

City of Sacramento

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Title:
ScaleUp Sacramento: An Inclusive Economic Development Action Agenda

File ID: 2020-01565

Location: Citywide

Recommendation:

Pass a Motion adopting ScaleUp Sacramento, an Inclusive Economic Development Action Agenda.

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Attachments:

- 1-Description/Analysis
- 2-City Manager and Investment Committee Cover Letter
- 3-ScaleUp Sacramento Summary Document
- 4-ScaleUp Sacramento

Description/Analysis

Issue Detail: The City Council has made clear, through multiple actions, its commitment to prioritize

and implement strategies, programs, and projects that promote inclusive economic and community development throughout our City. To achieve this, the City must focus its support and investments to strengthen our people, business, and place capacities.

Following the work of the City's Project Prosper initiative and the regional partners work with the Brookings Institution, the City embarked on the development of a ScaleUp Sacramento, an Inclusive Economic Development Action Agenda ("ScaleUp Sacramento", Attachment 4) with a consulting team led by RW Ventures. The document endeavors to establish an overall vision and economic development framework, by translating regional market analysis to inclusive economic growth strategies and initiatives. Each market analysis, opportunity, and strategy is informed by and intended to accomplish the goal of inclusion. That means every person participates in, drives, and prospers from Sacramento's economic growth.

While the consultant team conducted research, interviews, and analysis to develop ScaleUp Sacramento, the City continued its inclusive economic development efforts by appointing an Inclusive Economic and Community Development Investment Committee to advise staff on inclusive economic development programs, projects and initiatives; adopted Inclusive Economic Development Investment Funding Guidelines; and opened the Inclusive Economic Development application portal with hopes of making investments into community-led inclusive economic development projects and programs.

ScaleUp Sacramento was substantially complete at the time the COVID-19 pandemic hit. However, the completion and adoption of ScaleUp Sacramento was temporarily put on pause while the City focused on responding to the pandemic. Despite this pause, the City's inclusive economic development work continued with the investment of the CARES Act Coronavirus Relief Funds. While COVID response is still very much underway, it is critical to simultaneously focus on the City's long-term inclusive economic growth.

With that in mind, staff recommends the adoption of ScaleUp Sacramento. A summary of the document is also included as Attachment 3. ScaleUp Sacramento analyzes Sacramento's market and highlights opportunities for inclusive economic growth. It is being brought forward under the premise that it is an economic framework that guides the City's prioritization of economic and community investments, a living document meant to be regularly updated. Advancing this document is not the end of the processes but rather the next step towards achieving an inclusive economy.

ScaleUp Sacramento examines Sacramento's economy and recommends strategies and initiatives to inclusively grow Sacramento's economy. In order to advance the implementation of ScaleUp Sacramento, the City Manager, in partnership with the Inclusive Economic and Community Development Investment Committee, intend to take the following next steps, which are also included in a cover letter to ScaleUp Sacramento (Attachment 2):

- 1) Analyze and Prioritize the Initiatives through an Equity Lens.** ScaleUp Sacramento offers nine proposed economic growth strategies. These should be further analyzed through an

equity lens to determine which initiatives will have the most impact. Consistent with the Citywide Racial Equity Initiative, this work should be done in coordination with the community and informed by an equity expert.

- 2) **Engage the Community.** Pairing market analysis with community and stakeholder input will be critical to successfully growing an inclusive economy. It is essential to engage the community to understand their concerns with the next economy, what economic growth and success looks like to them, and what barriers they have experienced with participating in economic opportunities. Given the complex set of opportunities presented, the city, partners and consultants must also use creative platforms to inform, engage, and empower the community. Similar to what was done with the CARES funding, using technology, print, radio, ambassadors, and other such platforms will be important.
- 3) **Coordinate with Other City Initiatives.** The implementation of ScaleUp Sacramento needs to fit seamlessly with other current initiatives, namely the work of the Citywide Racial Equity Initiative and the green economy portion of the Climate Implementation Work Plan.
- 4) **Set Measurable Goals.** To evaluate, track, and demonstrate the success of the City's inclusive economic development efforts, we must set clear, specific goals and identify what exactly will be measured so we know whether there has been progress on reaching those goals. The City should set both immediate actionable goals and longer-term goals that may take several years to realize. Our goals must include specific measures focused on inclusion, equity and narrowing skills gaps all of which are central to the success of ScaleUp Sacramento.
- 5) **Build Upon CARES Investments.** Although the CARES funding had a very specific purpose of addressing the impacts of the COVID-19 pandemic, key learnings from the City's investments in digital equity, workforce and small business technical assistance will inform future inclusive economic development investments.
- 6) **Coordinate with Regional Partners.** The City's economic success is inextricably linked to the economic achievement of the region. For optimal economic success, the City, neighboring jurisdictions, businesses, educational institutions, and local communities must be aligned in our strategic initiatives and inclusive growth goals.
- 7) **Leverage Corporate and Philanthropic Resources.** The City should not view its strategic investments for this agenda in isolation. There are a host of corporate and philanthropic resources with mission-aligned objectives that can serve as partners to help the City accomplish its broad and bold mission. The City could create a mechanism to inform and invite these entities into a collaborative to co-invest capital and/or other resources with the City for areas they historically have deemed hard to reach or unprepared to manage alone. With recent announcements by these entities in equity and inclusion for small businesses and entrepreneurship in communities of color, the City may be able to expand its resources and hence, impact on its inclusive economic development goals.
- 8) **Identify Implementation Roles.** Achieving inclusive economic growth and the success of ScaleUp Sacramento must be a collective effort with shared accountability. Although the City led in the development of the ScaleUp document and will continue to be integral to the implementation, it is also essential to identify roles for the community and other public,

private and civic sector partners.

Policy Considerations: On July 31, 2018, Council unanimously adopted a policy and resolution (Resolution 2018-0312) to take comprehensive, intentional actions to increase and diversify our economic growth in an inclusive and equitable manner. The adoption and implementation of ScaleUp Sacramento furthers those actions. On October 2, 2018, Council participated in a workshop and passed a resolution (Resolution 2018-0392) adopting a framework for inclusive economic and community development in the City of Sacramento.

Economic Impacts: Ensuring economic and community development opportunities exist for all can result in greater economic growth for the residents, businesses, and neighborhoods of Sacramento.

Environmental Considerations: The proposed action is not a project that is subject to CEQA because it is an administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines § 15378(b)(5)). All projects contained in ScaleUp Sacramento will be reviewed under CEQA if they come to fruition.

Sustainability: Sustainability is key to any inclusive growth strategy and green jobs, namely those in Future Mobility and Clean Energy, are highlighted as opportunities in ScaleUp Sacramento.

Commission/Committee Action: None.

Rationale for Recommendation: The work of the Brookings Institution found that while the Sacramento region was relatively prosperous compared to other large metropolitan areas, it has been on a troubling trajectory related to creating an inclusive and equitable economy. A few key findings included: 1) the region has ranked in the bottom third of 100 largest MSAs when measuring growth, prosperity, and inclusion; 2) more than a third of the region's residents struggle to make ends meet and these struggling adults are disproportionately people of color and people with lower levels of education; and 3) employers are demanding workers with higher education and digital skills although Black and Latino workers are underrepresented in medium and high digital skill occupations.

We know now more than ever that Sacramento must prioritize investments that strengthen and stimulate economic growth for all residents. In order to transition to an inclusive, prosperous city in the next economy, the moment is right for Sacramento to implement an Inclusive Economic Growth Strategy Plan that will guide and drive how the City utilizes its unique assets to generate sustained, quality economic growth and to establish its distinct place in the next economy.

Financial Considerations: There are no financial actions included in this report.

Local Business Enterprise (LBE): Not Applicable.