neighborhoods. Diverse mixed-use neighborhoods are attractive to young, college-educated talent.

**What's happening in Sacramento?** Organizations below provide ideas of partners and projects that could be leveraged:

1. Soil Born School Garden, Center for Land Based Learning, mobile farmers market, SACOG RUCS and ABI952, proposed \$10 million for food systems, with focus on food access
2. Art: Wide Open Walls, Take Crocker Art Mix to the neighborhoods; Sol Collective; RT public art performance on lines
3. Building Healthy Communities South Sacramento, Healthy Sacramento Coalition (Sierra Health, United Way, PolicyLink, etc.)

**What was the Project Prosper Community Workshop result?** Private mixed use amenities were the lowest priority (tied with public amenities) in the Place Capacity with 10.7% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium impact and medium feasibility of implementation since the City does not have control of the school districts and multiple actors. The option should be a medium to low level priority overall, with the suggested role of the City as a minority partner. The discussion considered helping the local serving businesses to develop their narrative to give neighborhoods stronger identity and sense of place; also a neighborhood's culture should be evident in its businesses diversity that then also matches resident needs. For example, Franklin Blvd. is known as Little Mexico, but Natomas has large ethnic populations, but the business ecosystem doesn't reflect this.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

#### 4. Increase public places to learn and play

**What is it?** Investments include in recreational assets (parks, trails), community gardens, and after school and library programs, public art and celebration of cultural identity with activation, also “branding” and designation of public spaces through intentional placemaking.

**What impact does it have?** Increased quality of life and access.

**What’s happening in Sacramento?** More information is needed on the efforts below:

1. Transportation Management Associations bike docks; Valley Vision EpicTrail (bike trail from Tahoe – Winters); SABA
2. After school programs: D. Roberts Family Foundation, MAN; public housing have City employees in the complex to help with after school; Sacramento Library: Library of Things; PowerHouse Science Center; Green Tech non-profit collaborates with community partners to stimulate economic development by means of academic and professional engagement of high school students and young adults from economically disadvantaged communities. Fresher Sacramento prepares and packages food and employs and trains local youth from the neighborhoods served.
3. Park: Alchemist, Oak Park Pansy Court (grant funding); Riverfront; HighLine / I Street; Parkway expansion and maintenance;

**What was the Project Prosper Community Workshop result?** Public amenities option was the lowest priority (tied with private mixed use amenities) in the Place Capacity with 10.7% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium impact and medium feasibility of implementation since the City does not have control of the school districts and multiple actors. The option should be a medium level priority overall, with the suggested role split evenly between the City as a convener and sole provider, depending on the project; partnering with the County encouraged.

**What’s the cost, if known, & examples?** Sacramento costs are unknown.

## 5. Infrastructure

- a. Internal connectivity: Increase walking, biking, and transit facilities (only option polled in community workshop)
- b. External connectivity: Higher-speed rail to Bay Area, Sacramento-Roseville Capitol Corridor Third Track project, Airport expansion
- c. Climate Change Adaptation and Flood Protection
- d. Broadband
- e. Adaptation, Modification Re-use of existing assets for livability and leverage (Arena)
- f. General Infrastructure Development: Public Utilities, Roads, Bridges, etc.

**What is it?** Increase walking, biking, and transit facilities. The Franklin Blvd Complete Streets project is an example where the City, Sacramento Area Council of Governments, and community partners work to ensure all street users are safe and comfortable, whether biking, walking, taking public transit, or driving, and local businesses have increased sales from improved pedestrian access. Infrastructure investment and increasing transit options in job centers is an equitable and inclusive economic development strategy, particularly in and connecting surrounding distressed neighborhoods.

**What impact does it have?** In our region, the City of Sacramento has the lowest car access per household. This can be a particular challenge for low-income adults, who lack alternatives to cars, to reach jobs.

**What's happening in Sacramento?** More information is needed in terms of the various infrastructure efforts:

1. SACOG Metropolitan Transportation Plan and Sustainable Communities Strategy will be informed by the Brookings Market Assessment in regard to how transportation and land use investments can spur economic development; it also serves as the baseline for the Regional Prosperity Plan, partnering with GSEC, Valley Vision, and Metro Chamber.
2. Mobility: Lime, Jump, Mobility Private companies, Via, Envoy, TransLoc; Electrify America contractors; ATOS, StreetCar,
3. External connectivity: ZEV Shuttles—UCD-Downtown; Downtown-Airport; ACE train; Airport debt increased fees, but lowering now with new five-year deal; Airport Runway length; RT Late-night train to Folsom; RT 15 minute service
4. Climate Change Adaptation; Flood Protection (funding): Climate Readiness Collaborative and Valley Vision Cleaner Air Partnership
5. Broadband: Valley Vision Broadband Consortium; Verizon 5G; Comcast Gigabit; Hacker Lab and Consolidated/CCI partnership to provide gigabit connectivity to their building on 17th and I streets. WAVE fiber along Alhambra Corridor—partnership dark fiber; CCI Power Inn partnership
6. Sewer and Water need to separate the system but it is unfunded

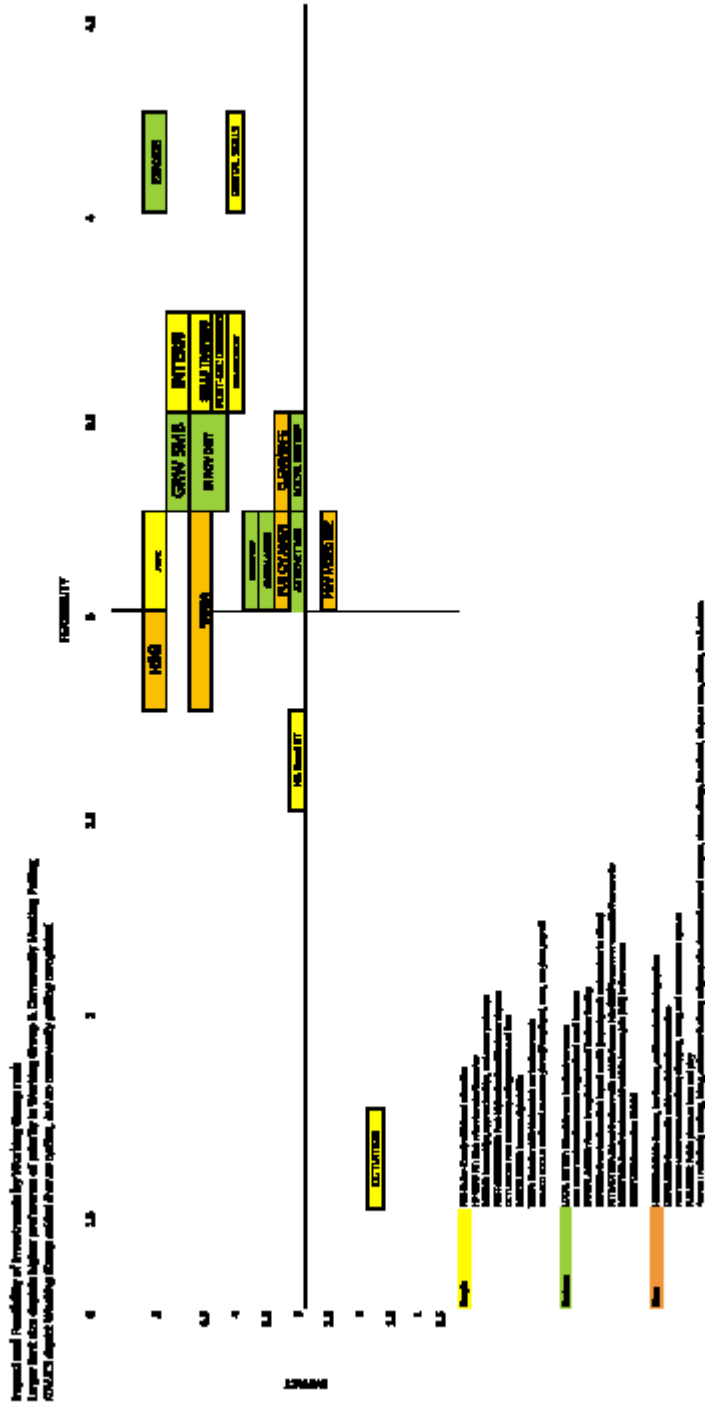
**What was the Project Prosper Community Workshop result?** Infrastructure as a whole was not voted on at the community workshops. The only option was Increase walking, biking, and transit facilities, which was the third highest priority in the Place Capacity with 15% of the votes.

**What was the Project Prosper Working Subgroup evaluation?** The option was thought to have a medium-high impact and medium feasibility of implementation since the City relies on state, federal, and other sources of matching funds. The option should be a medium to high level priority overall, with the

suggested role of the City as a sole provider, with coordination on other sources of funding and strategic leveraging of SACOG plan investments.

**What's the cost, if known, & examples?** Sacramento costs are unknown.

# APPENDIX Q





# AGENDA

## Project Prosper Working Group

**Friday, April 27, 2018**  
**9:00 a.m. – 1:00 p.m.**  
KVIE Community Room  
2030 W. El Camino Avenue (just east of I-5)

*Hosted by: City of Sacramento*

### Friday, April 27, 2018

- |                         |   |
|-------------------------|---|
| <b>8:30 – 9:00 am</b>   | <b>Registration &amp; Light Breakfast</b>   |
| <b>9:00 – 9:15 am</b>   | <b>Welcome &amp; Introductions</b><br><br>Mayor Darrell Steinberg<br><br>City Manager Howard Chan                 |
| <b>9:15 – 10:00 am</b>  | <b>Expert 1 &amp; Q&amp;A</b><br><br>Erika C. Poethig, Vice President & Chief Innovation Officer, Urban Institute |
| <b>10:00 – 10:30 am</b> | <b>Discussion: Community Workshops Results &amp; Subgroup Meetings</b>  |
| <b>10:30 – 11:10 am</b> | <b>Expert 2 &amp; Q&amp;A</b><br><br>Amy Liu, Vice President & Director Metropolitan Policy Program, Brookings    |
| <b>11:10 – 11:50 am</b> | <b>Expert 3 &amp; Q&amp;A</b><br><br>Robert Weissbourd, President, RW Ventures                                    |
| <b>11:50 – 12:30 pm</b> | <b>Expert 4 &amp; Q&amp;A</b><br><br>Joe Cortright, President, Impresa Consulting; Director, City Observatory     |
| <b>12:30 – 1:00 pm</b>  | <b>Working Group Discussion &amp; Next Steps</b>  |



- *Strategic feedback on priority capacity investments; opinions and perspectives on how it aligns with our goals and anticipated challenges.*
- *Tactical feedback on how to implement or adjust priority capacity investments; advice on how to design a system of investments; suggestions of other options where Sacramento could leverage or connect to these capacity investments.*
- *General feedback based experience and observations of other places; advice to guide our next steps.*

## APPENDIX S

See National Experts' Presentations from April 27, 2018:  
[Cities and Prosperity](#)

[Inclusive Growth in the Sacramento Region](#)

[Advancing Inclusion Through Housing in Sacramento](#)

[Quality Growth for Sacramento in the Next Economy](#)