



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



4

April 12, 1988

**RECEIVED**  
APR 07 1988

Budget & Finance Committee of  
the City Council  
Sacramento, CA

Honorable Members in Session:

**SUBJECT:** Enterprise Zone Job Bank/Sacramento Employment and  
Training Agency Contract

SUMMARY

The attached report is submitted to you for review and  
recommendation prior to consideration by the Redevelopment Agency  
of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution  
authorizing execution of the contract, request for funding and  
the Oak Park Job Bank location.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COMMITTEE:

*Jack R. Crist*  
\_\_\_\_\_  
JACK R. CRIST  
Deputy City Manager

Attachment



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



April 11, 1988

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT: Enterprise Zone Job Bank/Sacramento Employment and  
Training Agency Contract**

**SUMMARY**

This report requests authorization for the Executive Director to 1) execute a contract with the Sacramento Employment and Training Agency for \$8,700 to be used to continue the Enterprise Zone Job Bank operation through June 30, 1988; 2) seek alternative funding sources to continue the Job Bank operation beyond that date; and, 3) open an additional Job Bank location in Oak Park if a new Enterprise Zone designation is received.

**BACKGROUND**

In October 1987, the Sacramento Employment and Training Agency (SETA) received \$50,000 from the State Employment Development Department to support the Enterprise Zone Job Bank.

The funds were used to hire two support personnel -- a secretary and an outreach worker -- who were then assigned to the Job Bank. Funds were also allocated for the Enterprise Zone Job Bank director, but cannot be used until a formal resolution (attached) is passed by the Sacramento Housing and Redevelopment Commission. A subcontract will then be executed and \$8,700 will be available to extend the Director's position through June 30, 1988. The support personnel are expected to be continued through September 30, 1988 with the remaining available state funds.

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A larger issue remains, however, of how to continue funding the Enterprise Zone Job Bank.

The Job Bank has proven to be the essential element in the success of the Enterprise Zone program. The most difficult task under the program is enabling businesses located in the Northgate/Norwood area (see Map 1) to use the Enterprise Zone financial benefits. These benefits are available only if the businesses hire 30% of their labor force from the four Enterprise Zone target neighborhoods<sup>1</sup> -- Del Paso Heights, Downtown, Oak Park, and Meadowview (see Map 2). Since existing job training/job placement agencies were not been able to adequately respond to the needs of Enterprise Zone employers, given the requirements, the Job Bank was established soon after designation.

## Performance

The Job Bank acts as a one-stop clearinghouse for Zone employers and residents. It has worked well as employers seem to view the Job Bank not as a government social service, but as a professional employment agency. The Job Bank staff members screen references and personally interview candidates before referral to the employer. Also, Job Bank staff members coordinate all the possible public subsidies available -- on-the-job training wage subsidies, Enterprise Zone tax credits, and federal income tax credits. No other agency currently markets all the programs available. Because of the Job Bank, the Sacramento Enterprise Zone has certified more businesses (now 13) than any other Zone in the state and has placed more target area residents in jobs than in any other Enterprise Zone. As of March 30, the certified companies have hired 65 target area residents, 40 of whom were placed by the Job Bank. A breakdown of the statistics is shown below:

<sup>1</sup>Officially known as High Density Unemployment Areas (HDUAs).

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## OVERALL ENTERPRISE ZONE JOB BANK PERFORMANCE

	<u>Total Number</u>
Clients in Job Bank	625
High Density Unemployment Area Clients	347
Clients Receiving Screening/Counseling	560
Referrals to Employers	490
Referrals to SETA	405
JTPA-certified Clients	89
Outreach/Mail Outs	22,000
Placements of Job Bank Clients	148
Placements with Enterprise Zone Employers	69

### Client Composition

Male:	363
Female:	262
Youth (Age 16 - 21)	98
Black	435
Caucasian	112
Hispanic	60
Asian	12
Native American	4
Unknown	2

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## Funding

Thus far, the funding for the Enterprise Zone Job Bank has been hit and miss. Funding sources to date have been as follows:

Community Services Block Grant	\$17,000
State Employment Development Department Discretionary Funds	\$50,000
Del Paso Heights Tax Increment Funds	\$34,000
Oak Park Tax Increment Funds	\$10,000

A more stable source of funds needs to be found if Sacramento wishes to have an effective Enterprise Zone program. The Sacramento Employment and Training Agency (SETA) has informed the Agency that for a variety of technical reasons not related to the Job Bank's overall performance, it is not able to fund the Job Bank for anything other than on-the-job training placements. Though special grants and discretionary money may be available, usually SETA must be the applicant, which would place the Job Bank in competition with SETA programs. Community Development Block Grant (CDBG) funds are also a possibility but are fully allocated at this time. Another possibility for Job Bank funding is tax increment funding.

The estimated amount needed for one year is \$118,400 as shown below:

	<u>Del Paso Heights Office</u>	<u>Oak Park Office</u>
Job Bank Executive Director (1) @ \$2,500/mo.	\$15,000	\$15,000
Outreach Worker (2) @ \$1,700/mo.	20,400	20,400
Secretary/Intake Person (2)	18,000	18,000
Office Rent @ \$500/mo	0*	6,600
Equipment, travel, office supplies, overhead	2,500	2,500
	<u>\$55,900</u>	<u>\$62,500</u>

\*The Del Paso Heights office is currently donated by the Grant District Skill Center

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## New Designation

The funding problem is compounded by the fact that Sacramento may receive a new Zone for the Florin-Perkins area in Fall 1988 (see Map 3). The designation of an Enterprise Zone there could increase job opportunities for the relatively nearby residents of the Oak Park and Meadowview neighborhoods. The City and County, in the preliminary application, are already committed to opening a new Job Bank office in Oak Park if the new designation is received. We will be working diligently to identify appropriate funding sources for the Bank and will report back to you at the appropriate time.

## ENVIRONMENTAL REVIEW

This is an exempt activity under the National Environmental Protection Act 58.34(a)(9)(ii). The services affect only the social and economic environment.

It is also a categorical exemption under the California Environmental Quality Act Section 15320 which allows changes in the organization or reorganization of local government agencies (i.e., continuance and expansion of the Job Bank Program).

## POLICY IMPLICATIONS

The proposed project is consistent with the objectives of the Sacramento Enterprise Zone program and with the Agency's overall commitment to improve conditions in the redevelopment areas. The Enterprise Zone itself has been found to be effective in fulfilling the City's economic development objectives of attracting new companies to Sacramento and in creating new jobs.

## FINANCIAL DATA

No financial data needs to be presented at this time. However, there can be significant financial implications if the City and County decide to make a long term commitment to the Enterprise Zone Job Bank.

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## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of April 11, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

## RECOMMENDATION

The staff recommends adoption of the attached resolution 1) to give authority to the appropriate individuals to legally execute and perform under a contract with SETA; 2) to request the Executive Director to seek alternative funding sources to continue the Job Bank; and, 3) to open an additional Job Bank location in Oak Park if a new Enterprise Zone designation is received.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Executive Director

Contact Person: John Molloy  
440-1357

TRANSMITTAL TO COUNCIL:

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WALTER J. SLIPE  
City Manager

CS:jann  
3072J  
04/04/88  
3:00 P.M.

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY  
CONTRACT TO FUND THE  
ENTERPRISE ZONE JOB BANK

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO:

Section 1: The Executive Director of the Sacramento Housing and Redevelopment Agency, or his designee, is authorized to execute a contract with the Sacramento Employment and Training Agency in the amount of \$8,700 in order to continue the operations of the Enterprise Zone Job Bank, as described in the staff report filed with this resolution ("Staff Report"), through June 30, 1988.

Section 2: The Executive Director of the Sacramento Housing and Redevelopment Agency, or his designee, is directed to investigate alternative funding sources to continue the operation of the Enterprise Zone Job Bank beyond the June 30, 1988 contract termination date.

Section 3: The Executive Director of the Sacramento Housing and Redevelopment Agency, or his designee, is hereby authorized to open an additional Enterprise Zone Job Bank office in the Oak Park area if the Oak Park area is officially designated by the State of California as an Enterprise Zone as described in the Staff Report.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

1100WPP2(117)



# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF

## RESOLUTION AUTHORIZING EXECUTION OF SERVICE CONTRACT FROM THE SACRAMENTO EMPLOYMENT AND TRAINING AGENCY

WHEREAS, the Redevelopment Agency of the City of Sacramento desires to enter into a Service Contract with the Sacramento Employment and Training Agency (SETA), a Joint Powers Agency and JTPA Grant Administrator, for the operation of a Title II-A (5%) - Miscellaneous program under the Job Training Partnership Act;

NOW THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The execution of Contract #C1825PO by and between the Redevelopment Agency of the City of Sacramento and the Sacramento Employment and Training Agency is hereby authorized.

Section 2: William H. Edgar (Executive Director), Andrew J. Plescia (Deputy Executive Director) and John E. Molloy (Director of Community Development) of the Redevelopment Agency of the City of Sacramento are hereby authorized on behalf of and in the name of the Redevelopment Agency of the City of Sacramento and Sacramento Housing and Redevelopment Agency and as its act and deed to sign and otherwise enter into Contract #C1825PO with the Sacramento Employment and Training Agency.

Section 3: Thomas V. Lee (Assistant Director of Community Development) and Cynthia J. Shallit (Economic Development Program Manager) shall be authorized to act on behalf of the Redevelopment Agency of the City of Sacramento/Sacramento Housing and Redevelopment Agency with respect to this Contract #C1825PO by and between the Redevelopment Agency of the City of Sacramento and the Sacramento Employment And Training Agency and that the Sacramento Employment and Training Agency may rely upon any communication to act, including telephone communication, made by the individuals authorized to act on behalf of the Redevelopment Agency of the City of Sacramento/Sacramento Housing and Redevelopment Agency pursuant to this resolution.

Section 4: The following individuals comprise the entire Governing Board of the Redevelopment Agency of the City of Sacramento/Sacramento Housing and Redevelopment Agency:

<u>Name</u>	<u>Address</u>	<u>City, State, Zip</u>
Carl Amundson	630 I Street	Sacramento, CA 95814
Louis Glud	630 I Street	Sacramento, CA 95814
Virginia Moose	630 I Street	Sacramento, CA 95814
Dan Sheldon	630 I Street	Sacramento, CA 95814
William Wiggins	630 I Street	Sacramento, CA 95814
Anne Pettit	630 I Street	Sacramento, CA 95814
Karolyn Simon	630 I Street	Sacramento, CA 95814
Sandra Simpson-Fontaine	630 I Street	Sacramento, CA 95814
Frances Wooley	630 I Street	Sacramento, CA 95814
Joseph Yew	630 I Street	Sacramento, CA 95814

Section 5: The authority conferred by or pursuant to this resolution and the representations contained herein shall remain in full force and effect until written notice of the revocation thereof shall have been received by the Sacramento Employment and Training Agency.

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CHAIR

ATTEST:

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SECRETARY

1100WPP2(119)

I, William H. Edgar, Executive Director of the Redevelopment Agency of the City of Sacramento/Sacramento Housing and Redevelopment Agency, do hereby certify and declare that the foregoing is a full, true and complete copy of a resolution duly passed and adopted by the Governing Body of the Redevelopment Agency of the City of Sacramento at a meeting of said Body duly and regularly called, noticed and held, at 630 I Street, Sacramento, California, on the \_\_\_\_\_ day of April, 1988, at which meeting a quorum of the Governing Body was present and voted in favor of said resolution, and that said resolution is now in full force and effect.

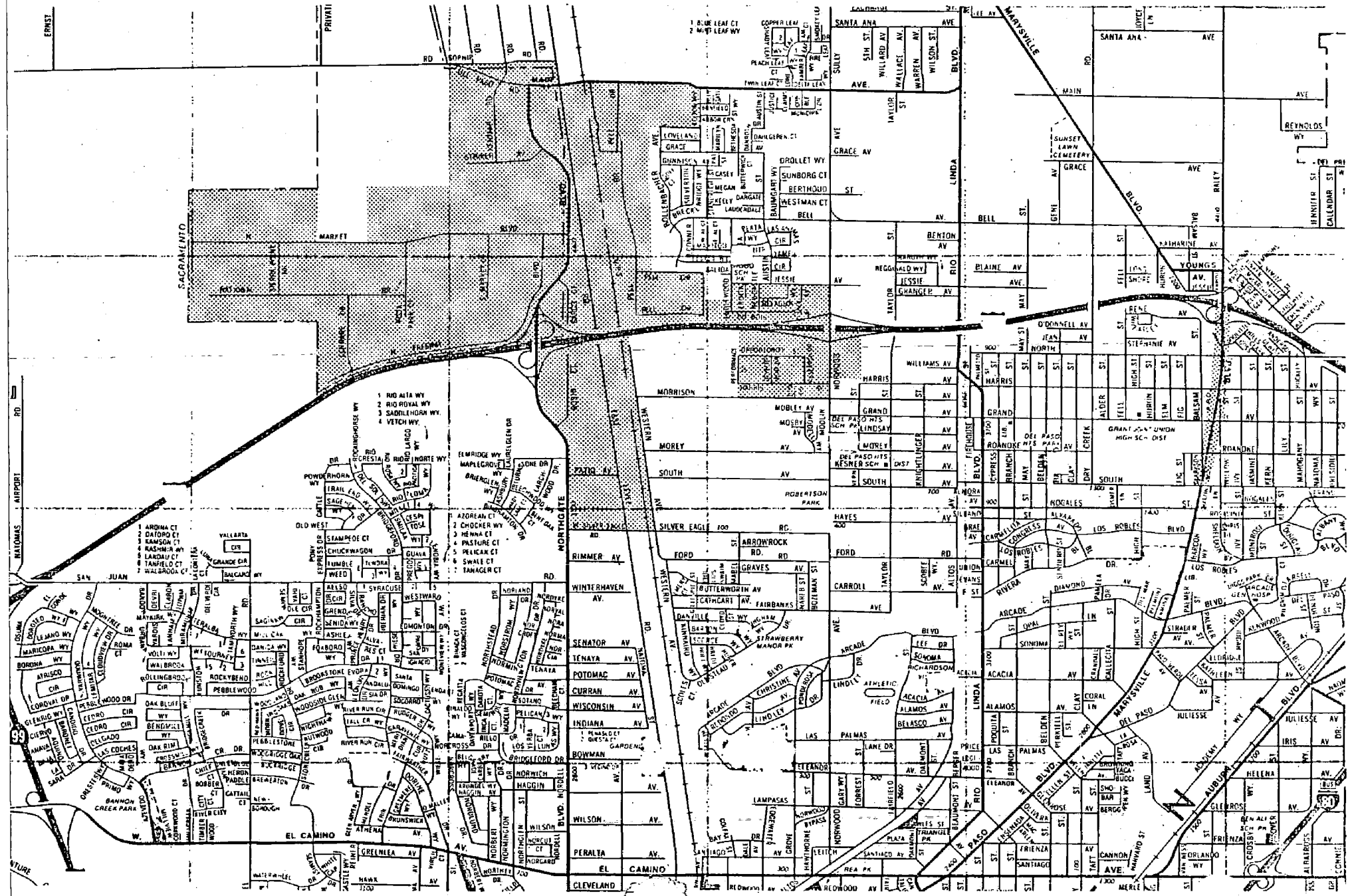
IN TESTIMONY WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of April, 1988.

REDEVELOPMENT AGENCY OF THE CITY OF  
SACRAMENTO

By \_\_\_\_\_

WILLIAM H. EDGAR  
Executive Director

# SACRAMENTO ENTERPRISE ZONE NORTHGATE/NORWOOD AREA

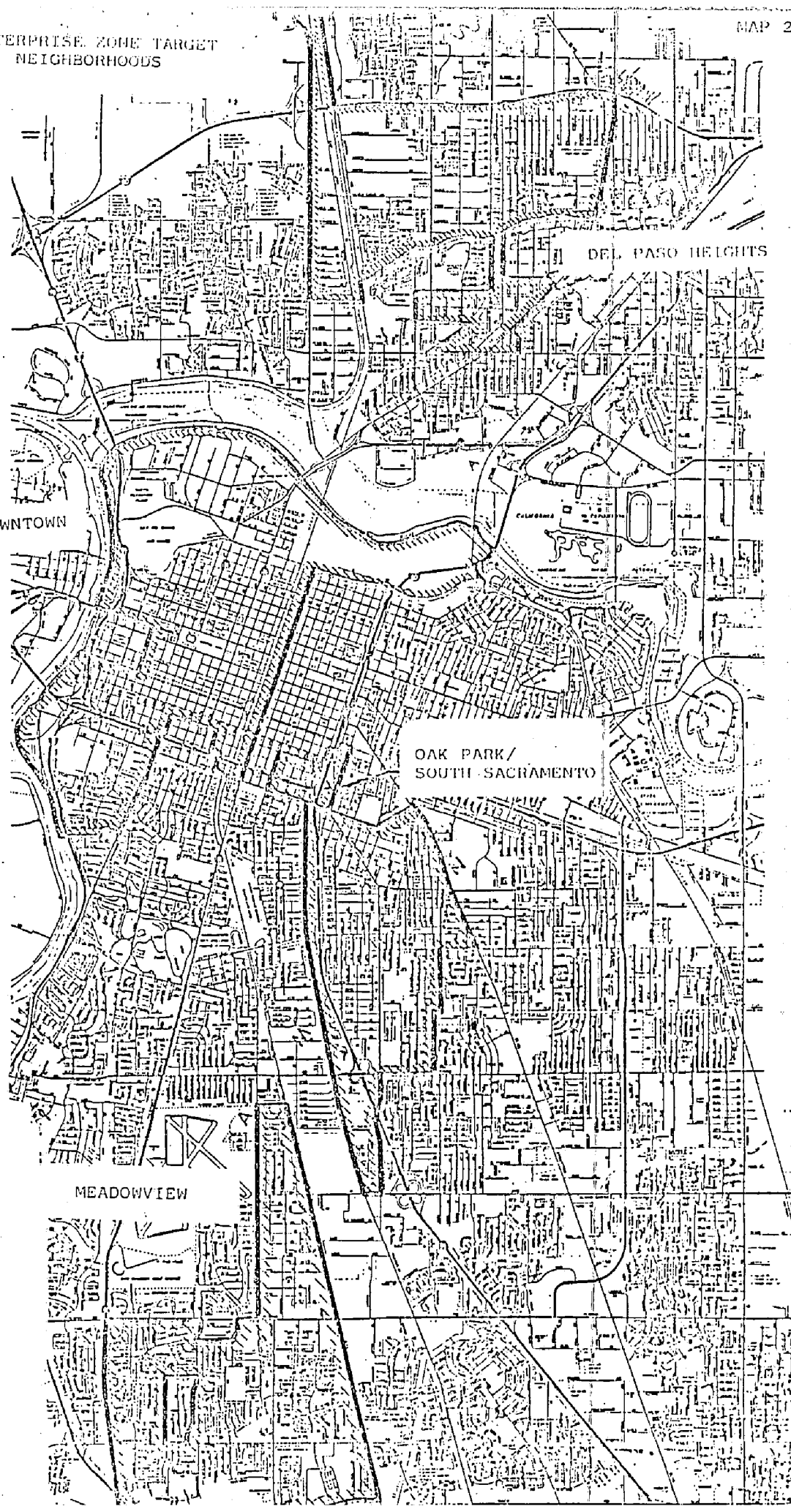


DEL PASO HEIGHTS

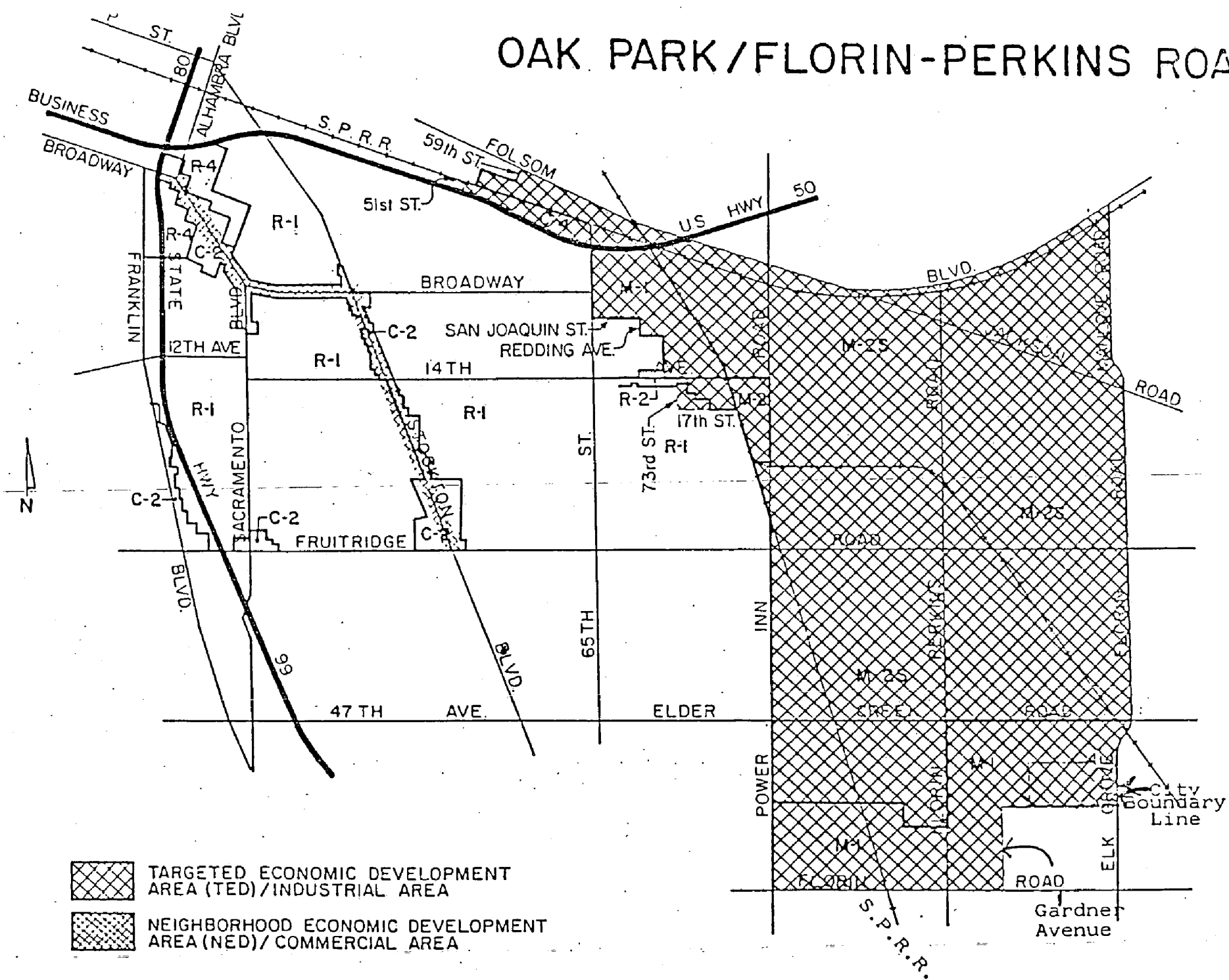
DOWNTOWN


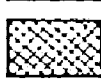
OAK PARK/  
SOUTH SACRAMENTO

MEADOWVIEW



# OAK PARK / FLORIN-PERKINS ROAD



-  TARGETED ECONOMIC DEVELOPMENT AREA (TED)/INDUSTRIAL AREA
-  NEIGHBORHOOD ECONOMIC DEVELOPMENT AREA (NED)/COMMERCIAL AREA