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APPROVED
BY THE CITY COUNCIL

NOV 18 1997

OFFICE OF THE
CITY CLERK



November 5, 1997

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: JOB CREATION INITIATIVE WITH THE SACRAMENTO VALLEY ORGANIZING COMMUNITY (SVOC) AFFORDABLE HOMES

LOCATION AND COUNCIL DISTRICT - District Five.

RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Sacramento Housing and Redevelopment Agency to:

1. execute an agreement with SVOC, a 501(c)(3) community-based non profit corporation, in the amount of \$20,000 to create employment, training, and other economic opportunities for welfare recipient transitioning to work by facilitating the development of new child care businesses in the Fruitridge area. The scope of services is presented as Attachment I;
2. fund the activity above by reprogramming \$6,000 of City 1996 Community Development Block Grant Program (CDBG) funds previously appropriated to provide financial and technical assistance for economic development projects, and reprogramming an additional \$14,000 in 1997 CDBG funds previously appropriated to Child Action Inc. to assist low income persons establish in-home day care facilities; and

SCOPE OF SERVICES

Exhibit A

The Sacramento Valley Organizing Community (SVOC) Affordable Homes agrees to:

- A. Develop a child care business in the Fruitridge area and achieve the following items:
- B. Partner with Child Action, Inc. and the Department of Human Assistance to locate a child care provider at the targeted site in order to:
 - 1. Create a minimum of five jobs exclusively targeted for welfare recipients transitioning to self-sufficiency or to other low-income persons;
 - 2. Provide a minimum of 24 child care slots dedicated to the children of welfare recipients who are transitioning to employment; and
 - 3. Provide employment training opportunities as child care providers to welfare recipients using the child care facility.
- C. Leverage \$40,000 in contributions from the faith community as part of this project.
- D. All the above items will be accomplished by November 1998.
- E. All jobs and services provided through this project will be for Sacramento residents only.

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3. amend the CDBG and Agency budgets accordingly.

Action on these recommendations will be taken within the context of a CDBG public hearing.

CONTACT PERSON

Cassandra Jennings, Director, Economic Development, 440-1312
Kim King, Program Manager, Economic Development, 440-1399, ext. 1400

FOR COUNCIL MEETING OF November 18, 1997

SUMMARY

The attached resolution authorizes the implementation of an economic development project with SVOC to expand employment, training, and economic opportunities for welfare recipients in the child care industry.

COMMISSION ACTION

At its meeting of November 5, 1997, the Sacramento Housing and Redevelopment Commission recommended approval of the attached resolution. The votes were as follows:

AYES: Castello, Cespedes, Dobbins, Hoag, Simon, Harland
NOES: Amundson, Taylor
ABSENT: Newsome, Rotz
ABSTAIN: Holloway

BACKGROUND

Based on the report *Meeting Sacramento Child Care Needs.....Welfare to Work* published in the *Sacramento Bee* (July 20, 1997), it is estimated that there is a projected shortfall of 26,790 child care spaces to be created by the year 2002 in the Sacramento area resulting from the implementation of welfare reform legislation. For example, by the year 2002, demand for child care in Local Planning Area 16 (Fruitridge, Parkway, Florin) will exceed the existing supply by 53 percent.

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The Agency and a variety of entities have been grappling with the disequilibrium between the child care demand and supply curves, and new child care policies and initiatives will be forthcoming from the public, private, and non profit sectors. This is just one of those initiatives.

SVOC is a non profit corporation which seeks to provide affordable housing, employment, training, and other economic opportunities as a means to assist very low-income residents of Sacramento communities reach self-sufficiency. Although SVOC has been known as a provider of affordable housing, it has been developing inroads to create worker cooperatives and other projects that can generate jobs.

In June 1997, the SVOC unveiled its conceptual framework to develop child care centers for the children of welfare recipients in the neighborhoods of North Highlands, Del Paso Heights, Oak Park, Fruitridge, Stockton Boulevard and Meadowview using churches as part of the infrastructure to deliver services.

As part of this initiative, SVOC would also provide training and employment opportunities to the parents of those children. Targeted industries include the child care industry itself, construction, and economic sectors suitable for microenterprise development. Further, to build equity in the future of participating families, SVOC would provide affordable housing opportunities that include individual development accounts or match savings accounts.

Staff reviewed the feasibility of the SVOC project jointly with the County's Department of Human Assistance, the Sacramento Employment and Training Agency, and Child Action, Inc. All organizations, including the Agency, validated the viability of the SVOC project plan, operating budget, marketing plan, and pre-project agreements with a child care provider.

Given the SVOC's commitment to benefit low-income persons and its established partnership with the Agency in developing affordable housing, staff examined the SVOC project with enthusiasm and the prospect of a new partnership in economic development.

Agency Assistance on the Project

Since 1990, the Agency has promoted the expansion of capacity of community- and neighborhood-based non profits to develop affordable housing projects citywide and in targeted neighborhoods. Beginning in 1996, the Agency expanded capacity building efforts with non profits to engage in neighborhood revitalization and economic development activities. For example, the Agency's support of neighborhood business associations and organizations such as the Mutual Assistance

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Network in Del Paso Heights and Meadowview Community Action in Meadowview has brought new hope and success.

In that light, staff is recommending allocating \$20,000 in CDBG funds and executing a subrecipient agreement with the SVOC to achieve the following objectives:

- Develop a new child care business in the Fruitridge area that will provide a minimum of 24 child care slots dedicated exclusively to children of public assistance recipients who are transitioning to employment. The minimum number of jobs to be created is 5 full time jobs.
- Partner with Child Action, Inc. and the Department of Human Assistance to locate a licensed child care provider.
- Execute an agreement with the child care provider to:
 1. Fill 100 percent of the jobs created by this project with welfare recipients or low-income persons.
 2. Provide training at the child care facility to the welfare recipients who want to become child care providers themselves.
- Leverage \$40,000 in contributions from the faith community as part of this project.
- A similar initiative is being developed in the County.

FINANCIAL CONSIDERATIONS

A total of \$20,000 will be allocated to fund this activity. Staff recommends reprogramming of \$14,000 in 1997 City CDBG funds previously appropriated to Child Action Inc. for in-home child care development activities to fund the recommended economic development project in addition to reprogramming \$6,000 of 1996 CDBG funds previously appropriated to provide financial and technical assistance for economic development projects toward this project.

POLICY CONSIDERATIONS

The actions proposed in this staff report are consistent with SHRA's role articulated in the

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Framework for Comprehensive Welfare Reform Planning Report and was presented to the City Council on October 7, 1997.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a project under CEQA per Guidelines Section 15378 (b) (3), and is exempt from NEPA per 24 CFR Part 58.34 (a) (4).

M/WBE REVIEW

There are no M/WBE considerations associated with this activity.

Respectfully submitted by,



ANNE M. MOORE
Acting Executive Director

Transmittal approved by:


WILLIAM H. EDGAR
City Manager

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APPROVED
BY THE CITY COUNCIL

NOV 18 1997

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 97-642

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**AMENDMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT
CONSOLIDATED PLAN AND STATEMENT OF OBJECTIVES AND BUDGET
AMENDMENT TO ESTABLISH A NEW CHILD CARE PROVIDER IN THE
FRUITRIDGE AREA TO ASSIST IN WELFARE TO WORK TRANSITION**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SACRAMENTO:

Section 1. The 1996 Community Development Block Grant (CDBG) Consolidated Plan and Statement of Objectives and the Sacramento Housing and Redevelopment Agency (SHRA) budget are amended to reprogram \$6,000 from financial and technical assistance for economic development projects to Fruitridge area child care for welfare-to-work.

Section 2. The 1997 CDBG Consolidated Plan and Statement of Objectives and the SHRA budget are amended to reprogram \$14,000 from low-income provider of in-home daycare to Fruitridge area child care for welfare-to-work.

MAYOR

ATTEST:

CITY CLERK

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RESOLUTION NO.: _____

DATE ADOPTED: _____