



RAPID ACCELERATION
INNOVATION & LEADERSHIP
IN SACRAMENTO

2018 RAILS Grant Program Guidelines

April 9, 2018

Overview

On June 21, 2016, the Sacramento City Council adopted the Innovation and Growth Fund Policy and Guidelines to create new programs that expand the startup pipeline and engage the innovation ecosystem. In doing so, the council unanimously approved a framework for the Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS) Program.

RAILS offers up to \$1 million in grants annually to support the development of Sacramento's entrepreneurial and innovation ecosystem through "startup enablers" — community-based initiatives and programs that help entrepreneurs take their startup from initial idea to viable company.

During the application period for the City's inaugural 2017 RAILS cohort, we received feedback regarding the ineligibility of startups (in contrast to startup enablers) to receive direct funding through the Program. In the 2018 application cycle, startups focused on advancing key industry verticals through the Sacramento Urban Technology Lab (SUTL) framework will be eligible for funding through the Program.

SUTL embodies the "Triple Helix" model of economic innovation, where government, academia, and industry collaborate to transform Sacramento into a "living laboratory" for entrepreneurs, advanced technology businesses, and academic institutions to test, develop, and scale their ideas, products, and services. By actively supporting technology development and demonstration throughout Sacramento, SUTL will help grow the City's existing base of high-tech workers, business incubators, and early-stage technology businesses, and encourage established technology firms and research partners to test new technologies in a live city environment. Just as important, the SUTL framework aligns the City's innovation and economic development efforts with the imperative to accelerate quality of life improvements for all residents.

Finally, in December 2017, the City Council adopted a Citywide Youth Development Campaign Plan (“Plan”) that is intended to guide the City in the design, operations, and evaluation of its children and youth programs. All City-operated and City-funded programs will be aligned under this unified vision, mission, values, goals, and youth development framework. Moreover, the City will undertake a concerted effort to increase the quality of its children and youth programs in order to have a greater impact on the future success of program participants in school, career, and life.

As such, all RAILS grant applicants should consider, as they prepare their proposal, how their project will advance the overall goals of the City, as well as how the project implements the youth development framework and social justice principles outlined in the Plan. While proposals will not be explicitly scored on these components, the City, nonetheless, is committed to ensuring that children and youth have high-quality youth development experiences in its programs.

Purpose

The City of Sacramento’s RAILS program is designed to catalyze innovation in the startup community and within City Hall. Individuals, startups, companies, and nonprofits are invited to apply for grant funding in areas that include:

- Incubator and accelerator programs that provide mentorship, networking, and education to raise capital, grow their business, and create new jobs
- Programs that accelerate the commercialization of emerging technologies
- Companies making it easier to work with and in Sacramento
- Co-working spaces and nonprofit organizations bringing together the innovation community in Sacramento
- Startups that are focused on improving the quality of life in cities through the SUTL framework
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups
- Science, Technology, Engineering, Arts, and Math (STEAM) education for youth

Application Process

Application Period

Application period begins **Monday, April, 9, 2018, noon PST.**

Application deadline is **Monday, May, 7, 2018, noon PST.**

Submission Requirements

The City will only accept applications submitted through the online application platform. The online application platform may be accessed at <https://innovatesac.org/rails>. All applicants are required to submit the following information:

1. **Application Form:** Applicants must complete all of the questions included in the online application.
2. **Project Budget:** Applicants applying for grant must submit a proposed budget detailing how the awarded funds will be used to accomplish the proposed activity.
3. **References:** Applicants must provide three professional references to individuals who can validate applicant's capabilities and work ethic.

Technical Assistance

City staff will conduct technical assistance workshops to provide applicants with an overview of the application process and answer questions. One in-person workshop will be held at City Hall and two online workshops will be livestreamed on YouTube, with the videos available for later viewing.

Online Workshop #1

Wednesday, April 11, Noon-1pm

City Hall Workshop

Wednesday, April 18, 6-8pm

Online Workshop #2

Wednesday, May 2, 10-11am

For links and registration information, please visit: <https://innovatesac.org/rails>

Questions?

City staff will answer questions for interested applicants using an online platform. To ensure open and equitable access to grant information, all questions and answers must be posted to this platform. To access the question and answer platform, please visit: <https://innovatesac.org/rails>

Focus Areas

The following focus areas represent the types of projects the City intends to encourage through this program:

- **Startup Enabler:** This is a general focus area for programs that increase Sacramento's innovation ecosystem capacity, such as incubators, accelerators, co-working spaces, makerspaces, community organizations, and technology commercialization programs.
- **Mobility:** Sacramento recognizes autonomous, connected, shared, and electric vehicles as the next frontier of transportation. How might we encourage this type of innovation in Sacramento and ensure that equity is embedded in the deployment of these technologies?
- **Clean Technology and Sustainability:** The City of Sacramento has been a leader in our region in moving towards sustainability and livability. How might we support clean and sustainable initiatives that help Sacramento become a city where sustainability is accessible to all?
- **Health IT and Life Sciences:** As the medical field becomes more innovative and global information sharing becomes more accessible, so will means of protecting and sharing patient and medical data. How might we grow and test programs and technologies that improve public health, patient data security and accessibility, and equity of access to all citizens?
- **Food Systems:** Our region has been an agricultural powerhouse for centuries, boasting a year-round growing season, ideal climate, and a mouth-watering bounty of crops. How might we capitalize on our location and support urban agriculture and food tech startups and development?
- **Internet of Things (IoT) and Cybersecurity:** Cybersecurity is an increasingly important field which touches every aspect of technology, especially with the myriad of smart and connected devices being developed. How might we take advantage of this opportunity and develop a trained workforce with the skills to stay ahead in this increasingly important field?
- **Government and Civic Technology:** In the state of California, you will not find a city with a higher concentration of government services – whether city, county, state, or federal – than Sacramento. This presents an opportunity for developments in government and civic technology which look to optimize public sector functions to help improve the quality of life for residents. How might we integrate innovations like blockchain technology to make government operations more efficient and effective?
- **Workforce Development:** How can we ensure equity of access for students throughout the city to quality programming and resources to help them develop the skills they will need to be competitive for jobs in emerging technology fields? How might we re-train a workforce that may be displaced by incoming technologies (e.g. Autonomous Vehicles, increased movement from paper to paperless, automation in factories, utilization of new technologies in industries, etc.)?
- **Social Innovation and Entrepreneurship:** Social entrepreneurs are developing new technologies and business models to tackle the most intractable urban challenges such as homelessness, poverty, and infant mortality. How might we further support an ecosystem of social innovation and entrepreneurship to bring new solutions to scale?

The preceding focus areas are intended to serve as inspiration and guidance. Applicants may be creative in their proposed concepts, but should not substantially deviate from these focus areas.

Grant Categories

Individuals, startups, companies, and nonprofits are invited to apply for grant funding in three areas:

- **Acceleration Grants (\$50k to \$250k):** for accelerator and incubator programs supporting Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs. Programs that accelerate the commercialization of emerging technologies also are eligible to apply.
- **Innovation Grants (\$20k to \$100k):** for civic tech companies and organizations making it easier to work with and in Sacramento; or for local organizations bringing together the innovation community in Sacramento. Startups that are focused on improving the quality of life in cities through the SUTL framework are encouraged to apply under this category.
- **Leadership Grants (\$20k to \$50k):** for educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups. Programs that offer science, technology, engineering, arts, and math (STEAM) training to youth are eligible for funding under this category. These programs should also demonstrate how they integrate the youth development framework and one or more of the social justice principles outlined in the Citywide Youth Development Campaign Plan as an indication of a commitment to providing the highest quality program experience for participants.

The amount requested must be justified in the project budget portion of the application. Additionally, no grant request may exceed \$250,000.

Projects can be new undertakings for the applicant or represent further development of a recent innovative direction. However, as a competitive application process, grantees must have a track record that demonstrates their commitment to advancing in their field and ability to execute.

Cash Grant Match Requirement

There is a required minimum cash grant match of 1:1 for grants of \$100,000 or more. The required match must comprise direct cash investment from the grantee or a third party. Any contribution other than cash, for example, in-kind support does not count toward the cash grant match requirement. Applications for grants under \$100,000 with leveraged funding sources may receive preference.

Eligibility and Restrictions

Eligibility

Applicants must meet the baseline requirements outlined below:

1. Applicants may apply as a natural person (an “Individual”) or as a firm, association, organization, partnership, business trust, corporation, limited liability company, or public educational institution (each, an “Organization”).
2. Public agencies other than public educational institutions are ineligible for funding under this program.
3. Projects must be located in the City of Sacramento.
4. Previous RAILS grant recipients are eligible for funding under this program. We anticipate that approximately 30 percent of the total amount of 2018 grants will be awarded to 2017 RAILS grantees.
5. Applicants must have the capacity to implement the funded activities.
6. Applicants must meet City insurance requirements.

Restrictions

Only one application may be submitted per Individual/Organization. Efforts to circumvent this restriction, such as submitting applications from affiliated entities or entities with overlapping directors, may result in disqualification.

Applications will not be accepted from Individuals or Organizations that are not in compliance with current or past City grants. Funding will be withheld from grantees that become non-compliant during the course of a RAILS grant contract.

What the RAILS Grant Funds

Examples of what expenditures this grant may be used for include:

- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership fees
- Marketing / public relations
- Food and beverage
- Program development and delivery
- Scholarships for program participants
- Furniture
- Subscription fees
- Professional services
- Travel expenses
- General operating expenses

Ineligible Uses

This grant may not be used for:

- Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation
- Registration fees to attend classes, workshops or conferences
- Fundraising activities
- Capital campaigns or endowments
- Consultation or facilitation related to capital projects
- General operating expenses that are not specific to the project
- Costs associated with proposal or grant application preparation
- Costs incurred or obligated outside of the grant period
- Costs for lobbying
- Costs for entertainment
- Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
- Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
- Public works as defined in the California Labor Code

Additional Project Information

All project activities funded through this program must be open and advertised to the general public, and include publicity that recognizes the funding received from the City of Sacramento's RAILS Program.

Expected project outcomes must be stated and assessed in the application. Participant and audience numbers must be tracked and the project must be documented (e.g., video/audio recording, collateral materials such as flyers, postcards, and programs, or use of a social media hashtag, etc.).

Selection Process

Application Evaluation

The City anticipates implementing the following process for reviewing and evaluating proposals:

1. City staff will review grant applications for completeness and eligibility. When necessary, applicants may be asked to revise proposals or supply additional information.
2. The Mayor's Tech Council will review and score all eligible applications using the Innovation & Growth Fund Policy Guidelines and Criteria, and designate the highest-ranking applications as semi-finalists.

3. The Mayor's Tech Council will conduct a more in-depth review of semi-finalist applications using the RAILS Application Scoring Criteria, and designate the top 20 applications as finalists.
4. Finalist applicants will be invited to a Pitch Day event in which they will have five minutes to pitch their project and five minutes to answer questions from the Mayor's Tech Council.
5. The Mayor's Tech Council will nominate the top projects from Pitch Day and recommend preliminary awards and amounts to the City Council.
6. The City Council will vote to amend or adopt the preliminary awards and amounts.
7. The City Council's decisions about awards and amounts are final and not subject to appeal.

The City may modify this process in its sole discretion if, based on the number of applications submitted, the City determines that another process is more appropriate.

Innovation & Growth Fund Policy Guidelines

RAILS grants must advance economic development projects and programs that result in at least one of the following:

1. **Create Jobs:** Projects and programs that create or retain permanent jobs.
2. **Make it Easier to Conduct Business:** Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. **Leverage Funds with other Private or Public Funds:** The Fund will fill financial gaps in projects and programs.
4. **Increase Revenue to the City:** Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. **Accelerate Growth:** Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. **Encourage Diversity:** Projects and programs that encourage diversity and inclusion in the innovation community.

Minimum Criteria

All eligible applications will initially be evaluated based on the following minimum criteria:

- Proven track record
- Clear, actionable plans that achieve RAILS objectives
- Fills an industry gap or local market need
- City funds would be "catalytic" to completing the project
- Value to the Sacramento innovation ecosystem
- Program deliverables and metrics

Semi-finalist and Finalist Application Scoring Criteria

Semi-finalist and finalist applications will be scored as follows:

1. Potential Impact (40 points)
2. Equity & Inclusion (25 points)
3. Investment Leveraged & Financial Sustainability (20 points)
4. Community Partnerships & Collaboration (15 points)

Applications may receive preference points for any or all of the following:

1. Applicant is an employer actively participating in the Thousand Strong program (5 points)
2. Project has a geographic focus in at least one of the following underserved communities (5 points):
 - a. Del Paso Heights
 - b. Oak Park
 - c. Meadowview
 - d. Valley Hi

Applications for programs serving youth will be additionally vetted to determine how the proposed project: (1) promotes equity of access to students throughout the city, and (2) integrates the youth development framework and one or more of the social justice principles in the Citywide Youth Development Campaign Plan ensuring a high-quality experience for participants.

Conflicts of Interest

Application reviewers will comprise both City staff and the Mayor's Tech Council. No reviewer may be financially interested in a grant.

Statement of Inclusion

Background

In January 2017, a Cultural Equity Task Force, established to ensure that the policies and procedures of the Sacramento Metropolitan Arts Commission (SMAC) lead to grant awards that reflect the rich diversity (demographic, disciplinary, and cultural) of the population of Sacramento, convened for the first time. Sixteen members of the public were appointed to serve on the Task Force. After six months, their work concluded with the adoption of the Arts Commission's new Cultural Equity Statement.

The following Statement of Inclusion is based on SMAC's Cultural Equity Statement.

Statement

City of Sacramento innovation and economic development officials ("we") believe that all people in our City have the right to celebrate and engage in meaningful and relevant innovation ecosystem experiences. Each member of the community should engage in innovation ecosystem experiences that reflect and nourish their identity and self-esteem. We are

committed to ensuring racial and cultural equity in our outreach, funding, leadership, resource allocation, partnerships, and programs. We believe that equity moves past inclusion and representation; accepting that power has created uneven starting points for some communities and individuals.

We define **Equity** as the inclusion and fair representation of multiple diverse populations in outreach and in the allocation of funding, resources, and programs, providing equitable and fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some communities.

Our definition of **Diversity** includes all the ways in which people differ, including but not limited to, race, ethnicity, gender, socioeconomic status, age, gender identity, sexual orientation, disability, geography, citizenship status, religion, language, physical appearance, and those affiliating with multiple identities. Our definition also includes diversity of thought: ideas, perspectives, and values.

We define **Access** as giving all individuals and organizations in the City of Sacramento fair and just pathways to appreciate and be exposed to the innovation ecosystem as well as attain information, financial resources and opportunities to achieve economic mobility.

We define **Communities** as neighborhoods, social and cultural enclaves, diverse groups, and groups with distinct demographic characteristics residing within the City of Sacramento.

We commit to ensuring inclusionary policies and practices. To implement the principles of the Statement of Inclusion, we will engage in:

Outreach and Engagement. We will continually practice substantive outreach to multiple diverse communities to support involvement and engagement in City of Sacramento opportunities, programs, resources, and partnerships and provide accessibility and inclusivity in all aspects of leadership, partnerships, and programs. We will advocate for equitable resources to support and serve multiple diverse populations specifically.

Equity and Access. We acknowledge that inequity is pervasive and historic. Simple diverse representation does not dismantle the unequal nature of voice, resource allocation, and visibility that exist in the innovation ecosystem. Disparities and discrimination are daily occurrences that are entrenched in long standing majority privilege and power inside and outside of the innovation ecosystem; tackling issues surrounding these occurrences requires an understanding of the root causes of disparities within our society. We commit to systemic change that will remove barriers, thus improving access, empowerment and representation in the development and distribution of innovation economy policy and resources to diverse communities and individuals. We acknowledge that there are different methods of communication and embrace a variety of communication styles that will allow for equitable access.

Accountability. We will hold ourselves accountable by acknowledging that equity does not currently exist in the innovation ecosystem. We will provide transparent and inclusive processes in the selection and allocation of all innovation ecosystem funding, resources, and the development of policies and practices. We commit to ongoing evaluation and review of the effectiveness of inclusionary practices and procedures.

Citywide Youth Development Campaign Plan

Vision

All Sacramento children and youth are valued and reach their fullest potential.

Mission

The City of Sacramento leads collaboratively to provide systemic and sustainable investments and opportunities, harnessing collective assets to champion intentional and equitable pathways for young people to succeed.

Values

- **Youth Voice:** We honor the youth's statement, "Nothing about us without us."
- **Elimination of Systemic Barriers:** We believe it is our responsibility to actively seek ways to break systemic barriers so that youth have access and ability to fully utilize resources and supports.
- **Cultural Humility:** We commit to acknowledging our individual and institutional biases, accepting that there are gaps in our knowledge, and being open to new ideas.
- **Mutual Respect:** We build relationships through developing a culture of mutual respect and inclusivity.
- **Integrity:** We believe in conducting our work in an honest, moral, ethical, and accountable manner.
- **Innovation:** The *status quo* is unacceptable if it is not improving the lives of Sacramento children and youth, and thus, we call for thinking outside of the box to better support Sacramento's youngest residents.
- **Courage:** We believe that having the audacity to take risks, stand up for what is right, and address the most challenging situations is unquestionable.

Goals

Through its own programs and strategic partnerships, the City of Sacramento will strive to achieve the following goals.

- Contribute to the healthy development of children ages 0-5 so that they are prepared for school;
- Provide resources, support, and connection to effective programs and services that lead to success in education;
- Build 21st century skills including leadership, workforce development, life, resiliency, and social-emotional skills;

- Provide opportunities for young people to become active and engaged community members;
- Create a safe environment, both physically and emotionally, in all settings, honoring culture and community;
- Promote equity, justice, and accountability with a concerted application of resources toward those youth in greatest need;
- Empower families to engage in their children's healthy development; and
- Implement the youth development framework in all program design, operations, and evaluation.

Proposed Framework for Children and Youth Programs

When designing, implementing, and evaluating its children and youth programs, the City of Sacramento will strive to offer all young people, regardless of background, the highest-quality youth development experiences. To ensure these experiences result in positive outcomes, the City and its partners will provide youth with research-based supports and opportunities that integrate a set of social justice principles, aligning with the City's core values, into staff, program delivery, and organizational/institutional practices.

Social Justice Principles

- Analyze Power in Social Relationships
- Promote Systemic Social Change
- Make Identity Central
- Encourage Collective Action
- Embrace Youth Culture

Supports and Opportunities

Safety

- Emotional
- Physical
- Cultural

Relationship Building

- With adults
- With peers

Skill-Building

- Challenging
- Interesting
- Leading to growth and mastery

Youth Participation

- Input and decision-making
- Opportunities for leadership
- Sense of belonging

Community Involvement

- Ability to impact community

Disclosures

Public Record

Because the City is a government agency, applications and application materials are public records. All information received from a grantee, whether received in connection with a grant application or in connection with any grant funded activities performed, will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act, unless the City in its sole discretion determines that an exemption from disclosure applies and decides to assert the exemption.

Terms

By submitting an application, each applicant is:

1. Consenting to the City's publication of any and all information contained.
2. Granting the City a non-exclusive perpetual license to use applications and application materials as demonstration examples in future workshops and for training purposes with confidential information removed.
3. Representing that no part of the application or application materials infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights.

If Funded

Staff notifies all applicants of their application status within approximately two weeks following the Pitch Day. Grant awards will be made in the form of a contract executed between the applicant and the City. The grant period will be outlined in the contract between the applicant and the City, and is anticipated to be nine months. The contracting process can take between one and four months. Applicants are informed of deadlines throughout the process.

A typical grant disbursement can be an initial maximum of 50 percent of the funds, with the remaining grant funds disbursed after desired performance is met. Grantees will need to show how the grant money was spent before the rest of the funds are disbursed. There is no match requirement for grants under \$100,000. No payments will be made until the contract has been

fully executed. Payments typically take 60 days to process after receipt of an acceptable invoice.