



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



November 20, 1990

Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Loan to Cities in Schools, Inc. in Order to Establish a
Meadowview Clinic

APPROVED
BY THE CITY COUNCIL

NOV 20 1990

OFFICE OF THE
CITY CLERK

SUMMARY

This report recommends a six month loan of \$50,000 to Cities in Schools, Inc. a non profit organization serving at risk students in the Sacramento area. The loan funds will be used to cover the cost of converting a classroom at the Freeport Elementary School into a clinic to meet the basic medical needs of low income students and their families.

BACKGROUND

Cities In Schools, Inc. is a non profit corporation dedicated to coordinating human service delivery to at risk children and families in the Sacramento area. The organization's goal is to support these children to grow up to become successful wage earners and citizens. The program, initiated in 1989 at the Grant Union Adult Education Center, provides family support and protective services, parenting classes, chemical dependency counseling, self esteem groups, mentoring services, acculturation classes, translation services, job readiness training, delinquency prevention programs, and child health exams and inoculations. The organization, which has programs nation-wide, has been effective in coordinating the efforts of private business, school systems, and already established human service delivery programs. An overview of the program is attached as Exhibit A.

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Cities in Schools' existing medical clinic located at the Grant Skill Center has proven to be an essential component of their program, meeting a great need for targeted medical attention. The organization has found that in some areas of the County, 60-75% of starting first graders have not had the recommended physical examinations and required inoculations for entering school. Many have never seen a doctor and suffer from serious health, hearing, and eyesight problems which affect their ability to learn. In recognition of this great need, Cities in Schools, working in conjunction with Health For All, a partner organization, has located a mobile health clinic in Meadowview several days a week. However, because this level of service is not adequate to meet the great need in Meadowview and South Sacramento, Cities in Schools proposes to convert a vacant classroom at the Freeport Elementary School located in the Meadowview community to serve as a permanent medical facility.

The Meadowview Clinic will consist of three exam rooms, a waiting room with clerical space, handicapped accessible restrooms, and a small lab. The Sacramento Unified School District has committed a classroom plus a grant of \$15,000 toward this effort. The architectural firm of Fong, Eatough and Borges has donated their services to design the clinic. Estimates from a general contractor volunteering to provide the work at cost indicate that additional funds in the amount of \$50,000 are necessary to complete the conversion of this classroom to a clinic.

Cities in Schools has submitted a grant application to the Sierra Foundation for the funds necessary to complete the clinic improvements. While they have not yet received funding confirmation, they are extremely hopeful that their request will be granted. The Sierra Foundation previously awarded Cities in Schools a grant of \$80,000 for clinic improvement at the Grant Skill Center Site. In addition Cities in Schools is planning a major fundraising event in May 1991 which is estimated to raise over \$1 million. In the event that the Sierra Foundation application is unsuccessful, Cities in Schools has pledged a share of these fundraising proceeds towards the cost of clinic improvements.

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Staff proposes providing a six month loan of \$50,000 at 0% to Cities In Schools for the cost of clinic improvements at the Freeport Elementary School. The proposed promissory note is attached as Exhibit B. A loan is recommended because the need for medical services is so high that it would be a hardship on many families if this project is put off six to nine months until funds can be raised.

FINANCIAL DATA

Funds are available for six months from the Agency's Self Insurance fund. In order to protect the interest of the Agency the promissory note will commit the proceeds of future fundraising efforts by Cities In Schools for repayment. In the event that Cities in Schools does not perform within the term of the note, it may be necessary to reimburse the Self Insurance Fund from another source. A potential source of funding to extend the term of the loan is CDBG, however, this would require reprogramming of funds and public notification as the amount exceeds the existing CDBG contingency balance.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review per CEQA Guidelines Section 15378(b)(3); NEPA does not apply.

MBE\WBE

The action proposed in this report has no MBE/WBE impact.

POLICY IMPLICATIONS

The short term loan proposed is consistent with existing policy.

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RECOMMENDATION

Staff recommends that the City Council authorize and direct the Sacramento Housing and Redevelopment Agency and the Executive Director to lend \$50,000 to Cities in Schools, Inc. for the purposes of converting a classroom at Freeport Elementary School to a medical clinic.

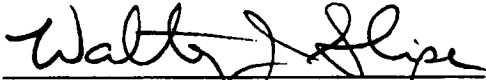
Respectfully submitted,



ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL

District 8
Nov. 20, 1990



WALTER J. SLIPE
City Manager

Contact Person: Anne Moore

F:JR\STAFFRPT\CITSCHOOLS.MEAD

RESOLUTION NO. 90-957

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
NOV 20 1990
OFFICE OF THE
CITY CLERK

LOAN FOR MEADOWVIEW MEDICAL CLINIC

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

Section 1: The Sacramento Housing and Redevelopment Agency and the Executive Director are authorized and directed to execute all necessary agreements and take all necessary action, to loan Cities In Schools, Inc. an amount not to exceed \$50,000 at 0% interest for a term not to exceed six months, for the purpose of converting a classroom at the Freeport Elementary School into a medical clinic serving low income elementary school students of the Sacramento City Unified School District, and their families.

MAYOR

ATTEST:

CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



INTEGRATED HUMAN SERVICES DELIVERED THROUGH THE SCHOOLS

SACRAMENTO CHAPTER, 577 Las Palmas Avenue, Sacramento, CA 95815 (916) 921-3868

WHAT IS CITIES IN SCHOOLS?

Cities in Schools (CIS) is a nonprofit organization devoted to dropout prevention. Cities in Schools creates public and private partnerships to bring existing human resources and services into the schools, where they can most benefit at-risk youth.

Cities in Schools is a process, a delivery system which connects private businesses, school systems and already established human services from local agencies with families and students who are at-risk. With formed partnerships, needed services such as tutoring, counseling, employment, health services, and more are delivered at the educational sites.

WHY IS CITIES IN SCHOOLS NEEDED IN SACRAMENTO COUNTY?

At any point in time 27 percent of the children in Sacramento County are being raised on AFDC (welfare). This is much higher than the state rate of 16 percent. Of all the large urban counties in the state, Sacramento County has the highest poverty rate. In some schools, the AFDC rate is over 70 percent. A local study has shown that, in general, poverty is associated with lower school performance.

MANY CHILDREN IN SACRAMENTO COUNTY ARE ABUSED OR NEGLECTED.

Since 1982, calls to Children's Protective Services (CPS) Emergency Response have increased by 195 percent. In 1988, Sacramento County had 3.3 percent of all California children, but it had 4.2 percent of the state's referrals to CPS. The foster care caseloads have increased by 87 percent. There are now five thousand Sacramento children in foster care. These children have had very stressful lives and have suffered not only from abuse but from family breakup. The effects of these problems often cause school performance to suffer.

MANY SCHOOLS IN SACRAMENTO COUNTY HAVE HIGH DROPOUT RATES COMPARED TO STATEWIDE DROPOUT RATES.

For 1988, the overall dropout rate for Sacramento County schools was 26.3 percent compared to 22 percent statewide, with one Sacramento school district at 38 percent, and with many individual schools at 50 percent.

MANY SACRAMENTO SCHOOLS HAVE VERY TROUBLED YOUTH TO CONTEND WITH.

While Sacramento is eight among the 58 counties in student enrollment, it is second in assaults and attacks in school, third in assaults with a deadly weapon and in sex offenses, and seventh in incidents of substance abuse reported at school sites.

MANY SACRAMENTO COUNTY SCHOOLS HAVE LOW TEST SCORES COMPARED TO STATEWIDE AVERAGES

Of the 250 plus schools in Sacramento County, 140 or 56 percent had CAP reading scores below the state average. In fact, 64 schools scored in the bottom 25 percent or lower of all statewide schools.

HEALTH PROBLEMS AFFECTING SCHOOL PERFORMANCE

Twelve percent of the babies born in Sacramento County between 1980 and 1987 were low birth weight babies, a condition often associated with a lack of prenatal care that can often lead to learning disabilities.

Over 50 infants are reported to CPS each month who have been born addicted to drugs or alcohol. This compares to a rate of only 50 per year in 1986, and represents a 10 fold increase. These children, if they survive, will have learning disabilities and behavioral problems in school.

In some areas of the county, 60-75 percent of the starting first graders have not had the recommended physical examinations and required inoculations for entering school. Many have never seen a doctor, and suffer from serious health, hearing, and eyesight problems that will affect their ability to learn.

CAN THE SCHOOLS DO IT ALONE?

With all these problems, no one can expect the schools to solve the children's problems alone. We must all join together to help these children so they can have a chance to succeed in school and then as productive members of the labor force.

* Source on file at Cities in Schools in Sacramento Incorporated.

SACRAMENTO CHAPTER, 577 Las Palmas Avenue, Sacramento, CA 95815 (916) 921-3868

CITIES IN SCHOOLS - A BETTER WAY TO PREPARE CHILDREN FOR THE FUTURE

Cities in Schools in Sacramento, Inc., (CIS), is a nonprofit corporation dedicated to coordinating and more effectively delivering human services to children in the Sacramento area. Our goal is to help more children succeed in school so they can become successful citizens and wage earners. The approach we use to help the children and their families is to bring together the resources of public and private human service agencies, in collaboration with the private business community and the education system, to provide services to the at-risk students and families. The uniqueness of CIS approach is to bring the services to those in need at the school site, rather than making them come to the services that are often located on the other side of town.

Our first target group of students includes elementary students of the North Sacramento and Del Paso Heights Elementary School Districts, and students in the Grant Joint Union High School District. In our target schools, only 40 percent of enrolling kindergartners have received mandatory physical exams for entrance into the school system. More than 70 percent of all the school children in the area are on AFDC. The dropout rate is nearly 50 percent. These problems reduce the capacity of a family to fulfill its basic functions of protection, nurturance, and socialization for its children, and prevent the schools from producing educated, employable citizens.

Our program began in the fall of 1989. We are physically located at the Grant Union Adult Education Skill Center. Services provided by the various agencies include:

- * Sacramento County Health Department will provide oversight management to an on-site health clinic, thanks to a grant from the Sierra Foundation. Health examinations and treatment will be provided by a private pediatrician with public health nurses arranging for additional follow-up health care services.
- * Sacramento County Department of Social Services supervises four graduate students who provide family support, protection services, self-esteem workshops to identified children and their families, and parenting classes for the parents. The DSS supervisor serves as the interim executive director.
- * Sacramento County Alcohol and Drug Abuse Program provides counseling, training, and education to students and staff.
- * California State University at Sacramento, Social Work Division, provides four graduate students to do casework in early intervention and family support.
- * Sacramento County Probation Department provides on-site probation services to probationers who are attending the school.
- * United Way, through staff support and affiliated agencies, provides support services available by referral from the CIS site. Additionally, CIS will be providing translation and community out-reach services to refugee families as a result of a United Way Add Venture Grant.
- * Sobriety Brings A Change provides consultation and accepts referrals of students with substance abuse problems.
- * Grant Joint Union High School District, through its Division of Adult, Vocational, and Community Education, provides parenting classes, acculturation classes for refugees, and classes to train volunteers to be mentors and tutors for at-risk students.
- * Chemical Dependency Center accepts referrals from CIS and provides direct intervention to parents who are substance abusers.
- * Centro Guadalupe provides on-site translation, referral for counseling, and outreach services for the Hispanic and Spanish speaking community in the area.
- * Stanford Settlement, Inc. accepts referrals from CIS and provides a variety of appropriate services to the students and their families.
- * Burger King Academy, CIS Sacramento, has been awarded a three year grant from the U.S. Justice Department in conjunction with the Burger King Corporation to provide family support services to at-risk high school students to enable them to complete their education and become successfully employed.

We believe that by working together we can make a difference in the lives of these children, their families, and the Sacramento community. We welcome support from businesses and citizens who are interested in providing any kind of assistance to this effort. Anyone with questions regarding our organization can contact Cynthia Marshall, at (916) 921-3868.

NEED FOR SOCIAL AND HEALTH SERVICES

Are social and health services needed for families and children served by the Grant, Del Paso Heights, and North Sacramento School Districts?

The following facts show that, social and health services are needed if children are going to have a chance to succeed in school, so they can become successful wage earners and citizens.

1. Based on a relative need index developed by the Sacramento County Department of Social Services, eight out of the neediest 25 schools in the entire county are in these three school districts. The need index is based on school test scores, AFDC rates, and numbers of students with limited English skills. Five of the ten most needy schools are from these three districts.
2. Most of the families served by these three school districts are low income. Most schools in the Cities in Schools target area have 75 percent of their students receiving AFDC with some schools as high as 90 percent. This compares to the overall county rate of children on AFDC of 26 percent.
3. The attrition rate for Grant Joint Union High School children at 46.3 percent is the highest in the county.
4. Over 60 percent of the students served by the three districts are from minority backgrounds. Some schools have up to 60 percent Southeast Asian refugees. There are over 25 different languages spoken in the homes of the area students.
5. The number of Children's Protective Services cases in zip codes 95815 (North Sacramento) and 95838 (Del Paso Heights) are higher than in any other zip codes in the county.
6. The numbers of children on probation far exceeds the countywide average. As a comparison, there are 74 minors on probation at Grant Joint Union High School and 43 at its three feeder junior high schools. This contrasts with six probationers at Rio American High School in the San Juan District, and nine at its five feeder junior high schools.
7. As an expression of health needs of the community, the area with only 40 percent of starting kindergartners in these districts have had the mandated inoculations for entering school, and has been identified by the California State Health Department as having one of the lowest rates statewide. Based on 300 health care exams provided by CIS in September 1989, at the North Sacramento and Del Paso School Districts over 80 percent of the young children, many of whom had never seen a doctor, had serious health problems.

Based on the above facts, as well as on the invitation by the Grant School District, that Cities in Schools agreed to develop its current site at the Grant Adult Skills Center.

Cities in Schools is committed to helping children succeed in school and to strengthening family life so that families in trouble can begin taking on more and more responsibility for the successful raising of their children.

WHY CITIES IN SCHOOLS?

1. WHY THE SCHOOLS NEED HUMAN SERVICES

- a. Children have life problems that interfere with their learning capabilities. These often involve dysfunctional parents.
- b. Teachers are class-bound. They have difficulty focusing on the family and on making home visits as human service agencies do.
- c. Teachers are not trained to deal with at-risk families. In fact, teachers are not required to have any courses in child or family functioning or dynamics.
- d. Some school districts have very high levels of poverty, high refugee populations, very high dropout rates, and low tax bases to support quality services to their children. Often these "poor districts" will have to try to provide schooling to transient or homeless children.

2. THEORY BEHIND DEPLOYING SERVICES IN SCHOOLS

- a. All children go to school. This provides an opportunity to identify children with problems early on so that services can be provided as early intervention rather than after a crisis occurs.
- b. The family is the basic unit of social structure. The child can be helped by strengthening the family.
- c. Any services that help children become better educated are good for the child, the family, and the community.

3. SHOULD THE SERVICES BE LOCATED ON OR OFF THE SCHOOL CAMPUS?

- a. One school of thought believes that at-risk children can best be helped by creating alternative schools, off campus. These "academies" flourish back East.
- b. Another approach is to provide services at a site on campus and to provide additional classroom attention to the at-risk child until he or she can return to the regular curriculum (mainstreaming). In fact, Cities in Schools employs primarily the off-campus academy.

4. WHAT SERVICES ARE BEING PROVIDED?

- a. The services include family support and protective services, parenting classes, child health exams and inoculations, chemical dependency counseling, and delinquency prevention.
- b. Planned are self-esteem groups, mentoring services, acculturation classes, multilingual translation services, and services to strengthen job readiness skills for both the children and parents.

5. WHAT APPEARS TO BE WORKING SO FAR?

- a. An attitude by the program that families have dignity and that we will strive to strengthen them.
- b. The site provides easy access for the community to receive needed services. The services are voluntary.
- c. A strong commitment by the participating members of CIS that this is a worthwhile endeavor and that we will do whatever it take to make it a success.
- d. A strong belief that the school ground is the proper place to wage this new war against poverty and illiteracy. We want every child to have the best chance to succeed in life as is possible.
- e. A strong belief that business has a key role to play in this effort. We need their ideas, money, and expertise to help prepare the children for tomorrow's jobs.

7. THE KEY APPEARS TO BE THE GOVERNING OF THE SERVICE SYSTEM

a. Benefits of this Approach

1. The governing members have more ownership in the system.
2. Policy can be developed that cut across the bureaucracies.
3. With this horizontal system, decisions can be made quickly to shift programs or to create new ones that meet client needs.
4. There is a greater chance that the system will be client centered.
5. Novel ideas can be tried out involving many different agencies working together again without involving undue bureaucratic hassles.

b. Problems with this approach

1. Agencies can sandbag and not really participate.
2. The large agencies may have trouble letting loose authority to let the outstationed system work.
3. Unless supported by the neighborhood and the politicians, this approach can easily fall prey to the budget cutters knife.
4. Logistics need to be worked out. Legalities can be mind boggling, with only the lawyers enjoying the process.

PROMISSORY NOTE

\$50,000.00

Sacramento, California

November 21, 1990

FOR VALUE RECEIVED, CITIES IN SCHOOLS, INC., a nonprofit corporation, ("Maker"), promises to pay to the order of the SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY, a joint powers agency ("Agency"), the principal amount of FIFTY THOUSAND DOLLARS (\$50,000.00).

The entire balance of \$50,000.00 is due and payable on or before May 21, 1991. As security for repayment, Maker hereby irrevocably assigns to Agency, and Agency is entitled to attach, lien, or obtain and receive by any other legal means, any and all sums received from or pledged to Maker, until such time as Maker has repaid the entire balance to Agency.

TERMS AND CONDITIONS

This Note shall be subject to the following terms and conditions:

1. Use of Funds. Any and all funds advanced to Maker under this Note shall be used solely for the purpose of conversion of a classroom at the Freeport Elementary School into a medical clinic, in accordance with the cost estimates and floor plan attached as Exhibits A and B hereto.
2. No Interest. No portion of the principal amount of the Note is subject to interest.
3. Nature of Relationship. At all times, the relationship of Agency and Maker shall be that of Creditor and Debtor, and no other. The Agency shall not be liable for any debts incurred by Maker in the conduct of Maker's business.
4. Payments. All payments hereunder shall be made in lawful money of the United States of America at the office of the Agency, located at 630 I Street, Sacramento, California 95814.
5. Default. If Maker fails to make any payment hereunder when due, or in performing any of the terms, agreements, conditions or covenants contained in this Note, Maker shall be in default of this Note.

5.1 If Maker is in default under this Note, the Agency may exercise any right or remedy which it has under this Note or any other agreement with the Maker relating to this Note, or under any agreement guaranteeing this Note or the completion of construction of the Project, or otherwise available at law or in equity or by statute, and all of the Agency's rights and remedies will be cumulative. Upon any default, the Agency will have the right in its discretion to take any and all actions necessary in its judgment to complete construction of the Project thereon, including but not limited to making changes in plans, specifications, work or materials and entering into, modifying or terminating any contractual arrangement, subject to the Agency's right at any time to discontinue any work without liability. If the Agency elects to complete the Project it will not assume any liability to the Maker or any other person for completing the Project or for the manner or quality of construction of the Project, and Maker expressly waives any such liability. The Maker irrevocably appoints the Agency as its attorney-in-fact, with full power of substitution, to complete the Project in the Maker's name, or the Agency may elect to complete construction in its own name. In any event, all sums expended by the Agency in completing construction will be considered to have been disbursed to the Maker and will be secured in the same manner as the principal amount of this Note, and will be considered to be an additional loan to the Maker. The Maker assigns to the Agency all of its interest in and to the plans and specifications prepared for the Retail Project, all studies, data and drawings with respect thereto prepared by or for Maker, and any contracts and agreements relating to the plans and specifications or studies, data and drawings, or the construction of the Project, but the Agency will not have any obligation under those contracts or agreements unless it expressly hereafter agrees in writing to assume such obligations. The Agency will have the right to exercise any rights of the Maker under those contracts and agreements or with respect to such plans, specifications, studies, data and drawings upon any default by the Maker under this Note, and shall have such other rights and remedies with respect thereto as are afforded a secured creditor under California law.

5.2 Maker shall pay to Agency all costs of enforcement of all or any portion of this Note, including attorneys' fees and court costs, incurred by Agency.

6. Due on Sale or Transfer. If the Maker sells, transfers or alienates by operation of law or otherwise its interest in the Project, without the prior written consent of the Agency, or if the Project is sold, transferred, conveyed or alienated, by operation of law or otherwise, then the entire unpaid principal shall become immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to subsequent or successive transactions.

IN WITNESS WHEREOF, this Note is made on the date and at the location first above written.

AGENCY:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

By: _____
ROBERT E. SMITH
Executive Director

APPROVED AS TO FORM:

Agency Counsel

APPROVED:

Organization

APPROVED:

Finance

MAKER:

CITIES IN SCHOOLS, INC.

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Secretary

Account Code: _____
Organization: _____
Cost Center: _____