



SACOG Board of Directors

November 6, 2014

Approve Sacramento Housing & Redevelopment Agency Promise Zone Designation Application

Issue: Sacramento Housing & Redevelopment Agency (SHRA) is seeking a letter of support and implementation partnership for their application for the U.S. Department of Housing and Urban Development's Promise Zone designation.

Recommendation: The Government Relations & Public Affairs Committee recommends that the Board authorize the Chief Executive Officer to provide a letter of support and partnership for SHRA's application for federal Promise Zone designation.

Committee Action/Discussion: In 2013, HUD announced the development of the Promise Zone program nationwide. The eligible areas include urban, rural, and tribal communities where federal departments will partner with local leaders to create jobs, increase economic activity, improve educational opportunities, and reduce violent crime.

Benefits of receiving Promise Zone designation include, but are not limited; to five AmeriCorps VISTA members assigned to build the capacity of the Promise Zone designees, to work with federal agencies, coordinate key stakeholders, and create programs that address the community's needs. A federal liaison will also be assigned in each designated community to assist local leaders in navigating federal programs. The Promise Zone designation will be for a term of ten years and may be extended as necessary to capture the full term of availability of Promise Zone incentives and/or support services.

The designation of the Promise Zone in the SACOG region will help to advance the effort of leveraging federal resources to our region including those of the Sustainable Communities Planning Grant awarded to the region in 2010. Attachment A shows the criteria for a Promise Zone and the proposed zone for Sacramento County and the City of Sacramento. The inclusion of two HUD Choice Neighborhoods within SACOG region furthers the competitive advantage of this application. The grant application is due November 21.

Approved by:

Mike McKeever
Chief Executive Officer

MM:MH:ts
Attachment

Key Staff: Erik Johnson, Acting Manager of Policy and Administration, (916) 340-6247
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Update version - 10/31/2014

Sac City County PZ v 14

Target Area ID: 8898345

Email of User: klflood@shra.org

Name of Lead Applicant: SHRA

Address of Lead Applicant:

Email of Lead Applicant: klflood@shra.org

Name of Target Geography: Sac City County PZ v 14

Estimated number of All Housing Units in Target Area (Census 2010): 51070

Qualifying Criteria:

This tool provides information on some qualifying criteria.

Urban

1. Promise Zones must be one contiguous geography.
2. The overall poverty rate within the Promise Zone must be over 33 percent.
3. Promise Zone boundaries must encompass a population of at least 10,000 but no more than 200,000 residents.

Rural

1. Promise Zones must be one contiguous geography.
2. The overall poverty rate within the Promise Zone must be at or above 20 percent, and the Promise Zone must contain at least one census tract with a poverty rate at or above 30 percent.
3. Promise Zone boundaries must encompass a population of no more than 200,000 residents. The population limit of 200,000 may not include any incorporated municipalities or unincorporated areas with individual populations greater than 50,000.

Tribal

1. Applicants can define boundaries which can encompass: multiple census tracts and nearby tribally-owned areas; or reservations; or consortia of tribal and non-tribal jurisdictions. The defined community does not have to be one continuous geography.
2. The overall poverty rate within the Promise Zone must be at or above 20 percent, and the Promise Zone must contain at least one census tract with a poverty rate at or above 30 percent.
3. Promise Zone boundaries must encompass a population of no more than 200,000 residents. The population limit of 200,000 may not include any incorporated municipalities or unincorporated areas with individual populations greater than 50,000.

Target Neighborhood/Community Poverty Rate (Poverty Rate from ACS 2011 or ELI Rate from CHAS 2010, the greater of both): 34.39%

Highest Tract Poverty Rate in Target Neighborhood/Community (Poverty Rate from ACS 2011 or ELI Rate from CHAS 2010, the greater of both): 64.00%

Population in Target Neighborhood/Community (Census 2010): 127893

Need Selection Criteria:

In addition to the qualifying criteria above which includes the poverty rates, the tool will provide the following data that will help determine the need within the boundaries of the proposed Promise Zone. Note, this tool does not provide information on crime rates.

1. Percent of labor force (age 16 and above) that is employed or in the armed forces. **Target**

Neighborhood/Community Employment Rate (ACS 2011): 81.16%

2. Percent of housing stock that is long-term vacant (*Only applies to the urban applications*). **Target**

Neighborhood/Community Vacancy Rate (ACS 2011 or USPS 2013, the greater of both): 7.92%

Vacancy rate in Surrounding County/Parish: 3.00%

Project Map Snapshot for 8898345-1



NOTES ON AGGREGATION:

The Promise Zone mapping tool overlays the locally defined neighborhood/community boundaries with data associated with that area and estimates the rates of certain indicators in that area using a proportional allocation methodology. For metropolitan areas, the tool uses Census block group (as defined for Census 2010) as the smallest statistical boundary for the available data. For non-metropolitan areas, the tool uses census tract data to account for less precision in low-population areas. If the locally defined neighborhood/community is partially within two different Census areas, the data for each factor or threshold criteria are calculated based on the portion of the 2010 housing units located in each Census area for the vacancy variables and 2010 population for the population, poverty, and employment variables. The 2010 housing unit and population count data are available to HUD at the block level and thus can be used as the underlying data to apportion each block group and tract's appropriate share of importance.

For example, based on a user defined geography, 80 percent of the housing units in the locally defined neighborhood/community are in a block group with a poverty rate of 40 percent and 20 percent of the units are in a Block group with a poverty rate of 10 percent. The "neighborhood poverty rate" would be calculated as: $(80\% \times 40\%) + (20\% \times 10\%) = 34\%$.

DATA SOURCES:

The data are from a variety of sources:

1. **ACS 2011** refers to the US Census American Community Survey 2007-2011 five-year estimates. These are the most recent nationally available data for small geographies at the same Census 2010 boundaries as the other data provided, using a statistical technique that combines five years of data to create reliable estimates for small areas.
2. **CHAS 2010** refers to the Comprehensive Housing Affordability Strategy (CHAS) special tabulations HUD receives of Census ACS data. The CHAS data used for this tool are based on ACS 2006-2010 five-year estimates see <http://www.huduser.org/portal/datasets/cp.html> for more information.
3. **Census 2010** refers to block-level 2010 decennial counts of housing and population.
4. **USPS 2013** refers to the United States Postal Service long-term vacancy data as of June 30, 2013.

ADDITIONAL NOTES ON SPECIFIC VARIABLES:

Concentration of People in Poverty is calculated with data at the block group level from ACS 2011 for metropolitan areas and the tract level for non-metropolitan areas. This indicator represents the percent of people within the target geography who are below the poverty line. The estimated concentration of Extremely Low Income (ELI) households represents an approximation of the percent of households within the specified area whose household combined income is below 30% of the HUD defined Area Median Income (AMI). This ELI indicator is calculated with data from the block group level from CHAS 2010. The final number included in this report for "poverty rate" is the greater of these two indicators.

Employment Rate is calculated with data at the block group level from ACS 2011 for metropolitan areas and the tract level for non-metropolitan areas. This indicator represents the percent of the labor force (age 16 and above) that is employed or in the armed forces. Neither the numerator nor the denominator includes people outside of the labor force.

Long-term vacancy rates are calculated with data at the block group level with ACS 2011 and the USPS 2013, which ever source produces the greatest percentage.

For the USPS data, HUD calculates the percent of residential addresses (excluding "no-stat" addresses) that are vacant. In the USPS data, a "vacant" address is one that has not had mail picked up for 90 days or longer. The USPS Vacant addresses can also include vacation or migrant labor addresses so HUD uses ACS data to reduce vacancy counts in these cases.

Using the ACS data, HUD calculates the vacancy rate as the percent of housing units that are "other" vacant. These are units not for sale, for rent or vacant for seasonal or migrant housing. This is considered another proxy for long-term vacant housing.

In theory the USPS data should be a stronger measure of distress than the ACS data because they are for 100 percent of the units (ACS is a sample), are more current (ACS aggregates data over a 5 year period), and are intended specifically to capture addresses 90 or more days vacant. However, USPS data are particularly poor at capturing vacancy in rural areas. As such, we use the ACS as a check on the USPS data so that every location gets a vacancy rate based on the greater of their USPS vacancy rate or their ACS 2007-2011 rate. For more information on HUD's USPS dataset, see:

<http://www.huduser.org/portal/datasets/usps.html>.