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2026 Sacramento Innovation Grant Award Recommendations

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Location: Citywide

Recommendation: Pass a **Motion** authorizing the City Manager or designee to execute 17 Sacramento Innovation Grant Program grant agreements for a total amount not-to-exceed \$1,000,000.

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Presenter: None

Attachments:

1-Description/Analysis

2-Grant Funding Recommendations

Description/Analysis

Issue Detail: On June 21, 2016, Council amended the Innovation and Growth Fund Policy to authorize the creation of new programs to expand the startup pipeline and engage the innovation ecosystem (Resolution 2016-0240). In doing so, Council approved a framework for the Sacramento Innovation Grant Program, which included an annual allocation of \$1 million to support the programming.

Awarded projects in the five cohorts of the Sacramento Innovation Grant Program (formerly known as RAILS Grant Program and SUTL Innovation Grant Program) included support for incubators, accelerators, co-working spaces, makerspaces, training programs, events, and marketing activities that serve and foster Sacramento's innovation ecosystem.

The 2026 Innovation Ecosystem Grant Program is designed to create a pipeline for entrepreneurs at different stages of their journey. Sacramento's entrepreneurial ecosystem thrives when new participants are welcomed, early-stage founders are nurtured, and growth-ready companies have the

support needed to secure customers and capital. By structuring funding across three grant categories, the program creates a continuum of support that enables people to enter the ecosystem, build skills, and advance toward high-growth ventures that strengthen Sacramento's economy. The grant categories are Entrepreneur Access and Education Grants, Incubator and Accelerator Grants, and Innovation and Investment Readiness Grants.

Entrepreneur Access and Education Grants provide access points for residents who are new to entrepreneurship, unsure how to begin, or seeking to expand their education, with an emphasis on skills for tech-enabled and scalable businesses. Incubator and Accelerator Grants support incubator and accelerator programs that help early-stage founders grow through mentorship, product development, and connections to funding and partnerships. Innovation and Investment Readiness Grants serve advanced startups by funding targeted programming that helps companies commercialize technology, secure investment, and acquire customers.

The end goal is to have entrepreneurs that participate in the programs start or grow a business, spur innovation, and stimulate economic development in Sacramento. The recommended programs provide support through a combination of services that include educational workshops, mentorship and coaching, product development support, legal and administrative services, marketing and branding, strategic partnerships, and access to funding.

The City allocated \$1 million for the 2026 Sacramento Innovation Grant Program. Grant category allocations and maximum grant amounts are as follows:

- Entrepreneur Education and Access: \$100,000 overall; \$15,000 maximum grant request
- Incubator and Accelerator: \$500,000 overall; \$100,000 maximum grant request
- Innovation and Investment Readiness: \$400,000 overall; \$100,000 maximum grant request

The application period for the grants opened on October 27, 2025, and closed on December 22, 2025. The City received 105 applications totaling almost \$10 million in funding requests. Subject matter experts and City staff engaged in a two-phase selection process using the published scoring rubric. City staff conducted an initial scoring, and the top scoring applications were forwarded to the review panel for final review, scoring, and award recommendations.

The following criteria were used to evaluate and score applications:

- a. Program Design & Approach (30 points)
- b. Outcomes & Metrics (20 points)
- c. Organizational Capacity (20 points)
- d. Budget & Use of Funds (15 points)
- e. Impact on Underserved Entrepreneurs (15 points)

Based on the evaluation, seventeen recipients are recommended for funding, with programs anticipated to begin in the second quarter of 2026 and be complete within a year.

The 2026 Sacramento Innovation Grant Recommendations include:

Entrepreneurship Education and Access Grants

1. The Race and Gender Equity (RAGE) Project

Grant Award: \$15,000

The project will deliver five hybrid workshops over a 9-month period, serving 10-20 participants per workshop. Participants will include social change makers, creatives in the creative economy, and early-stage consultants and freelancers who want to move beyond sole-operator or project-based work toward more sustainable and scalable business models. Programming will be open to adults ages 18 and older and intentionally designed as an intergenerational learning space, supporting peer connection across age, experience, and industry.

2. Junior Achievement of Sacramento

Grant Award: \$12,500

Guided by the themes Dream - Build - Impact, this event will expand access to opportunity for 100 high school age teens from marginalized communities, opportunities they may never have thought possible. The day will feature a dynamic keynote speaker, nine breakout sessions led by local entrepreneurs, workshops, lunch, resource booths, giveaways, and take-home materials. Workshops to be offered three times each include: 1) Dream: Developing an Entrepreneurial Mindset; 2) Build: Assessing Entrepreneurial Potential; and 3) Impact: Problem-Problem Solving and Social Innovation.

3. Alliance for Community Development

Grant Award: \$15,000

"AI-Powered Entrepreneurship: Prompting for Business Growth," is a five-part hybrid workshop series designed to equip underserved Sacramento entrepreneurs with AI prompting skills for tech-scalable startups. Delivered monthly, each 90-minute session builds progressively: (1) Introduction to AI Prompting for idea generation; (2) Advanced Prompting and Master Prompts for business planning; (3) AI for Competition and Landscape Analysis in local markets; (4) ICP Research with AI for customer targeting; and (5) AI-Assisted Grant/Funding Research and Writing.

4. Broad Room Creative Collective Sacramento

Grant Award: \$14,810

The Creative Business Skill-Sharing Project is a targeted initiative designed to empower marginalized artists in Sacramento with the specific entrepreneurial skills and networks

needed to transform their creative practice into a scalable, sustainable business. This project addresses that critical gap by moving beyond basic support to offer a comprehensive curriculum and peer network focused on the unique commercialization challenges and opportunities faced by creative entrepreneurs.

5. Sacramento Hispanic Chamber of Commerce Foundation

Grant Award: \$15,000

The Hispanic Entrepreneur Innovation & Growth Series (HEIGS) is a five-session, innovation-focused training initiative designed to equip Hispanic entrepreneurs in the City of Sacramento with the mindset, digital readiness, and growth frameworks needed to build scalable, competitive businesses. The project prioritizes entrepreneurs who are early-stage, growth-oriented, or transitioning from business sustainability toward expansion, technology adoption, and new market opportunities.

6. Sacramento Entrepreneurship Academy

Grant Award: \$15,000

The “SEA Startup Foundations” series will deliver five free, publicly accessible workshops to:

- Introduce participants to scalable, tech-enabled entrepreneurship (not just general small business topics).
- Build skills in idea validation, customer discovery, digital tools, financial basics, and pitching.
- Connect participants to SEA’s 15-week accelerator and other ecosystem resources for next-step support.

7. National Academic Youth Corps DBA Sojourner Truth African Heritage Museum

Grant Award: \$12,690

The SOJO Youth Entrepreneurship program is a comprehensive, five-part workshop series designed to equip up to 50 BIPOC youth (ages 14-24) residing in Sacramento with the technical and operational skills needed to launch and scale a creative business.

Incubator and Accelerator Grants

8. Alchemist CDC

Grant Award: \$82,200

Alchemist Kitchen supports food entrepreneurs from under-resourced communities through a two-phase program designed to guide businesses from ideation to launch and growth. Phase one, the 12-week Alchemist Microenterprise Academy (AMA), serves 15-20 participants per cohort and is offered twice annually. Participants receive instruction on business fundamentals, hear from guest industry experts, and graduate with a completed business plan. The program incorporates cohort networking and individualized technical assistance.

Graduates of AMA may apply to Phase two, the Alchemist Kitchen Incubator Program (AKIP), which selects 3-5 businesses per round. AKIP provides customized one-on-one coaching, technical assistance, and access to low-cost commercial kitchen space. Incubated businesses develop operational capacity, test products, establish performance benchmarks, and follow a structured progression plan toward graduation within five years.

9. Entrepreneurs Organization Sacramento Chapter

Grant Award: \$100,000

EO Accelerator Sacramento delivers a business accelerator program using the Scaling Up methodology and Entrepreneurial Operating System frameworks. The rolling-admission program combines quarterly full-day Learning Days with monthly facilitated Accountability Group meetings. The curriculum addresses four core business pillars: Cash, Strategy, People, and Execution. With capacity for 50 participants, EO projects that 15-20 businesses will achieve 25 percent or greater revenue growth within 12 months.

10. FourthWave Foundation Inc.

Grant Award: \$100,000

FourthWave operates a 16-week accelerator program serving 12-16 women-led, technology-focused startups per cohort. The program begins with an in-person launch week in Sacramento, followed by at least 32 virtual group training sessions. Participants engage with mentors, subject matter experts, coaches, and investors throughout the program, culminating in an Investor Salon where founders pitch to prospective investors and sponsors. FourthWave cohorts supported by a city grant in 2024 and 2025 saw Sacramento owned or operated companies raise nearly \$2 million combined.

11. Growth Factory Nonprofit

Grant Award: \$98,958

Growth Factory will implement a technology-forward, multi-track incubator model designed to support youth, early-stage entrepreneurs, and scaling small businesses in Sacramento. The program includes Project Atlas, serving up to 50 students across two 12-week cohorts to build workforce readiness and entrepreneurial skills; a 12-session Community Business Accelerator supporting up to 20 small business owners with scaling strategies and technology adoption; and biweekly Community Office Hours providing accessible, on-demand business advising.

12. Momentum

Grant Award: \$100,000

Momentum will implement an accelerator program designed to help early-stage Sacramento-based clean mobility and advanced transportation startups compete for state, federal, and private funding opportunities. The program will provide quarterly deep-dive workshops, monthly funding opportunity briefings, and one-on-one technical assistance to help companies

prepare grant applications, build partnerships, and pursue pilot deployments.

Innovation and Investment Readiness Grants

13. Cal EPIC

Grant Award: \$100,000

Cal EPIC, in partnership with the Charging Interface Initiative (CharIN) and the Korea Electrotechnology Research Institute (KERI), operates the Capital Charge Yard, a nonprofit, open-access EV and EVSE interoperability and conformance testing facility. Innovation Grant funding would subsidize access for Sacramento-based entrepreneurs and early-stage companies seeking product validation and certification support. Approximately 15 participating companies would receive structured pilot opportunities, verified test results, and technical assistance to improve commercialization and investment readiness. Certification and real-world demonstration capacity are intended to strengthen SBIR/STTR proposals, investor due diligence, and customer acquisition with fleets, utilities, charging providers, and OEMs.

14. The Right Box, LLC dba Traction Labs

Grant Award: \$100,000

Traction Labs, in collaboration with the Carlsen Center for Innovation & Entrepreneurship at Sacramento State, proposes a nine-month Investment Readiness Engine serving 15 pre-seed and seed-stage startups. The program emphasizes execution over classroom instruction, pairing monthly design sprints and biweekly lab meetings with structured capital formation support. Companies advance through milestone-based gates tied to demonstrated market traction. The program focuses on two integrated tracks: customer acquisition and go-to-market execution, including pilot development and revenue acceleration; and capital readiness, including deal structuring, financial modeling, investor metrics, and data room preparation.

15. Altitut, LLC

Grant Award: \$100,000

Altitut.ai proposes a specialized program to prepare Sacramento-based life sciences researchers and healthcare startups to secure federal SBIR funding through the National Institutes of Health (NIH) and National Science Foundation (NSF). The program integrates an AI-powered proposal coaching platform with expert mentorship drawn from the UC Davis ecosystem and regional partners. Participants will be guided through the full SBIR lifecycle, targeting Phase I awards of approximately \$300,000 and Phase II awards exceeding \$1.2 million. The goal is to strengthen federal funding competitiveness of Sacramento companies while advancing the regional life sciences commercialization pipeline.

16. Veteran Entrepreneur Tribe of Sacramento (VETS)

Grant Award: \$50,000

The Veteran Entrepreneur Tribe of Sacramento proposes a 12-week accelerator dedicated to

veteran and military-connected founders. Serving 10 companies in their cohort, the program pairs weekly instruction with guided bid preparation, mentor matching, and introductions to prime contractors and institutional buyers. During the program, each participant is expected to submit at least five qualified bids and form multiple strategic partnerships with other companies to pursue and deliver on contracts.

17. Capitalize America Corporation

Grant Award: \$50,000

DiverseCity Ventures, through its Capitalize America program, prepares Sacramento companies to secure investment, grants, contracts, and other commercialization opportunities. The program consists of ten monthly, in-person workshops providing access to legal experts, investors, bankers, commercialization advisors, and customer acquisition specialists. Founders receive guidance in financial modeling, regulatory considerations, SBIR/STTR readiness, and pitch development.

Policy Considerations: On September 30, 2025, the City Council convened to discuss priorities and identified Economic Development, Public Safety and Homelessness as the top three. On November 18, 2025, City Council voted to confirm the aforementioned areas as their top three priorities. The Sacramento Innovation Grant Program is integral to the City's economic development work as it supports the entrepreneurial ecosystem and individual entrepreneurs as they start and scale their businesses.

The 2026 Sacramento Innovation Grant funding recommendations are also in alignment with Innovation and Growth Fund goals to "advance innovation, economic growth, and job creation in Sacramento." Council approved the creation of the Sacramento Innovation (formerly RAILS) Grant Program on June 21, 2016, with the establishment of the Innovation and Growth Fund.

Economic Impacts: The Sacramento Innovation Grant Program is designed to achieve medium to long-term economic outcomes by increasing the capacity of Sacramento's innovation ecosystem and enhance the conditions under which business startups may form and thrive.

Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment and does not constitute a "project" as defined by CEQA [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Sacramento's economy has long been over-reliant on government and real estate industries. Sacramento must become a hub of innovation, technology, and

entrepreneurship to create private sector jobs that will bring new wealth to the community and drive growth across business sectors. Without an intentional shift towards new industries, and without a specific commitment to diversity and inclusion, Sacramento will not reach its full economic potential.

The goals of this program also align with the City's ScaleUp inclusive economic action agenda to drive the region's growth by prioritizing new strategies to create economic mobility and opportunity for all residents. The innovation grant program not only will help diversify Sacramento's economy but is critical to providing underserved communities access to Sacramento's innovation ecosystem, helping to increase entrepreneurship rates and income equality.

Financial Considerations: The total of the 17 contracts is \$981,158. There is sufficient funding available in the RAILS Grant Program Multiyear Operating Project (MYOP) (I18000100, Fund 2031).

Local Business Enterprise (LBE): The solicitation was not subject to the LBE policy, however, selected awardees will provide programming at physical locations in the Sacramento city limits with 90% of participants either residing or having a business location in the City.