

**Conceptual Framework for the
WEST OAKLAND COMMUNITY FUND**

**FINAL REPORT
JUNE 2004**

**PREPARED FOR
Oakland Base Reuse Authority (OBRA)
Oakland Redevelopment Agency**

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WEST OAKLAND COMMUNITY FUND

Executive Summary

Background

In June 1995, the Oakland Army Base (OARB)¹ was recommended for closure by the Federal Base Realignment and Closure Act, providing an opportunity for the military base to be made available to local jurisdictions for redevelopment. In anticipation of the conveyance and reuse of the Base, the Oakland Redevelopment Agency (Agency) in 1998 began selecting a Master Developer to oversee redevelopment of the site. Because of the Agency's desire that development of the Base provide benefits to the adjacent West Oakland community, the Master Developer Request for Qualifications required all respondents to include a community participation component in their development proposal. The selected Master Developer Team, the Opus West Wind Group, proposed the establishment of a "Community Trust" that would provide funding for activities that benefited the community. Later, after the Agency decided to postpone entering into agreements with a Master Developer, the notion of the Trust lingered and was subsequently endorsed through three key subsequent actions: (1) Suggestion by the City's Community and Economic Development Agency (CEDA) that the logistics for forming a Trust be explored; (2) Action by the Oakland Base Reuse Authority (OBRA) to commission the National Economic Development and Law Center (NEDLC) to prepare a conceptual framework document that would identify said logistics and facilitate decisions regarding the Trust's eventual establishment; and (3) Inclusion in the Oakland Army Base Memorandum of Agreement (MOA) among the Agency, OBRA, City of Oakland and the Port of Oakland (Port). The MOA contains very specific provisions regarding the targeted funding for the proposed Trust Fund.

The Trust (later renamed the "West Oakland Community Fund" or WOCF) presents a unique opportunity to leverage local economic development opportunities in a way that builds partnerships among community residents and the public, private and nonprofit sectors. It can serve the City of Oakland as another tool for West Oakland revitalization activities, and represents one component of a package of OARB-related community benefits committed to the West Oakland community.

This Conceptual Framework document was commissioned by the OBRA to a) assist the West Oakland Community Advisory Group (WOCAG) in the preparation of a conceptual framework; b) channel community concerns and interests in the project; and c) facilitate the Agency's consideration of the WOCF. It provides the "blue-print" for establishing the WOCF. Reflecting over a year of effort, this document is intended to:

- Define the purpose of the WOCF
- Delineate the actions that are required to formally and legally establish the WOCF, and the parties who are most appropriate to implement each action
- Identify initial funding and a range of options for securing long-term financial support for the WOCF

¹ A list of acronyms and abbreviations used throughout this document appears in Appendix E.

- Identify the governmental, private sector, community or other stakeholders whose participation is critical to the success of the WOCF
- Identify various methods of establishing a body to manage the WOCF and provide oversight of WOCF activities
- Identify the preferred composition of the WOCF (including the number of persons and type of interests that should be represented on the WOCF Governing Body)
- Identify a reasonable period of duration of the WOCF

It is anticipated that Agency decision-makers will use the information contained in this document as a reference for all actions related to the establishment and operation of the WOCF. Additionally, and in particular, there are recommendations for subsequent actions that facilitate establishment and implementation of the WOCF that require Agency approval before they can commence.

Key Features of the West Oakland Community Fund

a) Recommended Model

Through a series of townhall meetings and community planning sessions which examined various models of Community Funds, a hybrid of two innovative approaches to asset building of “place” – the **Community Development Investment Model** – and of “people” – the **Family Asset Building Model** – was recommended. The former provides loans, grants and/or equity investments for West Oakland community economic development projects while the latter provides matching funds to support individual savings and investments. Additional information on these and the other models evaluated for this project is presented in Chapter II of this document.

b) WOCF Funding Sources & Timing of Funds

On July 8, 2003 the OBRA, Redevelopment Agency, City Council, and Port of Oakland entered into an MOA² that referenced the Community Trust. The provisions of that MOA indicate an investment of \$4 million for the Trust:

(d) Community Trust Contribution

If a Community Trust Fund is established by the City on or before the end of the Trust Period,³ at the time the Community Trust Fund is fully funded (whether such funding occurs before or after the end of the Trust Period), the Port shall pay fifty percent (50%) of the funds contributed to the Community Trust Fund, up to a maximum contribution from the Port of Two Million Dollars (\$2,000,000). Subject to the final sentence of this Section 2.2(d), the developer(s) of the Gateway Development Area,⁴ or the City, will contribute the balance of

² The MOA identifies the terms, conditions and responsibilities of the OBRA, Redevelopment Agency, City of Oakland and Port of Oakland for the Base upon conveyance of the property from the Department of the Army.

³ “Trust Period” means the period of three (3) years commencing with the OARB Transfer Date, during which the East Maritime Quitclaim Deed and the Port Sliver Properties Quitclaim Deed are held in trust pursuant to the Trust Agreements, provided, that the three (3) year period shall be extended for up to two (2) additional years in accordance with Section 2.2(c)(2) of the MOA.

⁴ “Gateway Development Area” means the West Maritime Property, Port Sliver Properties (if the City elects to delete

the funding. If no Community Trust Fund is so established on or before the end of the Trust Period, or subject to the last sentence of this Section 2.2(d), if it is not funded within one (1) year after the end of the Trust Period, the Port shall have no obligation to pay the contribution described herein. If the Community Trust Fund is established on or before the end of the Trust Period, and the City exercises the City Cash-Out Remedy, the Port shall be obligated to pay an aggregate of Four Million Dollars (\$4,000,000) into the Community Trust Fund as the Port and non-Port contributions to such Fund. If and to the extent required by the SLC,⁵ funds contributed by the Port to the Community Trust Fund shall be spent and accounted for in the manner required for funds encumbered by the State public trust.

It is important to note that staff representatives of the Port, Agency, City and OBRA are in negotiations and have already agreed to proposed amendments that clarify the provisions relating to the Community Trust. Specifically, the amendments would clearly indicate that (a) the term “fully funded” is removed and replaced with “fifty percent funded;” (b) the City’s funding can occur in increments or in a one-time payment; (c) after the City’s total contribution is made, the City would then advise the Port and the Port would make a one-time payment of the remaining fifty percent of funds (up to a maximum contribution of \$2 million); (d) that the Port is responsible for the full \$4 million payment to the Community Trust if the Community Trust is established prior to the termination of the trust period and the City exercises the cash-out remedy; and (e) that after the City and/or OARB developer, and the Port have made their 50% payment (up to \$2 million), the parties shall have no further obligation to make contributions to the Community Trust.

Thus, under the terms of the OARB MOA, the Port is intended to fund half of the \$4 million investment in the WOCF. The remaining \$2 million is intended to be contributed by the City through the Agency’s OARB Master Developer when that entity is selected. The \$4 million amount represents the total funds identified from the Port and the Agency to date for the project.

There are both timing and administrative implications resulting from the sources of the funds.

One timing implication is related to the identification of the OARB Master Developer as a source of funds: the Master Developer has not yet been selected and the timeframe for beginning the selection process is estimated to be mid-2005. This results in WOCF monies not being available from this source until after this period unless the Agency elects to use another source of funds in the interim and be reimbursed at a later date when an OARB Master Developer has been contracted. Another timing implication results from the Agency’s/Master Developer’s WOCF contribution being a trigger for the Port’s contribution: as indicated in the MOA, the City must make the initial fifty percent WOCF contribution before the Port’s contribution can be transmitted to the WOCF. A third timing implication is that there is a deadline for receipt of WOCF funds from the Port of Oakland and the MOA states that if no Community Fund is established on or before the end of this period, or subject to Section 2.2d(d)(4) if it is not funded within one year after the Trust period, the Port shall have no obligation to contribute to the WOCF. Therefore, an important issue in the formation of the WOCF is that the availability of funds is shaped by the provisions of the MOA. These timing

them from the Port Area, as referenced in Section 1.1(19) of the MOA), West Maritime Army Reserve Property, as more specifically described in Schedule 1.1(40) of the MOA and other property and property rights acquired by the City under the CalTrans I-880 Settlement.

⁵ “SLC” means the California State Lands Commission and any successor department, agency or instrumentality.

implications must be factored into all considerations and decisions affecting establishment of the WOCF.

Additionally there are administrative/record-keeping requirements for the Port's contribution in particular, stemming from the required accountability to the California State Lands Commission. A greater discussion of the committed funds, their implications and administrative requirements, as well as additional sources of funds that could potentially augment the \$4 million contribution, is presented in detail in Chapter VI of this document.

c) Intended Activities

Examples of potential uses of funds under the Community Development Investment component of the WOCF include:

- Investing in mixed-use/commercial real estate development projects.
- Investing in projects that offer opportunities for resident/community ownership.
- Investing in affordable housing development projects.

Examples of potential uses of funds under the Family Asset Building component of the WOCF include:

- Enabling more West Oakland residents to save and invest in homes and businesses in the community through matched savings opportunities and targeted technical assistance and specific asset building strategies.
- Providing matched savings to help people to save for education or training.
- Enhancing prospects for local residents to access home ownership opportunities emerging from affordable housing developments in the community.

These activities are proposed to be funded through the Agency/OARB Master Developer's contribution; however these funds may be restricted to reflect provisions typically applying to use of Agency funds as well as requirements of the Economic Development Conveyance (EDC), the method by which ownership of the Base was transmitted from the Army to the OBRA for reuse purposes.

It is also important to note that projects funded by any of the Port's contribution would be subject to certain restrictions. Because Port funds are trust-encumbered, any Port contribution to the WOCF will need to be consistent with the Tidelands Trust. While Tidelands Trust uses are intended to benefit the public on a regional and state-wide level, there are a number of projects and other uses that would serve these interests and at the same time provide local economic development opportunities and public amenities that benefit the local community and further the goals and objectives of the WOCF. As examples, subject to the review and approval of the State Lands Commission, the Port's WOCF contribution could be used to:

- Invest in locally-owned businesses and development projects supporting port-related activities (such as warehousing, trucking).
- Invest in locally-owned businesses and development projects serving visitors to the waterfront (such as restaurants, visitor retail, water-oriented recreational services).

- Develop waterfront recreational amenities of interest to the local community, including park and trail improvements, boat and canoe launches.

The above is not an exclusive list proposed WOCF activities. Greater detail on the prospective WOCF activities and the requirements governing use of funds is presented in Chapter III of this document.

d) Seven Key Findings

In any consideration of the establishment and operation of the WOCF, it is important to recognize the need to:

- Capitalize the WOCF in a prompt and expeditious manner.
- Continue active community outreach and engagement activities with residents.
- Move steadily forward with the establishment of a new non-profit entity with a Board structure based on a hybrid of categorical representation and member election.
- Provide resources for community development investment and family asset building projects.
- Provide for an effective capacity building program.⁶
- Provide for an effective monitoring and evaluation program.⁷
- Identify and garner additional sources of funding with the goal of creating an endowment fund.

These findings with recommendations are described in greater detail in Chapter VIII of this document.

Document Organization

To maximize use of this document, information is presented in the following order:

Chapter I	Background & Context of WOCF Conceptual Framework
Chapter II	WOCF Model
Chapter III	WOCF Activities
Chapter IV	WOCF Structure and Governance
Chapter V	Relationship Between WOCF & Other West Oakland Revitalization Activities
Chapter VI	WOCF Revenue Stream, Implications & Possible Matching Fund Resources

⁶ This document proposes one mechanism—a multifaceted capacity building program titled the West Oakland Empowerment Center. It is discussed in detail in Chapter VII.

⁷ The above referenced West Oakland Empowerment Center would also include a WOCF program monitoring and evaluation mechanism also discussed in Chapter VII.

Chapter VII	WOCF Monitoring & Evaluation
Chapter VIII	Key Stages & Recommendations for WOCF Development & Implementation
Chapter IX	Timetable of Key Next Steps
Appendices	

I. BACKGROUND & CONTEXT OF WOCF CONCEPTUAL FRAMEWORK

Origin of WOCF Project

Although the notion of a Community Trust has been discussed over a number of years in various forums, it was officially recognized by the Agency during its Request for Qualifications (RFQ) process for soliciting an Oakland Army Base (OARB) Master Developer. In anticipation of the conveyance and reuse of the Base, the Agency in 1998 began the process of selecting a Master Developer to oversee redevelopment of the site. Because of the Agency's desire that development of the Base provide benefits to the adjacent West Oakland community, the Master Developer RFQ required all respondents to include a community participation component in their development proposal. The exact nature of participation was purposely undefined in the RFQ to allow development teams much flexibility and creativity in their proposals. The selected Master Developer Team, the Opus West Wind Group, proposed the establishment of a "Community Trust" that would provide funding for activities that benefited the community. In subsequent months, as the Agency decided to postpone entering into agreements with the Team, the notion of a Trust was endorsed through three official actions:

1. Suggestion by the City's Community and Economic Development Agency (CEDA) that the logistics for forming a Trust be explored;
2. Action by Oakland Base Reuse Authority (OBRA) to commission the National Economic Development and Law Center (NEDLC) to prepare a conceptual framework document that would identify said logistics and facilitate decisions regarding the Trust's eventual establishment; and
3. Inclusion in the OARB Memorandum of Agreement (MOA) between the Agency, OBRA, City Council and the Port of Oakland.

In the Fall of 2002, NEDLC was selected as the legal and technical advisor to the West Oakland Community Advisory Group (WOCAG) and the OBRA to engage West Oakland residents in the research, conceptual design and refinement of a recommended structure and systems for the West Oakland Community Fund (WOCF). NEDLC was assigned to work with the community around the following tasks in the development of a "blueprint" for the WOCF:

- Building Consensus on Purpose/Objectives
- Determining Organizational Governance Structure and Accountability
- Developing Process/Criteria for Resource Distribution
- Designing a Monitoring and Evaluation System
- Identifying Potential Public and Private Sources for Ongoing Funding

The goal of this consultant product was to develop a conceptual framework that would be the

“blueprint” for the eventual establishment of a Community Trust. The process for developing the WOCF conceptual framework was designed to ensure maximum inclusion of all relevant stakeholders (residents, community organizations, business leaders and public officials) to ensure that they were able to weigh in on--and be supportive of--the proposed WOCF model. After completing the initial research and analysis of complementary projects and promising practices of a range of investment models, the consulting team then focused on the tasks of identifying 1) the preferred model; 2) systems for implementing, operating and growing the WOCF; and, 3) a plan for monitoring and evaluating the activities of the WOCF. These activities were carried out in accordance with the following timeline:

January – April 2003

Review/ Analysis of Army Base Reuse Process-Related Activities and Timelines
Research/ Documentation of Promising Practices for Community Funds
Community Engagement: Small Group Introductions to the Project
Community Engagement: Townhall Meeting 1
Community Engagement: Community Planning Meeting 1

May - July 2003

Community Engagement: Community Planning Meeting 2
Interim Report: WOCF Update Regarding Elements/ Activities/ Models and Timelines
Community Engagement: Community Planning Meeting 3
Additional Research on Investment, Governance, WOCF Development and Evaluation Models
Preparation of Final Discussion Draft of WOCF Conceptual Framework Document
Community Engagement: Townhall Meeting 2

August 2003

Incorporation of Input/Feedback from all Stakeholders
Preparation & Initial Submittal of Document to WOCAG and OBRA

December 2003

Review of Document by OBRA

February 2004

Submittal of Additional WOCF-Related Information to the WOCAG

March – May 2004

Internal CEDA Review of Revisions to the Document by the City Departments

June 2004

Resubmittal of Document to OBRA, and Referral to the Agency

An initial Conceptual Framework document was prepared in Fall, 2003; however, additional information and clarifications were later incorporated into the document to ensure that decision-makers are as informed as possible when taking action on the recommended purpose, activities, establishment, governance, operational characteristics, timing, funding, and other critical features of the proposed Community Fund. Consequently this document contains the body of information known to date regarding the project.

Why the “Community Trust” Transitioned to a “Community Fund”

The initial direction to the NEDLC Team was to develop a Conceptual Framework for a “Community Trust.” However, it was not clear whether a specific legal form was intended, or whether the appropriate legal form was to be developed. A trust is a legal form not commonly used for community improvement activities. Internal Revenue Service (IRS) regulations define a community trust as a trust established to attract capital or endowment funds for the benefit of the community. The implication of this definition is that a community trust spends the interest earnings on its funds, but not the funds themselves. IRS regulations treat a community trust in a manner similar to that of a private foundation, involving a greater degree of federal tax law compliance and federal government oversight of community trust operations.

A nonprofit, Section 501(c)(3) charitable tax-exempt corporation is the legal form most commonly used for community improvement activities. A corporation can spend not only its interest earnings, but also the amounts raised from tax-deductible contributions and government, corporate, and foundation grants. The corporation can be treated as a public charity and not as a private foundation, minimizing federal government reporting and oversight. Since California law prohibits the use of the word “trust” in the name of a nonprofit charitable corporation, the term “Community Fund” seemed more appropriate.

Participants, Roles & Responsibilities

A number of entities have been (or are expected to be) involved in the WOCF effort.

<u>Organization</u>	<u>Role and/or Responsibility</u>
NEDLC	<ul style="list-style-type: none">▪ Contracted as Technical Consultant regarding WOCF Conceptual Framework Preparation
WOCAG	<ul style="list-style-type: none">▪ Serve as Liaison to the larger West Oakland Community for the WOCF project▪ Provide Forum for Community Discussion/Recommendations for WOCF Issues
OBRA	<ul style="list-style-type: none">▪ Authorize and Finance Consultant Participation on WOCF Project▪ Provide Recommendation on WOCF Concepts to the Oakland Redevelopment Agency
Oakland Redevelopment Agency	<ul style="list-style-type: none">▪ Render Decisions on WOCF Establishment▪ Facilitate Transfer of Funding from the Selected Oakland Army Base (OARB) Master Developer to the WOCF
OARB Master Developer	<ul style="list-style-type: none">▪ Provide \$2 Million Contribution to the WOCF
Port of Oakland	<ul style="list-style-type: none">▪ Provide \$2 Million Contribution to the WOCF
City of Oakland Community and Economic Development Agency	<ul style="list-style-type: none">▪ Provide City Staff Support in Establishing the WOCF and Serving as City Liaison for the Project
City of Oakland City Attorney’s Office	<ul style="list-style-type: none">▪ Provide Legal Counsel to the Agency in Establishing the WOCF

Other parties may become involved once the structure and operational characteristics of the WOCF are finalized. For example, the implications of the Tideland Trust provisions on the use of a portion of the funds may require involvement of State Lands Commission representatives. Similarly, the monitoring system ultimately designed to maximize the effectiveness of the WOCF may require participation from independent, non-governmental parties. As the WOCF becomes operational, there may be technical assistance required (i.e., accounting, financial planning) in specialized fields. Lastly, because the WOCF is intended to be community-based, a number of additional West Oakland stakeholders will most likely become more involved in the WOCF proposal as the establishment process continues.

To date, WOCAG has been the entity that has hosted community input for this project. As start-up activities for the WOCF proceed, the WOCAG could serve as an interim body pending formalization of a WOCF Governing Body, for purposes of providing input to the Agency and coordinating public outreach functions for the WOCF.

II. WOCF MODEL

Evaluation of Alternative WOCF Models

At a WOCAG Townhall meeting on April 17, 2003 and two subsequent community planning meetings on April 29 and May 7, 2003, community residents discussed four prospective WOCF models: (1) the Community Development Investment Model; (2) Family Asset Building Model; (3) Neighborhood Foundation Model; and (4) Hybrid Model. These models or prototypes⁸ were intended to facilitate the discussions about the design of the WOCF without precluding the emergence of alternative models. Each model is described in detail below; a summary comparison of the attributes of each model is presented in Figure 1 which succeeds this chapter.

(1) Community Development Investment Model

Key Features:

- ❖ *Investment (Loans or Equity) and Grants*
- ❖ *Support for local community/economic development projects (affordable housing, community facilities, retail/commercial facilities) and/or local business development*
- ❖ *Technical Assistance (legal, financial, real estate, business)*

A Community Development Investment model could target resources towards investment in community economic development projects in West Oakland neighborhoods. The model could focus on a broad range of community economic development projects (e.g. real estate, business, housing, community facilities); or it could focus on a single community priority, like affordable housing.

Given the limited pool of resources, the WOCF could provide a percentage of investment capital needed for the project with the remainder to be raised from alternative sources; or the entire pool of resources could go to support a small number of high-priority projects. The WOCF could require that projects receiving investment provide specified community benefits, like jobs for residents or resident or community ownership opportunities.

The decision-making body for this type of model could include residents and other local stakeholders with a breadth of economic development expertise. In addition, the model should include a technical assistance component so that local developers have the legal, financial, real estate and business assistance they need to advance successful projects.

⁸ For more information, refer to "Promising Practices of Community Funds: Models and Examples" by H. McCulloch, see Appendix A.

(2) Family Asset Building Model

Key Features:

- ❖ *Support for homeownership, micro-enterprise/business ownership, education/training and/or other forms of investment*
- ❖ *Financial literacy and investment training and support*
- ❖ *Provides direct financial benefits to individuals/families in the community through matched savings accounts*

A Family Asset Building model would use resources from the WOCF to directly support wealth-building among West Oakland residents through matched savings accounts, known as Individual Development Accounts or “IDAs.” IDAs are specialized savings accounts, similar in structure to Individual Retirement Accounts (IRAs). Every dollar saved by an individual or family in the community—deposited in a local financial institution—could be matched by \$1–\$3 (or more) from the WOCF. Typically, IDA savings can be withdrawn to buy a house, to cover education or job training expenses, or to start a small business; however, in establishing the WOCF, provisions could be incorporated that allow for other uses (i.e., purchasing a car or a computer or for use during retirement) or restrict the types of allowable uses as desired.

IDA programs are typically set up by nonprofit organizations with accounts offered through a local financial institution. The model should include economic literacy training that helps participants to address credit issues, establish a budget and savings plan and to learn how to better manage their money over the long term. Technical Assistance—around pre-and post-homeownership counseling, small business and/or retirement planning—is also recommended as a critical element to the success of this model.

IDA programs have been set up in communities across the country and both public and private resources are available as matching funds. WOCF administrators could try to access these resources to increase the supply of matching funds to support the model over the long term.

The decision-making body for this type of model could be led by community residents with other stakeholders included to offer expertise in designing and administering the program; raising matching funds and operational support; and, linking to or developing support services.

(3) Neighborhood Foundation Model

Key Features:

- ❖ *Grants supporting small or large community-serving projects*
- ❖ *Projects led by groups or residents and/or nonprofit organizations*
- ❖ *Training in grant-making and operations*

The Neighborhood Foundation model could include a funding structure that provides resources to support community-based projects and programs. Much like the structure of a

community foundation, the WOCF under this model could include a designated group of individuals—residents and other community leaders—assigned to reviewing funding inquiries through a Request for Proposal (RFP) process.

The types of projects supported by the Neighborhood Foundation model could be guided by community-defined criteria (e.g., they could require that projects target West Oakland neighborhoods; be led by community residents; enhance the quality of life in the community), with proposals given preference according to their ability to meet these established criteria.

The structure could also target certain types of eligible applicants. For example, eligible applicants could be limited to residents who are seeking smaller grants for innovative projects that will benefit their neighborhood; to nonprofit organizations seeking funding for services that benefit community residents; or, a percentage of the resources could be set aside for these and/or other types of applicants/applications.

This model could include a resident-led board, a characteristic that is uncommon among community foundations. Other stakeholders might be included to provide expertise around grant-making, program evaluation, to support the Foundation's efforts to raise matching funds, or other functions as appropriate. The model could also include a training program—providing direct services as well as referrals to outside entities—to enable residents to build grant-making expertise and assume responsibility for operating the Foundation and to support grantees in implementing and managing their grants.

It should be noted that this model is usually governed by conflict of interest guidelines developed by the governing body to ensure that proposal reviewers do not review and/or comment on any proposal that poses a conflict. For example, to avoid conflict of interest issues, proposal reviewers might be required to declare any significant ties or relationships with individuals and/or organizations applying for funding. This model could provide that a conflict does not bar a member from the review process but bars them from reviewing and/or commenting on any proposal that poses a conflict of interest.

(4) Hybrid Model

A hybrid model would set aside a percentage of the WOCF's resources to support two or more of the models described above.

Recommended WOCF Model

The recommended WOCF model is a hybrid that combines the Community Development Investment Model and the Family Asset Building Model. Though a variety of models or promising practices of community development funds were identified, only a handful of funds were found to be community-controlled and/or (as in this case) established as the result of a local economic development project (the redevelopment of the Oakland Army Base). Few models were found that leveraged the development process to enable community residents to build assets and become community investors. No single model includes all of the characteristics that would address the

needs and priorities of West Oakland residents.⁹

The research did reveal a number of model funds that have been created by community foundations and government entities that have structural characteristics--oversight, operational structures, on-going funding streams, staffing--that helped to inform the planning process for the WOCF. The outcome of the West Oakland community process was a desire to establish a fund that becomes a sustainable community asset, one that generates ongoing resources for the revitalization of place--and of people--in a targeted area. Thus, the logical hybrid was to combine the **Community Development Investment Model** (place) with the **Family Asset Building Model** (people).

This recommended Model could (a) target resources (funding and legal, business, and real estate advice) towards investment in community economic development projects such as affordable housing, community facilities, retail/commercial facilities and/or local business development; (b) support residents to save and invest in community development opportunities (through matched savings provided through individual development accounts); and, (c) provide training and technical assistance on topics such as financial literacy, home ownership counseling, business development and/or retirement planning, to individuals and families seeking to start a business, buy a home or acquire new job skills.

⁹ West Oakland residents have often cited the need for improved housing, greater job training and employment opportunities, alleviation of crime, and support for local economic development as a few of their chief concerns. Although a review of local resources, plans and programs was completed as background for this project, the needs and priorities of West Oakland residents have been well documented in a number of studies. One of the most recent and comprehensive presentations of community issues and concerns is contained in documents prepared for the West Oakland Redevelopment Project (i.e., the *Preliminary Redevelopment Plan, Implementation Plan*, and selected sections of the *Report to the City Council*).

	Type of Investment	Type of Projects Supported	Possible Forms of Technical Support
Community Development Investment Model	Loans, grants and/or equity investments	Financing for community economic development projects like housing, business or real estate development	Professional legal, financial, business and real estate advice
Family Asset Building Model	Grants - matching funds for individual or family savings and investment	Direct support for individual and family savings and investment in community assets like homes, businesses or real estate; education and training and/or for retirement	Financial literacy training, home ownership counseling, business development planning, retirement planning
Neighborhood Foundation Model	Grants - to nonprofit organizations or resident groups	Support for large or small community serving projects, programs and/or services	Training in grant making and operations for governing body; grant management and capacity building support for grantees

* indicates community representatives at a February 19, 2004 West Oakland Community Advisory Group me

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land Community Fund Models

Examples of Ways the Model Could Apply to West Oakland	Assessment of the Pros (+) / Opportunities of Each Model	Assessment of the Cons (-) / Challenges of Each Model	Community's Preference / Rationale
<p>Invest in community development projects like the Clock London Shopping Center</p> <p>Invest in projects that offer opportunities for resident/community ownership</p> <p>Invest in affordable housing development projects</p>	<p>+ Enhances community benefits in West Oakland development projects: quality jobs, affordable housing, retail and small business opportunities*</p> <p>+ Promotes design of resident ownership strategies/ programs</p> <p>+ Provides technical assistance re: real estate, legal, business and financial matters*</p> <p>+ Fills critical gaps in available public and private financing*</p>	<p>- Danger of substituting these funds for existing and future public funds*</p> <p>- Limited local capacity/ experience with leveraging funds for maximum community benefits*</p> <p>- Danger of increasing displacement pressures if current residents don't reap financial benefits from new developments*</p>	<p>The community voiced support for this model contingent on the understanding that local decision-making capacity (re: community benefits agreements, resident ownership strategies, etc.) will be cultivated and that WOCF funds will augment not replace existing and/or future public resources</p>
<p>Enable more West Oakland renters to become homeowners</p> <p>Support residents to own businesses in the community</p> <p>Help people to save for education or training, to buy a car or a computer, or to build a nest egg for retirement</p> <p>Partner with affordable housing developers to provide matching funds for West Oakland residents to buy newly developed homes</p>	<p>+ Gives current West Oakland residents an opportunity to accumulate savings for investments: job training, education, business start-up and homeownership*</p> <p>+ Provides financial education, counseling and planning services*</p> <p>+ Builds individual and community wealth, self-esteem and engagement*</p> <p>+ Provides access to Federal IDA matching funds via HHS/ AFIA*</p>	<p>- Making fair decisions about who in West Oakland will be targeted for participation: all current residents or low income families/ individuals*</p> <p>- Providing high enough matching contributions to be in line with current and future economic realities i.e., housing stock in West Oakland that is affordable*</p>	<p>The community voiced support for this model provided that the approach for including individuals and families is fair and transparent (based on technical assistance and best practices derived from successful IDA programs) and the Fund develops a well-conceived plan to use matching funds judiciously</p>
<p>Make grants to nonprofit health care providers to increase services for community residents</p> <p>Make grants to a group of neighbors to do a community project or to plant trees on air street</p> <p>Provide resources for programs serving youth or seniors</p> <p>Provide resources to employment and/or training providers</p>	<p>+ Provides grant support for a range of new and existing community- serving projects, programs and/or services in West Oakland*</p> <p>+ Uses community-defined criteria to target specific types of projects and applicants*</p> <p>+ Builds resident capacity in grant-making and operating/ managing a foundation*</p>	<p>- Reservations re: model due to poor outcomes of past resident-led initiatives*</p> <p>- Doubts about the viability of this model to have the type of broad-based/ measurable impact sufficient to grow and expand the Fund in the future*</p>	<p>The community voiced opposition to this model based on previous unsuccessful initiatives of a similar nature and perceived limitations re: relative degrees of impact and the likelihood of being able to grow the Fund overtime (particularly in light of the Bay Area's already-crowded field of competitor foundations)</p>

g expressed agreement with this assessment

III. WOCF ACTIVITIES

Under the recommended hybrid Community Development Investment / Family Asset Building model, there are a number of activities that could be pursued through the WOCF. The range of activities, however, is affected by the source of the contribution. For example, activities funded from the Agency via the OARB Master Developer may be subject to restrictions imposed by the Agency at the time the funds are transmitted to reflect California Redevelopment Law, statutory *military base re-investments requirements, and other provisions*; activities funded from the Port of Oakland will be subject to Tideland Trust requirements imposed by the State Lands Commission (SLC). Funding impacts on activities are discussed in greater detail in Chapter VI: WOCF Revenue Stream, Implications, and Possible Matching Fund Resources, later in this document.

Pending any specific identification of restrictions on activities that will occur prior to the time the funds are actually transmitted to the WOCF, examples of recommended activities are listed below. These activities resulted from the numerous community-wide discussion forums that were held on the topic. In recognition of the relationship between the funding source and allowable activities, sample WOCF activities are presented by the respective funding source.

Activities Funded Through OARB Master Developer's WOCF Contribution

Examples of Potential Community Development Activities

The Community Development Investment component of the WOCF could be used to:

- Invest in mixed-use/commercial real estate development projects.
- Invest in projects that offer opportunities for resident/community ownership.
- Invest in affordable housing development projects.

Examples of Potential Family Asset Building Activities

The Family Asset Building component of the WOCF could be used to:

- Enable more West Oakland residents to save and invest in homes and businesses in the community through matched savings opportunities and targeted technical assistance and specific asset building strategies.
- Provide matched savings to help people to save for education or training
- Enhance prospects for local residents to access home ownership opportunities emerging from affordable housing developments in the community.

The above reflects typical types of activities that could be funded and is based on an intent to direct WOCF resources to activities that reflect West Oakland community interests and needs. A more definitive list of allowable activities would be generated during the establishment of the WOCF and would reflect any relevant legal restrictions on use of funds.

Activities Funded Through Port of Oakland's WOCF Contribution

The Tidelands Trust Encumbrance on Port Funds

The Tidelands Trust doctrine provides that all lands that are now or were historically below the line of high tide are owned by the State, and are held in trust for the people of the State for purposes of navigation, commerce, fishing, and other water-related public uses. The trust places limits on the allowable uses of most current and former tidelands. Uses of these lands must be consistent with the trust; i.e., they must be for the maritime or other water-related purposes of the trust, and must be in the interest of the people of the State. Revenues generated from tidelands are also subject to tidelands trust restrictions, and likewise can only be used for trust-consistent purposes. As the owner and trustee of certain tidelands and former tidelands in Oakland, the Port of Oakland's revenues are encumbered by the Tidelands Trust.

All maritime-related uses are considered acceptable uses under the Tidelands Trust. These include not only obvious maritime uses such as docks, wharves, piers and marinas, but also related or ancillary activities such as warehouses, maritime-related industrial uses, maritime-related office, and port-serving trucking and transportation. Environmental and recreational uses, including restoration and preservation, open space, public parks, water-oriented recreational facilities, and visitor-serving commercial activities (such as hotels, restaurants and visitor-serving retail) are also considered trust-consistent. Residential is not a permitted use of public trust lands or trust-encumbered funds. General commercial and general industrial uses are also not permitted in most cases.

Examples of Potential Uses of Port Contribution

Because Port funds are trust-encumbered, any Port contribution to the WOCF will need to be consistent with the Tidelands Trust. While Tidelands Trust uses are intended to benefit the public on a regional and state-wide level, there are a number of projects and other uses that would serve these interests and at the same time provide local economic development opportunities and public amenities that benefit the local community and further the goals and objectives of the WOCF. Some examples of these uses (subject to review and approval by the SLC) could include the following:

- Investments in locally-owned businesses and development projects supporting port-related activities (such as warehousing, trucking).
- Investments in locally-owned businesses and development projects serving visitors to the waterfront (such as restaurants, visitor retail, water-oriented recreational services).
- Development of waterfront recreational amenities of interest to the local community, including park and trail improvements, boat and canoe launches.
- Educational, historical or cultural centers focused on the role of the waterfront in the community. For example, interpretive centers for the working port, or an African-American Shipworker Historical Museum.
- Job and skills training programs utilizing port-related or water-oriented business and activities.

- Community or youth education programs with a water-oriented focus, such as environmental education programs, or community sailing and boating instruction programs.

One of the steps in finalizing the WOCF would be to obtain SLC approval of these uses prior to commencement. The approval is required pursuant to SB 1435 relating to the Tidelands Trust designation of the Oakland Army Base. This legislation was introduced by Senator Don Perata in February 2004, and is currently under consideration by the California State Legislature.

IV. WOCF STRUCTURE & GOVERNANCE

Evaluation of Alternative Structure and Governance Approaches

At a community forum held on June 19, 2003, five alternatives for structuring the governing body of the WOCF were discussed: (1) Categorical Representation; (2) Community/Member Elected; (3) Organizational Representation; (4) an Existing Broad-Based Representative Body; or, (5) a Hybrid (combining two or more of the first four). Attendants were asked to analyze the alternatives and voice their preference by first considering the following key questions concerning the governance of the WOCF:

- What will be the size and structure of the governing body?
- Who will serve on the governing body?
- By what process will the governing body be established?

Additionally, the group was asked to consider the qualities desired in an effective governing body, i.e., which of the five alternatives is/are likely to result in a governing body that has these and other important qualities. Examples included:

- Acceptance by the West Oakland community, by local government, and by funders.
- Expertise in the business of the WOCF.
- Appropriate size that enables the WOCF to make timely decisions.
- Willingness to put self-interests aside to make decisions that further the objectives of the WOCF and the West Oakland community.

Within these parameters, each type of governance structure is summarized below.

(1) Categorical Representation

Under this approach, the governing body would consist of persons who fulfill selected criteria designed to achieve broad support for the WOCF. Possible categories include:

- ❖ West Oakland Community Representatives, selected
 - By neighborhood within the West Oakland district
 - By diversity and broad community representation, such as race, gender, age (i.e., youth, seniors), renter or homeowner
 - From organizations located in or serving West Oakland
- ❖ Public Sector (e.g., City, Redevelopment Agency, Port, OBRA)

- ❖ Business and Finance (e.g., small businesses located in West Oakland, major corporation located in Oakland, bank or credit union located in Oakland, real estate developer in Oakland)
- ❖ Funders (e.g., local or regional community foundation, local or regional private foundation, corporate foundation)

(2) Community/ Member Elected Representation

Under this approach the governing body would consist of persons elected by the members of the WOCF. Membership would consist of individuals and/or organizations who meet membership criteria specified by the Agency during the establishment of the WOCF such as residency, employment or having a business in West Oakland.

(3) Organizational Representation

Under this approach the governing body would consist of persons chosen by existing organizations and associations located in or serving West Oakland. Each organization or association would select one representative. Alternatively, if there are more organizations and associations than seats on the governing body, then each organization and association would nominate one person, and the organizations/associations would elect the governing body from among the nominated persons.

(4) Existing Broad-Based Representative Body

Under this approach the governing body would consist of persons who serve on the governing body of an existing broad-based organization or association representative of West Oakland. Thus, the WOCF would be a separate nonprofit corporation with the same governing body as the broad-based organization/association.

(5) Hybrid or Combination

Finally, under this approach more than one of the above methods would be used to choose the governing body.

Recommended WOCF Structure and Governance Model

The recommended structure and governance model is a **hybrid** that combines (1) **Categorical Representation** in which the governing body consists of persons--from the community, business, foundation and public sector--who fulfill selected criteria designed to achieve broad support for the WOCF; and (2) **Community/Member Elected** in which the governing body consists of persons elected by the members of the WOCF. Membership of the WOCF should include persons living and working in West Oakland as well as businesses, organizations and associations located in

or serving West Oakland. Because of the financial reporting, auditing and other administrative requirements resulting from the source of funds, the designated SLC trustee and a representative of the Agency might also be on the WOCF governing body. To ensure the governing body collectively has expertise in an array of skills appropriate for managing a fund, the Agency may want to appoint some individuals that have specific technical skills. Lastly, to avoid potential conflict of interest issues, safeguards will have to be taken during the governing body selection process to ensure that individuals who participate as WOCF governing body members are appropriately advised in advance of any limitations affecting their ability to either apply for WOCF funds and/or evaluate potential project proposals that seek WOCF funds.

Historical Experience (“Track Record”) of the Recommended Structure & Governance Approach

By forming the WOCF as a separate nonprofit, charitable tax-exempt corporation, it can raise grants, contributions, and other funds to leverage the WOCF’s initial capital. As a legal entity, the WOCF will have a Board of Directors with the authority to make decisions on the receipt and expenditure of all corporate resources. Expenditures of any Port contributions to the WOCF are required to be consistent with the Tidelands Trust and would be supervised by the Redevelopment Agency or other governmental entity with trustee authority. The Board of Directors will be subject to state law on conflict of interest transactions, and to federal and state law prohibiting private inurement and undue personal benefit. The community itself, through its power as members to elect and remove directors, provides further oversight.

The community development corporation (CDC) movement provides relevant examples of how communities can best structure a legal entity to pursue economic revitalization. Of the thousands of CDCs formed from the beginning of the movement in the 1960s through the present day, most share four basic characteristics: a commitment to benefiting through development a geographically determined community of disproportionately low-income people; formation as a nonprofit, tax-exempt charitable corporation; a governing board that includes representatives of the beneficiary community (West Oakland); and membership open to the beneficiary community.

National studies of CDC board composition have documented that CDC boards of directors consist primarily of people with a stake in the community. On average, approximately 60% of board members are residents or business owners from the community, representatives of other community-based organizations in the community, or local religious leaders. Most CDC boards of directors consist of at least a majority of these community stakeholders.

In addition to direct community stakeholders, most CDC boards include some members with skills and experience in fields related to CDC work. Most CDCs have professional representation on their boards, such as local bankers or business people, lawyers, and accountants. On average, approximately one-third (33%) of CDC board members are drawn from this category. Studies have found that individuals with program-relevant skills and expertise constitute a greater proportion of board members in the more productive and successful CDCs. In part, successful CDCs are better able to attract and retain professionals on their board. Conversely, the presence on the board of professionals or others with expertise gives a CDC regular access to knowledge and skills that help it to undertake projects and programs successfully.

Many CDC boards also include local government officials and funders. On average, approximately 7% of CDC board members are drawn from this category. This relatively limited representation on the board understates the influence of government officials and funders on the typical CDC. Local government officials, and to a lesser extent private funders, typically participate in and directly influence the selection of CDC priorities and projects. This direct influence is in addition to the indirect influence of public policies and funder priorities that determine fund availability, which often shapes CDC activities.

The size of most CDC boards ranges between 9 and 21 directors. CDCs must balance their desire for a mix of community stakeholders, professionals, government, and funders, while at the same time limiting the size of the board in order to promote timely decision-making. It is common for CDC bylaws to provide for a range in the number of directors, rather than a fixed number. Often, board size starts at the low-to-middle part of the range. As the CDC matures and is capable of attracting qualified and committed board members, and as the workload of the CDC requires an ever-broader range of backgrounds, skills, and experience, the CDC can increase the size of the board within the designated range.

Geographically-based CDCs generally permit any person who resides, works, or owns a business in the community to become a voting member. Often, members elect the community stakeholders. The member-elected directors then choose the professionals, government officials, and funders. The members thus have indirect, not direct, influence over the selection of outside directors. This division between member-elected directors and appointed outside directors is justified on several grounds.

Generally, the members will not have sufficient information to elect the outside directors. Often, outside directors must be encouraged to serve on the CDC board. The member-elected directors can take the time to consult with interested parties to determine the preferred background of outside directors, identify potential candidates, and then encourage these persons to accept a directorship. The member-elected directors can identify and seek to close gaps in the board's backgrounds, skills, and experience remaining after the member-elected directors have been chosen.

Alternative approaches leave members without even indirect influence over the selection of outside directors. If the outside directors select their own successors, they are not accountable to the community, and their selections might not meet the CDC's needs. Outside directors could be selected by entities specified in the bylaws, such as a designation that one or more directors will be appointed by the City of Oakland. On community development issues, however, directors appointed in this manner often face conflicts between loyalty to the desires of the appointing body and the needs of the CDC. Also, this method of appointment might not meet the CDC's needs for certain skills and experience among its board members. Over time, as the CDC's needs, programs, and priorities change, the list of appointing entities might become outdated, and the CDC might desire to substitute other appointing entities. Few CDCs adopt an inflexible list of entities that appoint outside directors. Instead, CDC bylaws often allocate a certain number or minimum number of board seats to categories of outside directors, and allow the board to fill the seats as appropriate.

In order to ensure that the member-elected directors reflect the community that they serve, many CDCs require or encourage categories or criteria for board composition. CDCs that serve a large population with distinct geographical sub-units (such as neighborhoods within a city or counties within a region) often allocate a certain number or minimum number of board seats to each

sub-unit. CDC bylaws often include diversity goals, encouraging the nomination and election of persons who collectively represent the race, gender, age, and other characteristics of the community. Sometimes CDCs allocate a certain number or minimum number of board seats to youth, seniors, renters, or other categories to ensure their appropriate representation on the board. Moreover, term limits typically are set forth in the bylaws to ensure that directors have sufficient time to make a meaningful contribution while also ensuring that others have an opportunity to participate in the decision-making process.

V. RELATIONSHIP BETWEEN WOCF & OTHER WEST OAKLAND REVITALIZATION ACTIVITIES

Complementary Public Agency Programs and Plans

While the WOCF team was completing the development of the Conceptual Framework, the Agency was actively engaged in the roll-out of a comprehensive plan to secure a West Oakland redevelopment area designation that would include all of the West Oakland Community Development District that was not within an existing redevelopment area. The general goals and objectives for the redevelopment area relate to facilitating improvements to West Oakland's housing stock, increase opportunities for homeownership, provide streetscape improvements, assist neighborhood commercial revitalization, facilitate economic development and other similar programs to improve conditions within the West Oakland district. In November, 2003 the West Oakland Redevelopment Area was adopted by the Agency.

Once the WOCF is operational, there will be many opportunities for it to undertake projects that are complementary to the West Oakland Redevelopment Project. For example, the redevelopment project may call for the expenditure of tax increment funds to create more affordable homeownership in West Oakland. At the same time, the WOCF's Family Asset Building program may be able to provide matching dollars in Individual Development Accounts (IDAs) to assist local residents with down-payment and closing costs to purchase the units. If coordinated, these efforts would effectively integrate the supply and demand side of the homeownership equation for local residents.

Complementary Private / Community-Based Programs and Plans

The Jack London Gateway Shopping Center is an example of a community-based project that is complementary to and could be supported by the WOCF. Led by the East Bay Asian Local Development Corporation, the Acorn Tenants Association and a private developer, Portfolio Property Investors, the 50,000 square foot center--with a newly-refurbished 20,000 square foot supermarket--has brought in new retail tenants including the People's Community Partnership Federal Credit Union.

Using the Jack London Gateway Shopping Center as a case in point, the WOCF could support this and/or other community-based development projects in two ways: 1) by using funds through the WOCF Community Development Investment program to strengthen the community benefits component of the project; and, 2) by partnering with the People's Community Partnership Federal Credit Union to house some or all of the IDAs associated with the WOCF Family Asset Building program.

Another example of WOCF integration with other projects is potential participation in an IDA-backed job training program to build the skills and strengthen the employability of West Oakland residents in connection to existing and new projects as they come on line.

Additionally, WOCF funds could be used to increase community benefits of other

development projects such as the West Oakland Transit village, which is envisioned as a catalyst for improving the 7th Street corridor in West Oakland. WOCF resources might also be used to assist West Oakland-based non profit organizations that have proposals or activities consistent with the community benefit objectives of the WOCF.

There are several other private and/or community-based efforts with which the WOCF can partner and assist in the overall revitalization of the West Oakland district. It is important to note, however, that the anticipated \$4 million funding amount can only support a finite number of activities; it is therefore imperative that all potential relationships between the WOCF and other activities be carefully evaluated to guarantee that WOCF funds are used in the most efficient and effective manner possible. It is also prudent to seek opportunities where WOCF resources can be leveraged with those of other projects to create district-wide improvements, and to program WOCF expenditures so that greater percentages of funds can be directed towards supporting projects and activities rather than administration, overhead and similar support expenses. Joint planning and ongoing coordination and communication will be imperative to maximize the impact of all resources, including those contributed by the WOCF to ensure that (1) there is a shared awareness of worthwhile projects proposed for West Oakland; and, (2) decisions rendered by these entities to support a given project (or set of projects) are complementary and not duplicative of one another.

VI. WOCF REVENUE STREAM, IMPLICATIONS & POSSIBLE MATCHING FUND RESOURCES

Depending on the level of investment, the initial \$4 million funding base can support a number of projects; however, other resources may be required to increase the impact and sustainability of the WOCF. In addition to identifying the currently targeted funding sources, this chapter also lists examples of additional resources that could be used as:

- Matching Funds, i.e., resources that would go to the WOCF as a one-time contribution to match all or part of the resources currently committed by the Agency/OARB Master Developer and the Port of Oakland;
- Dedicated Funding Streams, i.e., a source of ongoing revenue to the WOCF; and/or
- Leveraged Investment Funds, sources of debt and equity that could be invested in community projects that are receiving investment, grants or technical support from the WOCF.

Both public and private funding resources are described below. It is important to note that the fundamental approach to growing the WOCF overtime must have at its core the goal of diversification to minimize as much as possible the impact on the revenue stream caused by market fluctuations.

Current WOCF Funding Sources

WOCF funding is identified in the OARB Memorandum of Agreement signed July 8, 2003 by the OBRA, Redevelopment Agency, City Council, and Port of Oakland. Section 2.2(d) of the MOA which specifically addresses the concept of a 'Community Trust' reads as follows:

(d) Community Trust Contribution

If a Community Trust Fund is established by the City on or before the end of the Trust Period,¹⁰ at the time the Community Trust Fund is fully funded (whether such funding occurs before or after the end of the Trust Period), the Port shall pay fifty percent (50%) of the funds contributed to the Community Trust Fund, up to a maximum contribution from the Port of Two Million Dollars (\$2,000,000). Subject to the final sentence of this Section 2.2(d), the developer(s) of the Gateway Development Area,¹¹ or the City, will contribute the balance of the funding. If no Community Trust Fund is so established on or before the end of the Trust Period, or subject to the last sentence of this Section 2.2(d), if it is not funded within one (1) year after the end of the Trust Period, the Port shall have no obligation to pay the contribution described herein. If the Community Trust Fund is established on or before the

¹⁰ "Trust Period" means the period of three (3) years commencing with the OARB Transfer Date, during which the East Maritime Quitclaim Deed and the Port Sliver Properties Quitclaim Deed are held in trust pursuant to the Trust Agreements, provided, that the three (3) year period shall be extended for up to two (2) additional years in accordance with Section 2.2(c)(2) of the MOA.

¹¹ "Gateway Development Area" means the West Maritime Property, Port Sliver Properties (if the City elects to delete them from the Port Area, as referenced in Section 1.1(19) of the MOA), West Maritime Army Reserve Property, as more specifically described in Schedule 1.1(40) of the MOA and other property and property rights acquired by the City under the CalTrans I-880 Settlement.

end of the Trust Period, and the City exercises the City Cash-Out Remedy, the Port shall be obligated to pay an aggregate of Four Million Dollars (\$4,000,000) into the Community Trust Fund as the Port and non-Port contributions to such Fund. If and to the extent required by the SLC,¹² funds contributed by the Port to the Community Trust Fund shall be spent and accounted for in the manner required for funds encumbered by the State public trust.

Staff representatives of the Port, Agency, City and OBRA are in negotiations and have already agreed to proposed amendments that clarify the provisions relating to the Community Trust. Specifically, the amendments would clearly indicate that (a) the term “fully funded” is removed and replaced with “fifty percent funded;” (b) the City’s funding can occur in increments or in a one-time payment; (c) after the City’s total contribution is made, the City would then advise the Port and the Port would make a one-time payment of the remaining fifty percent of funds (up to a maximum contribution of \$2 million); (d) that the Port is responsible for the full \$4 million payment to the Community Trust if the Community Trust is established prior to the termination of the trust period and the City exercises the cash-out remedy; and (e) that after the City and/or OARB developer, and the Port have made their 50% payment (up to \$2 million), the parties shall have no further obligation to make contributions to the Community Trust.

Essentially, the MOA provides for the Port of Oakland to fund half of the initial \$4 million investment in the WOCF; and for the remaining \$2 million from the City (through the Redevelopment Agency’s OARB Master Developer when that entity is selected). This amount represents the total funds committed to date for the project.

Implications on WOCF Operations

The MOA provisions have both timing and administrative implications on the WOCF.

One timing implication is related to the identification of the OARB Master Developer as a source of funds: the Master Developer has not yet been selected and the timeframe for beginning the selection process is estimated to be mid-2005. This results in WOCF monies not being available from this source until after this date unless the Agency elects to use another source of funds in the interim and be reimbursed at a later date when an OARB Master Developer has been contracted. Another timing implication results from the Agency’s/Master Developer’s WOCF contribution being a trigger for the Port’s contribution: as indicated in the MOA, the City must make the initial fifty percent WOCF contribution before the Port’s contribution can be transmitted to the WOCF. A third timing implication is that there is a deadline for receipt of WOCF funds from the Port of Oakland and the MOA states that if no Community Fund is established on or before the end of this period, or subject to Section 2.2d(d)(4) if it is not funded within one year after the Trust period the Port shall have no obligation to contribute to the WOCF. These timing implications must be factored into all considerations and decisions affecting establishment of the WOCF.

In addition to these timing implications, there are administrative implications for the WOCF stemming from both the Agency’s/Master Developer’s and the Port’s contribution. The City’s contribution to the Community Trust Fund is intended to be made by the Redevelopment Agency’s

¹² “SLC” means the California State Lands Commission and any successor department, agency or instrumentality.

selected Master Developer. The contribution will be a requirement of the Disposition and Development Agreement for portions of the Gateway Development Area (GDA) of the Oakland Army Base. If the developer's contribution to the trust fund is not considered a deduction from the value of the GDA to be transferred to the Master Developer, then the contribution would be characterized as a private payment free of the restrictions attached to Redevelopment Agency funds and to proceeds generated by the sale of the former Army Base property. If, however, the trust fund contribution results in the Master Developer paying the Agency less for the Army Base property, then the contribution could be subject to restrictions imposed on Redevelopment Agency funds and Army Base property sale proceeds.

Redevelopment Agency funds received from the sale of property must be expended for redevelopment purposes. Redevelopment purposes are activities aimed at eliminating physical and economic blight. The conditions causing physical and economic blight are set forth in California Health & Safety Code section 33031 and include, among other things, unsafe and unhealthy buildings, abnormally high business vacancies, depreciated or stagnant property values, high crime rates, and a lack of necessary commercial facilities.

The restrictions on the use of Army Base property sale proceeds are contained in the Economic Development Conveyance Memorandum of Agreement between the Department of the Army and the Oakland Base Reuse Authority and Oakland Redevelopment Agency (EDC MOA). The EDC MOA provides that the proceeds from the sale of Army Base property must, for the period of August 2003 to August 2010, be used on specific activities related to the redevelopment of the former Army Base property.

There are additionally administrative implications related to the use of Tidelands Trust funds for the Port's WOCF contribution. Public trust lands and funds are administered by the State or by local governmental entities to which the State has delegated its trustee authority. In Oakland, the State has delegated its trustee authority to the City. In addition, legislation has been introduced in the 2004 legislative session that would transfer trustee authority to the OBRA and the Oakland Redevelopment Agency for the portions of the Oakland Army Base that they own. These trustee agencies are responsible for ensuring that trust lands and funds are used in a manner that is consistent with the public trust. In addition, the Commission is responsible for overseeing local trustee agencies.

Because trust-encumbered funds may only be used for trust-consistent purposes, they are required by law to be accounted for separately from other, non-trust funds. Accordingly, any Port contribution to the WOCF would need to be placed in a separate account. Expenditures from this account on WOCF projects would be supervised by the appropriate trustee (e.g., OBRA or Agency). Recently introduced legislation would require the supervising trustee to submit a list of potential projects funded by Port monies to the SLC for review and approval, to separately account for, and provide the SLC an annual statement of, all moneys received from the Port and expenditures of those monies. No Port monies shall be spent on community trust fund projects unless (1) the Executive Officer of the Commission has concurred in the list of potential projects and (2) the expenditures are for projects that are on the list. Within ninety (90) days of the submittal of the list to Commission staff, the Executive Officer shall either concur in the list or notify the supervisory trustee which projects on the list are not consistent with the public trust. The supervisory trustee may appeal to the Commission any decision by the Executive Officer to disapprove some or all of the projects on the list.

Potential Additional Funding Resources

The MOA states that the maximum contribution expected from each funding entity is \$2 million. Consequently should decision-makers desire to increase the WOCF funding base without reliance on local funds, additional funding sources that could augment the \$4 million proposed contribution are described below.¹³ It is important to note that the listed funds have not yet been solicited for WOCF purposes; there may be current funding commitments, obligations or restrictions in place that prohibit use for WOCF purposes. Both public and private sources of capital are identified.

Public Funding Sources

Potential public funding sources include (1) State resources and (2) Federal resources for community development.

(1) Potential State Resources

Support for affordable rental and owned housing for current West Oakland residents was highlighted as a priority in the WOCF design process. This section describes some of the State resources that could be used to leverage WOCF investment in affordable housing development in West Oakland.

- *California Housing Finance Authority (CalHFA)*

The WOCF could work with the CalHFA to obtain financing to support rental and owned affordable housing development in West Oakland. The CalHFA is a State agency that makes below market rate loans for affordable housing through the sale of tax-exempt bonds. The agency can support renters and first-time homebuyers by providing financing for residents (within specified income ranges). CalHFA programs include Homeownership Programs, Multifamily Programs, and Mortgage Insurance. For more information see www.calhfa.ca.gov.

- *Prop 46 Resources*

The WOCF could access resources made available through the Housing and Emergency Shelter Trust Fund Act of 2002. The Act is a \$2.1 billion dollar bond measure that was passed by the voters in California in November, 2002. The bond provides millions of dollars to help fund the construction, rehabilitation and preservation of affordable rental housing, emergency shelters and homeless facilities, as well as funds that can be used to provide down payment assistance to low- and moderate-income first-time homebuyers. Prop 46 programs are administered by the State Department of Housing and Community Development. For information on Prop 46 and a full list of programs (including the schedule of notices of funding available) see www.hcd.ca.gov/ca/prop46programs.xls.

¹³ During the WOCF community process, additional sources of local revenues (i.e., Agency and/or City of Oakland funds) that could supplement the \$4 million contribution were identified by West Oakland community members. They are not included in this document consistent with the MOA indication that the City shall have no further obligations to fund the Community Trust Fund. Although local resources are not included in this document, they can be provided under separate cover upon request and WOCF Administrators may solicit these funds at a future date.

▪ *Department of Housing and Community Development (HCD) Programs*

If the WOCF is established as a separate 501(c)3, it could apply for funds from many of the HCD programs to support affordable housing construction and rehabilitation, and homeless shelters. Some of these resources are:

- CalHome (see www.hcd.ca.gov/ca/calhome/)
- Emergency Housing and Assistance Program (see www.hcd.ca.gov/ca/ehap/)
- Multi Family Housing Program (MHP) (see www.hcd.ca.gov/ca/mhp/)
- Predevelopment Loan Program (PDLP) (see www.hcd.ca.gov/ca/pdlp/).

A full list of programs is available at www.hcd.ca.gov/ca/index.html#fac.

▪ *Low Income Housing Tax Credits*

“In 1986, Congress created the federal low income housing tax credit to encourage private investment in the acquisition, rehab and construction of low income rental housing. Because high housing costs in California make it difficult, even with federal credits, to produce affordable rental housing, the state legislature in 1987 created a state low income housing tax credit program to supplement the federal credit.

The state credit is essentially identical to the federal credit, both are allocated by the California Tax Credit Allocation Committee and state credits are only available to projects receiving federal credits. To compete for the credit, rental housing developments have to reserve units at affordable rents to households at or below 46% of area median income. The targeted units must be reserved for the target population for 55 years.

The federal tax credit provides a subsidy over ten years towards the cost of producing a unit. Developers sell these tax benefits to investors for their present market value to provide up-front capital to build the units. Even with combined state and federal credits, additional subsidies are usually needed to make developments financially feasible.”¹⁴

(2) Potential Federal Resources for Community Development

The following is a sampling of federal resources that could be used to support activities highlighted in the WOCF design process, including the development of housing, businesses and community facilities.

▪ *Department of Housing and Urban Development (HUD)*

HUD offers a variety of programs that could provide additional funds for WOCF-supported projects. Relevant programs include, but are not limited to: Section 203(b)/mortgage insurance for one to four family homes; Section 207/rental

¹⁴ Information pulled directly from www.housingadvocates.org/default.asp?ID=31

housing development; Section 202/supportive housing for the elderly; Section 811/supportive housing for person with disabilities; Section 213/mortgage insurance for cooperative housing; HOME. For information on specific programs, see www.hud.gov/funds/index.cfm.

Funds provided through HUD's Community Development Block Grant (CDBG) program can be used as direct grants to support affordable housing and economic development, to improve community facilities and to provide community services, all of which must benefit low- and moderate-income persons. Eligible activities include, but are not limited to, acquiring real property; reconstructing or rehabilitating housing or other property; building and improving public facilities; employment and training; supporting business development; providing services for youth, seniors and the disabled; crime reduction; and assisting low-income homebuyers.

- *U.S. Department of Health and Human Services (HHS)/ Administration of Children and Families (ACF)/Office of Community Services (OCS)*

OCS offers a range of funding opportunities on a competitive basis for eligible entities serving low-income individuals and families. OCS resources might be appropriate to support WOCF projects and activities including support for Individual Development Accounts (IDAs), microenterprise development and other community economic development activities. In relation to the Family Asset Building component of the WOCF, it should be noted that in 1998 the Assets for Independence Act (AFIA) created a federally-funded national demonstration program to support the establishment of Individual Development Account programs in communities across the country. The Poverty Reduction and Prevention Act, currently pending before Congress, would reauthorize AFIA with a \$25 million appropriation in 2004 and additional funding to be determined for years 2005-2008. For more information on these and other programs, refer to the following website: www.acf.dhhs.gov/programs/ocs/.

- *Low Income Housing Tax Credits (refer to "Low Income Housing Tax Credits" in State section, above).*

Private Resources for Community Development

Possible private resources are (1) Foundation Grants and (2) Private Investment—Debt and/or Equity

(1) Foundation Grants

A number of foundations in the Bay Area have made grants to West Oakland organizations. These foundations could be a source of operational and/or program support for the WOCF. Some examples of relevant foundations include the following:

- The William and Flora Hewlett Foundation (www.hewlett.org)¹⁵
- The San Francisco Foundation (www.sff.org)
- The Evelyn and Walter Haas, Jr. Fund (www.haasjr.org)
- The Walter and Elise Haas Fund (www.haassr.org)
- The BankAmerica Foundation (www.bankofamerica.com/foundation) and
- The S.H. Cowell Foundation (www.shcowell.org).

(2) Private Investment -- Debt and/or Equity

The following resources include private loans and equity that could be used to leverage WOCF investments.

- *Bay Area Smart Growth Fund*

The Bay Area Smart Growth Fund is a regional investment fund sponsored by the Bay Area Council. Initially capitalized at \$50 million, the fund will invest equity in real estate development projects including retail, commercial, and industrial used, along with mixed-use mixed-income housing development. Fund investors include Wells Fargo Bank, Washington Mutual, PMI Insurance, Bank of America, California Federal Bank, Greater Bank of the Bay, and Providian. Pacific Coast Capital Partners is the Fund's investment manager.

- *Bay Area Smart Equity Fund*

The Bay Area Equity Fund is sponsored by the Alliance for Community Development, which includes representatives of community-based development and finance organizations. The Fund, which will be capitalized at \$75-\$100 million aims to provide capital to businesses that have the capacity to create jobs and wealth in the Bay Area's most impoverished communities. JP Morgan H&Q is the Fund's investment manager.

- *California Environmental Remediation Fund (CERF)*

CERF is a statewide environmental cleanup and restoration fund be capitalized at \$50 - \$75 million. The Fund will provide capital primarily debt, to the remediation and development of brownfield sites. CERF will target 25 percent of available funds to the San Francisco Bay Area.

- *Conventional Lenders*

A source of capital to leverage WOCF investments in community development projects might come from conventional lenders--like Citibank, Washington Mutual, Wells Fargo, or Union Bank of California--that have a history and/or commitment to funding community development projects.

¹⁵ While no longer investing in West Oakland through the Seventh Street McClymonds Corridor Neighborhood Initiative, the Hewlett Foundation has committed to continued funding of West Oakland projects and organizations. It could be a source of future funding for the WOCF.

- **CDFI and Nonprofit Lenders**

These include Bay Area Community Development Financial Institutions (CDFIs), like the Community Bank of the Bay (www.communitybankbay.com), and nonprofit lenders, like the Local Initiative Support Corporation.

LISC (at www.lisc.org), the Northern California Community Loan Fund (www.ncclf.org) and the Low Income Investment Fund (www.lihf.org) are also potential sources of community development loans for WOCF-supported projects. LISC also has produced an excellent reference document: Directory of Financing Sources for Non-Profit Sponsored Commercial and Mixed-Use Projects that cited more than 50 sources of financing for non-profit developers. The directory can be found on-line at: www.bayarealisc.org/lics/opendocs/FinancingSourcesDirectory.pdf.

VII. WOCF Monitoring & Evaluation

In order to maximize the potential benefits of the WOCF, it is imperative that there be a systematic and efficient program for monitoring and evaluating its operations. The key elements of the program will stress the need for internal and external accountability and on-going capacity building in order to ensure that the governing body manages the WOCF as effectively as possible. To achieve this objective, one possible approach is that a monitoring and evaluation component of the WOCF be housed in a newly-formed technical assistance entity--the *West Oakland Empowerment Center*--if existing City resources or existing organizations operating within the city are not available to provide the necessary functions. This Conceptual Framework document recommends the specific approach described below; the Agency may additionally elect to use an alternative monitoring system (e.g., one that has been applied to prior Agency and/or City projects) to produce similar effective results.

The suggested parameters, tools, and objectives of the proposed WOCF may benefit from use of a monitoring and evaluation approach developed and used by Dr. David Fetterman, Stanford University, known as empowerment evaluation. Below is a brief description of the approach. A more detailed description can be found in *Foundations of Empowerment Evaluation* (Fetterman, 2000). This evaluation approach will require resources such as: (1) independent, qualified professionals to conduct both program and financial audits on an annual basis; (2) an Evaluation Advisory Group comprising of multiple constituents (including residents, community leaders, and investors) to guide the evaluation; and (3) a third party evaluation team that will bring objectivity to the design, collection and analysis process and facilitate and staff the Evaluation Advisory Group. The cost of operating the program will depend on the extent to which each of these program components is implemented.

Introduction to Empowerment Evaluation

In a web page excerpt from www.stanford.edu/~davidf/empowermentevaluation.html entitled Collaborative, Participatory, and Empowerment Evaluation, the American Evaluation Association provided the following description of empowerment evaluation:

Overview

“Empowerment evaluation is the use of evaluation concepts, techniques, and findings to foster improvement and self-determination. It employs both qualitative and quantitative methodologies. Although it can be applied to individuals, organizations, communities, and societies or cultures, the focus is usually on programs. Empowerment evaluation has an unambiguous value orientation--it is designed to help people help themselves and improve their programs using a form of self-evaluation and reflection. Program participants--including clients--conduct their own evaluations; an outside evaluator often serves as a coach or additional facilitator depending on internal program capabilities.

Steps of Empowerment Evaluation

Empowerment evaluation has three fundamental steps. The first step is establishing a mission or vision statement about the program. Some groups do not like the terms mission or vision and instead prefer to focus on results. They state the results they would like to see, based on the outcome of the implemented program, and map backwards; specifying activities required to achieve those processes and outcomes.

The second step, taking stock, involves identifying and prioritizing the most significant program activities. Then program staff members and participants rate how well the program is doing in each of those activities, typically on a 1 (low) to 10 (high) scale, and discuss the ratings. This helps to determine where the program stands, including strengths and weaknesses.

The third step involves charting a course for the future. The group states goals and strategies to achieve their dreams. Goals help program staff members and participants determine where they want to go in the future with an explicit emphasis on program improvement. Strategies help them accomplish program goals. These efforts are monitored using credible documentation. Empowerment evaluators help program staff members and participants identify the type of evidence required to document progress toward their goals. Evaluation becomes a part of the normal planning and management of the program (emphasis added), which is a means of institutionalizing and internalizing evaluation.”

Applicability of Empowerment Evaluation to the WOCF

To pursue a “seamless” connection between the WOCF’s programmatic and evaluation functions and needs, the evaluation plan should be in place prior to the formal implementation of the WOCF. Additionally, the components of the evaluation plan must incorporate the reporting requirements of the State Tidelands Trust (regarding activities funded through use of the Port’s WOCF contribution), the Agency, and of any other entity participating in the transmittal of funds to WOCF operations.

Given the significance of the WOCF both to internal and external stakeholders, it is of vital importance to evaluate the WOCF’s success in a critical, unbiased and comprehensive manner. To that end, it will be mandatory to engage the services of independent, qualified professionals to conduct both program and financial audits on an annual basis.

In addition to the audits, the WOCF evaluation approach will stress the need to be participatory, rigorous and utilization-focused. Below is a description of what these principles will mean to the WOCF evaluation:

Participatory

The evaluation will be informed and guided by multiple constituents, including residents, community leaders, and investors. To that end, an Evaluation Advisory Group will be formed to guide the evaluation at every step of the way. Constituents will play key roles in

helping to design the evaluation and data collection tools, in implementing key data collection activities, and in interpreting the results in order to inform ongoing WOCF practice. The Evaluation Advisory Group will become leaders and spokespeople for the evaluation process and the results.

Rigorous

The WOCF will also engage the services of a third party evaluation team that will bring rigor and objectivity to the design, collection and analysis process. The evaluation team will not itself have a vested interest in the WOCF's work, but will bring important content and technical skills to bear in the effort. The independent evaluation team will ensure that all instruments, methods and analytic approaches will be selected to maximize the rigor with the resources available for the evaluation process. The team will also ensure that on-going monitoring of WOCF funding activities is occurring and that detailed and accurate reports as to the use of funds are prepared and submitted on a timely basis in order to fulfill the *specific requirements* of the Redevelopment Agency, the Port of Oakland, and other financial contributors. The third party evaluation team will facilitate and staff the Evaluation Advisory Group and ensure all members are informed and active participants in the evaluation effort.

Utilization-focused

The evaluation will not be an academic exercise. It will be designed to provide real data in real time to be of use to the WOCF as it is undertaking this work. A participatory process will ensure that the questions being asked in the design phase will yield helpful and relevant answers. Data will be shared with the community in a way that is easy to understand and apply. Data will also be systematically analyzed and synthesized in periodic written reports that will be shared with external stakeholders, particularly the City of Oakland and the Port of Oakland. The WOCF believes in transparency and will share all of its results and actions with any and all interested parties. On a quarterly basis, the Evaluation Advisory Group will share its progress and results with the WOCF governing body in a face-to-face meeting to reflect on the WOCF's progress and make any mid-course corrections, as necessary.

Steps in the Evaluation Process for the WOCF

Using the above-referenced principles as the guideposts, the following sequence of steps would occur under the Empowerment Evaluation approach:

1. Articulate WOCF's Theory of Change

Underlying every effort to bring about some social change there is usually an implicit theory at work. A theory of change has three essential components: people, strategy, and results. Clearly articulating a theory of change for the WOCF has three distinct advantages. First, it often brings more disciplined thinking to a Fund--and its proposed program model(s)--in that it forces the designers to think through all of the important linkages in a model that is being newly designed and make the case for why the chosen strategies will lead to the

desired outcomes or results. Second, the theory of change provides a basic roadmap for an evaluation in that it highlights key opportunities for measurement. And finally, a theory of change is a *casual model* that obviates the need for comparison measurement. If the theory makes sense and the evaluation measures what the theory says, or measures proxies for the theory, then the results are tantamount to causal evidence and the evaluation does not need to gather comparative data from other communities in order to demonstrate causality.

Therefore, the Evaluation Advisory Group's first task will be to develop a theory of change for the WOCF work, both the Community Development Investment model and the Family Asset Building model. It will be essential that the process for articulating WOCF's theory of change be participatory since it is the foundation for the rest of the evaluation work.

2. Identify Key Variables for Measurement within the WOCF's Theory of Change

The next step in the evaluation process is to identify key variables or data elements to measure the different components of the theory.

3. Choose Methods of Measurement, Develop Data Collection Instruments and Procedures

The Evaluation Advisory Group will choose appropriate methods of measurement, with the guidance of the third party evaluation team, collectively develop data collection instruments, pilot-test and refine the instruments and then develop procedures for the implementation of all data collection activities.

4. Implement Data Collection

The WOCF will use multiple methods to collect both qualitative and quantitative data that describes the key activities undertaken, the people affected and the results achieved. The data collection effort itself will in part be implemented by community residents and other key stakeholders and in part, by the third party evaluation team.

5. Analyze, Interpret, Reflect and Use the data

On a regular basis, the WOCF Evaluation Advisory Team will ensure that the data collected are analyzed, and shared for purposes of interpretation and reflection. But interpretation and reflection are only important if they lead to action, either affirmation of the WOCF approach or possibly to suggest mid-course corrections, or some of both.

6. Share the Learning

The WOCF will synthesize its learning and transparently share that learning with others who are interested in the WOCF model specifically and with those who may have a more general interest in learning about innovative approaches to community economic development, individual and family wealth building and empowerment of local residents.

VIII. KEY STAGES & RECOMMENDATIONS FOR WOCF DEVELOPMENT & IMPLEMENTATION

Over a seven-month (January to July, 2003) time span of continuous interaction with community residents and associations, local business operators and service providers, public officials and city staff, as well as extensive research and analysis of alternative governance structures and promising investment models, the following findings emerged as key interests, concerns and needs of stakeholders involved in the conceptual framework development process. Please note that the order in which the findings appear does not reflect any degree or level of relative priority or importance.

Stage One: Building the Infrastructure of the WOCF

- **Finding: There is a need to capitalize the WOCF in a prompt and expeditious manner.**

Recommendations:

(1) That a minimum of \$2 million--one-half of the initial \$4 million commitment from the Port of Oakland and the Oakland Redevelopment Agency/Master Developer--be placed immediately into a designated WOCF account in order to a) accrue interest; b) build on the present momentum and level of interest; and c) affirm the goodwill that has been generated by the framework development process. It must be noted that while this is the recommendation of involved West Oakland community members, the provisions of the above-referenced City/Port/OBRA/Redevelopment Agency MOA do not allow for immediate receipt of the Port's WOCF contribution--it is transmitted after the Agency/Master Developer makes its contribution. Further, absence of a OARB Master Developer preclude funds being immediately available from this source. If this recommendation is to be implemented, an alternative source of funds must be identified.

(2) That other revenue sources be identified and vigorously pursued.

- **Finding: There is a need to continue active community outreach and engagement activities--especially with renters, seniors and youth--to garner input on the design and implementation of the WOCF and build interest among prospective candidates for the WOCF Board of Directors any other community parties that would be associated with this project.**

Recommendation:

(1) That the WOCAG serve as the interim transition entity to carry forward with outreach and engagement until such time as the WOCF Board has been dully selected and assumes the on-going management of WOCF activities.

- **Finding: There is a need to move steadily forward with the establishment of a new non-profit entity along the lines of the community-preferred model for the structure and governance of the WOCF.**

Recommendations:

(1) That the WOCF process moves forward to implement the preferred structure and governance model which is a hybrid of the:

(a) Categorical Representation Model in which the governing body consists of persons from the community, business, foundation and public sector who fulfill selected criteria designed to achieve broad support for the WOCF. Additionally, because of the financial reporting, auditing and other administrative requirements resulting from the source of funds, the designated State Lands Commission trustee and a representative(s) of the Oakland Redevelopment Agency might also be on the governing body; and, the

(b) Community/ Member Elected Model in which the governing body consists of persons elected by the members of the WOCF. Membership could consist of persons living and working in West Oakland as well as businesses, organizations and associations located in or serving West Oakland.

(2) That the administrative support for this project be carefully evaluated and a corresponding two-year budget be constructed with funds earmarked to support both pre- and post-incorporation operational costs for staff (and/or consultants where necessary) to support project.

(3) That WOCAG take the lead in the preparation of a mission/vision statement, articles of incorporation, by-laws and tax-exempt application for the WOCF, and in the coordination of the process for the formal identification, screening and selection of the WOCF Board of Directors.

(4) That the WOCAG (where necessary) have access to technical assistance (either through dedicated staff and/or consultants) during the process of putting a board together, forming the corporation, and raising funds.

(5) That the WOCAG design and implement some sample (pilot) projects in order to facilitate fundraising efforts. This may include projects that can offer additional community benefits to West Oakland residents such as the Jack London Gateway Plaza, the Mandela Farmers Market, or other examples.

Stage Two: Commencing Operations and Programs of the WOCF

- **Finding: There is a need for a Fund design that provides resources for community investment while simultaneously building the capacity of residents to be investors, in collaboration with the public, private and non-profit sectors. This design should be implemented and continuously refined through on-going research, analysis and**

planning efforts.

Recommendations:

(1) That the next step of the WOCF developmental process includes the funding and implementation of WOCF operations and the start-up of a grant-making program based on the hybrid investment model that emerged from community discussions. The model would include a combination of the following features:

(a) the Community Development Investment Model where a portion of the funds be used to provide loans, grants and/or equity investments to finance community economic development projects like housing, business or real estate development; and,

(b) The Family Asset Building Model (borrowing some of the structural and technical assistance from the Neighborhood Foundation Model) where a portion of the WOCF's resources would be used as matching funds for an Individual Development Account Program (IDA). For each dollar saved by residents, the WOCF would provide matched savings. Savings could be used by residents to purchase a home or businesses in the community or pay for education and training or retirement. The model would include general financial literacy training and support for different investment strategies--like homeownership counseling or business planning.

All actions need to reflect and not be inconsistent with the requirements of the State Tidelands Trust regarding activities funded through use of the Port's WOCF contribution.

- **Finding: There is a need to establish a community-based, multi-faceted capacity building program in West Oakland for WOCF directors, members, residents, community leaders, staff and affiliate organizations.**

Recommendation:

(1) That, if it cannot be shown that existing City resources or existing organizations are not available to provide the necessary capacity-building functions, funding be identified and garnered to plan, staff-up and launch an independent West Oakland Empowerment Center. The purpose of the Empowerment Center is to ensure that skills of local residents are enhanced to the point of fully accessing, managing and utilizing WOCF funds. Based in West Oakland, the Empowerment Center, among other activities, would offer--either directly and/or in partnership with existing providers--the following services:

- ❖ Training and technical assistance (TA) for individuals, families, organizations and youth in West Oakland in: project/proposal development; financial and computer literacy; entrepreneurship training; and, investing through matched savings
- ❖ Training/TA for organizations in community benefits plans and resident ownership strategies

- ❖ Training/ TA for WOCF Board Members and staff in grant-making management and oversight; board/ member roles and responsibilities; and, systems for on- going fund development, monitoring and evaluation of the WOCF

Stage Three: Sustaining and Growing the WOCF

- **Finding: An effective approach for monitoring, evaluating and fine-tuning the WOCF over time is required.**

Recommendations:

(1) That the information presented in Chapter VII regarding WOCF monitoring and evaluation be used as a guide for the design and implementation of an empowerment evaluation program.

(2) That both program and financial audits be conducted each year by independent, qualified professionals the results of which would be shared with key stakeholders and the public vis-à-vis a WOCF annual report.

(3) That West Oakland youth and young adults be continuously immersed in the activities of the WOCF to ensure that there will be capable stewards for the WOCF in the years ahead.

- **Finding: There is a need to identify additional sources of funding in order to maximize the impact of the WOCF and to ensure that it is sustainable over the long term. These sources could include direct grants to the fund. They could also include resources to leverage the WOCF's investments. In the long term, there is a need to create an endowment fund so that the fund can operate in perpetuity.**

Recommendation:

That the information presented in Chapter VI regarding WOCF revenue generation be used as the starting point in crafting a comprehensive WOCF development and investment strategy.

IX. TIMETABLE OF KEY NEXT STEPS

Building from the seven key findings from the preceding chapter, a general timetable for the full implementation of the WOCF is presented below.

WOCF PROJECTED TIMETABLE

TASK	START DATE
1. Staff obtain Oakland Redevelopment Agency action on the WOCF Conceptual Framework Document, specifically: <ol style="list-style-type: none"> Decide on WOCF Model, Proposed Activities (for Agency's funding contribution), Governance Structure, and Monitoring Mechanism (and/or indicate revisions required) Decide on funding for project and indicate timing of receipt of funds Dedicate City and/or consulting staffing resources as appropriate ("Project staff") Develop a detailed timeline of WOCF implementation activities 	Redevelopment Agency Consideration Meeting ("Date X") ¹⁶
2. [If immediate investment into the WOCF is directed by the Agency], Agency direct that first \$2 million be placed into a designated WOCF fund account [otherwise the Agency may elect to establish the WOCF for organizational purposes and fund in accordance with the provisions of the Oakland Army Base Memorandum of Agreement]	Dependent on Funding Source
3. Agency appoint WOCAG as the designated interim transition entity to advise the Agency on matters affecting the WOCF	"Date X"
4. Project staff obtain State Lands Commission approval of recommended WOCF type of activities (for projects funded through the Port's contribution)	"Date X"
5. Project staff direct resources/ technical assistance support to: <ol style="list-style-type: none"> Prepare two-year administrative budget Prepare articles, by-laws, tax-exemption forms, board selection process Finalize types of acceptable activities Finalize WOCF Board formation Raise funds for WOCF start-up 	"Date X" "Date X" "Date X" "Date X" "Date X"
6. Project staff begin start-up of WOCF operations: <ol style="list-style-type: none"> Provide training/technical assistance to Board/staff Develop/refine internal policies/procedures Refine grant-making systems/criteria Raise funds for WOCF grant-making program Design WOCF development/investment plan 	120 days from "X" 120 days from "X" 120 days from "X" 120 days from "X" 120 days from "X"
7. Project staff prepare WOCF Progress Report summarizing status of tasks 1-7 for Agency consideration	2 Months from completion of Tasks #1-#6

¹⁶ Because the actual date of Redevelopment Agency adoption of the recommendations of this document cannot be determined at this time, "Date X" is indicated as a placeholder. The timeframe for all subsequent actions would tier from "Date X."

TASK	START DATE
8. Project staff transfer \$2 million Agency/Master Developer contribution to WOCF Entity	Upon Agency Direction
9. Port staff transfer \$2 million Port contribution to WOCF Entity	After Agency contribution is transmitted
10. WOCF Board implement Family Asset Building and Community Development Investment Program	Upon receipt of WOCF contributions
11. WOCF Board raise funds for <i>West Oakland Empowerment Center</i>	1 Year from "X"
12. Prepare WOCF Progress Report summarizing status of tasks 8-11 for Agency consideration	6 Months from completion of Tasks #8-#11
13. WOCF Board Start-up <i>Empowerment Center</i> : a. Provide training/technical assistance to residents b. Provide training/technical assistance to organizations c. Continue training/technical assistance to WOCF Board and staff	15 Months from "X" 15 Months from "X" 15 Months from "X"
14. WOCF Board produce/distribute first-year annual report to Agency	1 Year from Transfer of Initial Funds to WOCF Account

APPENDICES

APPENDIX A

RESEARCH / REPORT ON PROMISING PRACTICES MODELS



RESEARCH/ REPORT ON PROMISING PRACTICES MODELS

By: Heather McCulloch, Consultant to NEDLC and the WOCF

Research on an assortment of models, described below, was prepared by the consulting team to offer participants in the planning process with ideas about “promising practices” of community funds around the country. Key elements of the examples were then used to build three “prototypes” of funds that were discussed in the community planning process: 1) the Community Development Investment Model; 2) the Family Asset Building Model; and , 3) the Neighborhood Foundation Model. (Note: See Attachment E. For a description of the three models). This information was meant to offer community stakeholders with a sampling of innovative strategies that address some, but not all, of the structural and operational issues that were addressed in the planning for the West Oakland Community Fund.

A. Development-Supported Community-Managed Funds

The following models illustrate examples of community-managed funds established through agreements resulting from a specific development project. The first example includes a one-time investment by a project developer, with the resources to be allocated over a limited time period (The Neighborhood Fund, Evansville, Indiana). The second example demonstrates a strategy to develop a fund that becomes a sustainable community asset, one that generates ongoing resources for the revitalization of a place – and people – in a targeted geographical area (The Neighborhood Unity Foundation, San Diego, California). The third example illustrates examples of tools (community benefits agreements) for communities to leverage both one-time investments and ongoing funding streams from development projects, to benefit local residents (Community Benefits Agreements/California Public Subsidies Project).

The Neighborhood Fund—Evansville, Indiana

In 1994, the City of Evansville, Indiana was earmarked to receive one of several riverboat gambling licenses authorized under the State of Indiana Riverboat Gambling Act. When the mayor decided to hold public hearings to review the bids of gambling companies, a coalition of local civic, religious and community leaders began to organize around the need to ensure that the project provided benefits to low-income residents of Evansville.

In 1995, the group established a new nonprofit corporation called Organization for a New Evansville, or ONE, to lead the community benefits negotiations, with technical assistance from the local legal aid office. The group began to approach prospective bidders to negotiate a community benefits package.

As a direct result of the group’s effort, the winning bidder committed \$1.25 million dollars – at a rate of \$250,000 per year – over a five-year period to support community

development efforts targeting low-income residents of Evansville. The funds were given to the City of Evansville and then passed through to ONE. In recognition of the leadership role played in the negotiations process, ONE was designated as the recipient and manager of the funds.

The first allotment of funds was given to ONE in 1996. The group invited a range of civic leaders to join their board, which served as the decision-making body for developing goals, criteria, a process and the decision-making structure for allocation of the funds. They developed a request for proposal (RFP) process to solicit proposals from neighborhood organizations, with a focus on local welfare-to-work efforts, including job training and transportation. Because the agreement establishing the Fund prohibited ONE from using the funds to support their operating expenses, ONE sought support from outside funders. They obtained a grant the Campaign for Human Development which they used to hire a part-time executive director.

Over the five year period, 1996-2001, the fund invested in a range of community projects including: childcare, a micro-loan program for community entrepreneurs, a food program for low-income families, a mentoring program for teenage mothers, affordable housing, job training and an emergency shelter program. Each grant was monitored through site visits by board and staff.

The fund was terminated at the end of the five-year period, due to the expiration in the original agreement between the City and ONE. Though ONE board members lobbied for ongoing funding, a change in the City administration and the lack of an internal auditing mechanism undermined political support for the community-controlled funding pool.

The Neighborhood Unity Foundation – San Diego, California

Market Creek Plaza is a 20-acre commercial development project located in an area comprised of ten multi-ethnic low-income neighborhoods, in southeastern San Diego, known as “The Diamond.” The Diamond area, home to 88,000 residents, has been designated a redevelopment area and is part of a state Enterprise Zone and federal Enterprise Community. Led by the Jacobs Family Foundation and the Jacobs Center for NonProfit Innovation (JCNI), the Market Creek development has been designed and developed with direct, intensive and ongoing leadership by a broad range of community residents. Phase I of the development has been completed, including a Food for Less Grocery store which is currently one of the chain’s most profitable stores in the San Diego region. The project aims to build from and add to community assets through a comprehensive commitment to community ownership.¹ As part of its community ownership strategy, JCNI has established a limited liability company (LLC), called Market Creek Partners, which will soon offer shares – or “units” to community residents.² These

¹ For more information on Market Creek Plaza see PolicyLink report: “Sharing the Wealth: Resident Ownership Mechanisms,” available at www.policylink.org. pgs. 52-53.

² The initial public offering is in the final stages of review by the California State Department of Corporations.

resident/owners will become a special class of shareholders known as Diamond Community Investors and will receive a preferred return on investment to minimize potential losses.

The development includes planning for the creation of a resident-controlled foundation, called the Neighborhood Unity Foundation (NUF). The aim of the foundation is to reinvest profits from the development into the neighborhood, under the guidance of local residents who will comprise NUF's governance structure. Led by a resident team, the planning for the foundation is currently underway. It will be capitalized with an initial investment of \$1 million of stock from Market Creek Partners. The James Irvine Foundation has provided operational support.

Original ideas around the structure of NUF were based on a *community foundation model* with a designated group of community leaders to review funding inquiries through a requests for proposal (RFP) process. The idea included a resident-led board as final decision-makers, a characteristic that is uncommon among community foundations. These plans are currently being reassessed by the community planning team and may result in a new structure that is more responsive to resident needs and priorities. A training program is already underway to enable residents to build grant-making expertise and to enable residents to assume responsibility for operating the Foundation. To date, the program has included trainings and site visits to national and regional foundations across the nation.

In the short-term, the Neighborhood Unity Foundation and Diamond Community Investors will own a combined 22% stake in Market Creek Plaza. The longer term goal is to increase the share of both NUF and individual resident ownership—through a 10-year refinancing strategy—closer to 50%.³

California Partnership for Working Families—Community Benefits Agreements

The California Partnership for Working Families (formerly California Public Subsidies Project) is a partnership between four California organizations who are working to ensure that local economic development projects that are receiving a public subsidy produce clear and measurable benefits for community residents.⁴ CPSP member organization have played a leadership role in developing and refining a tool – a “community benefits agreement” – to negotiate and formalize community benefits as part of the development planning process. A community benefits agreement (CBA) is a legally-binding contract between a developer and community organizations that details the range of community benefits that will result from an

³ A case study on the Market Creek Plaza model will be published by the Southern New Hampshire University, School of Community Economic Development in the spring of 2003.

⁴ The partners include the Center on Policy Initiatives (CPI/San Diego), East Bay Alliance for a Sustainable Economy (EBASE/Oakland), the Los Angeles Alliance for a New Economy (LAANE/Los Angeles) and Working Partnerships USA (San Jose).

economic development project.⁵ To date, community benefits agreements in the state have focused on living wage jobs, services and facilities for community residents, but they could include the establishment of a community fund as one form of community benefit.

Typically, a CBA results from direct negotiations between a developer and community groups. In order to make a CBA enforceable by a government entity, it can be incorporated into a development agreement (also known as “disposition and development agreements” when used by redevelopment agencies)—the contract between a developer and a city or county. The result is an agreement by the developer to invest in a package of community benefits, while community groups agree to support the developer in the public planning process. Thus, a CBA helps to build a partnership between the developer and the community around a set of outcomes that is mutually beneficial.⁶

B. Community-managed funds supported by private philanthropy

The following examples include funds that have been established by private foundations. They have been designed to support resident leadership and/or oversight by community residents and other stakeholders.

The Mini Grant Fund - San Diego, California

San Diego Neighborhood Funders (SDNF) is an alliance of grantmakers and other partners whose mission is to “support residents in changing their own neighborhoods.” Focusing on the “Diamond” neighborhood—the ten neighborhoods in southeastern San Diego that are discussed in the Market Creek Plaza example above—SDNF has created a “mini-grants fund” designed to support resident organizing and resident-initiated neighborhood projects. United Way is the fiscal sponsor of the SDNF.

The Mini Grants Program is designed to break down the walls between philanthropy, nonprofits and community residents through a structure that includes training and capacity building for community residents. The fund currently includes \$50,000 to support small grants (\$500 to \$5,000) to residents who are working to strengthen their neighborhoods through problem-solving, asset-building and other community projects. The program was initiated in September 2002. Community outreach and presentations took place between September and November. The first rounds of applications were due on November 1, 2002.

Awards were announced in January 2003. Awardees will receive technical assistance and support. All projects will be monitored in the spring of 2003 and evaluated in the fall.

⁵ See *Community Benefits Agreements: Making Development Accountable* by Julian Gross, Attorney at Law with Greg LeRoy of Good Jobs First and Madeline Janis-Aparicio of LAANE. Published by Good Jobs First and the California Public Subsidies Project. 2002.

⁶ *Ibid.*, p.1.

Decisions about the allocation of the funds are made by a volunteer Grant Selection Committee that includes 18-21 members, including at least 10 residents of the Diamond Neighborhoods. Reviewer/members are divided into teams, comprised of 3-4 members each. Team members are assigned to reviewing applications assigned to their team, using a uniform point-based scoring system for each application.

Application guidelines include a number of application requirements:

- Funds must be used for projects within the Diamond Neighborhoods;
- The application must be led by three or more neighborhood residents; and
- Funds cannot be used to cover staffing or major equipment.

Applications are given preference according to the following criteria. Projects must:

- Improve or enhance the quality of life in the neighborhood;
- Be submitted, controlled and planned by community residents;
- Build on the strength and resources of individuals and groups within the neighborhoods;
- Identify the person that will be responsible for running the project; and
- Be practical, with clear results within six months of receiving funds.

Committee members are required to attend an orientation and to attend all Team meetings. They are also required to participate in meetings of the full Selection Committee to finalize overall funding decisions. The full Selection Committee is charged with ensuring that the funding portfolio represents a:

- Geographic mix of projects;
- Diversity of ethnic and cultural communities;
- Range of award sizes; and
- Mix of the types of activities supported.

In order to address conflict of interest issues, committee members are required to declare any significant ties or relationships with individuals/organizations applying for funding. A conflict of interest does not bar a member from the process but committee members are not assigned to teams where proposal assignments pose a conflict.

Funding decisions are made by the Committee and then forwarded to SDFN and to United Way, the fiscal sponsor of SDFN. United Way reserves the right to negotiate the terms and conditions of any grant in order to protect its nonprofit status and fiduciary responsibilities. SDFN has only committed to the first round of awards. It will determine whether to reinvest in the program after the first year.

The Neighborhood Fund - The Community Foundation for Greater Atlanta

Established in 1991 by the Community Foundation for Greater Atlanta, with a grant from the Charles Stewart Mott Foundation, the Neighborhood Fund includes a \$100,000 annual

commitment of resources to support an annual pool of \$40,000 in grants and a \$60,000 in technical assistance. Each year, it allocates grants of \$1,000 to \$5,000 to support 10-12 neighborhood-based projects led by residents. It also provides training and technical assistance to build leadership and other organizational skills of grantees.

The Fund is designed to support longer-term projects and to provide technical assistance to build the leadership skills of neighborhood leaders. Projects must address significant issues in the community and must be led by a minimum of five community residents. Applicants must have at least two years experience working together on community issues. Public agencies, housing and social service organizations are not eligible to apply.

The Fund has supported over 65 neighborhoods and over 85 projects in four counties, including: children's playgrounds, community gardens, cleanup and beautification projects, summer programs for youth, production of neighborhood newsletters and small entrepreneurial projects.

The program is managed by a 10-12 member Neighborhood Fund Advisory Committee that meets six times a year. Three members of the Committee are neighborhood residents; others represent the corporate, philanthropic and educational sectors. Committee members engage in an annual funding cycle that includes proposal review, site visits and funding recommendations. Final approval of grants is made by the board of directors of the Community Foundation.

The program is staffed by one person working 10% of full-time employment (FTE). In addition, a full-time staff person runs the Neighborhood Resource Center, serving current and former grantees. A private consultant is assigned to support each grantee, as needed, throughout the life of the grant. Grantees are eligible to apply for renewed funding, after the first year of the grant.

Comprehensive Community Initiatives

In the 1990s, a growing "community building" movement began to articulate an approach to community planning and development that emphasized the role of residents as active and engaged leaders in the planning and development process, in partnership with private foundations and other public and private sector stakeholders. Participants in this movement included stakeholders engaged in "comprehensive community initiatives," neighborhood improvement initiatives that were sponsored by private foundations and targeted specific geographic communities. Prominent examples include the Annie E. Casey Foundation *Rebuilding Communities Initiative*, the Ford Foundation *Neighborhood and Family Initiative* and the William and Flora Hewlett *Neighborhood Improvement Initiative*, which included West Oakland.

Some of these initiatives may be informative to the West Oakland Community Fund planning process in the fact that they included governance structures comprised of a broad cross-section of community stakeholders. These governing bodies have had varying degrees of decision-making authority over the allocation of foundation dollars to the local community. One prominent example, the Dudley Street Neighborhood Initiative (DSNI) in Boston, served as a national model for comprehensive community initiatives that were led and controlled by community stakeholders. Formed in 1984, DSNI is a nonprofit community-based planning and organizing entity dedicated to revitalizing the Roxbury/North Dorchester neighborhood, one of the poorest neighborhoods in Boston. Its 29-member board of directors includes 12 residents representing each of 4 ethnic groups plus 2 board-appointed residents, 2 youth, 7 nonprofit agencies, 2 churches, 2 businesses and 2 CDCs. In 1988, DSNI became the first nonprofit in the country to gain eminent domain authority over public property in the neighborhood. In almost 20 years of operation, the community-controlled organization has managed millions of dollars going to community planning and development projects. During that time, DSNI has purchased over 50 parcels of land from absentee landlords; it has helped to clean up vacant lots, build homes,

establish gardens and build new businesses in the neighborhood.⁷

C. Community development funds managed by municipalities

The following examples illustrate models of funds that have been established by cities to allocate public funds for community development purposes. These examples are included to help participants in West Oakland to think about structural issues. They are not meant to imply that the funds will be managed by the City of Oakland.

It should be noted that housing trust funds have typically emerged from organizing efforts led by affordable housing advocates. They have identified a range of strategies to obtain ongoing funding to support housing preservation and development. These resource ideas could be helpful in the West Oakland design process.

City-sponsored Housing Trust Funds⁸

The housing trust fund model demonstrates how a fund can be used to support a specific community development goal, through the dedication of an ongoing funding stream. While most housing trust funds have been created and controlled by cities, counties and states, alternative structures are listed below.

“Housing trust funds are distinct accounts that receive dedicated sources of public funds to support affordable housing...Housing trust funds are created to provide decent affordable housing to those most in need. Consequently, they are typically targeted to serve lower income households. Within this broad goal, however, housing trust funds have reached far to provide an extremely diverse range of housing activities from new construction and rehabilitation to rental assistance and homeless shelters.”⁹

Today, there are over 275 housing trust funds established by cities, counties and states across the United States. Over 42 of these funds have been established by cities in 22 states, with an additional 142 funds established by cities in the state of New Jersey alone.¹⁰ The majority of

⁷ For more information, see DSNi's website at www.dsni.org or see the website for the Independent Sector: www.independentsector.org/pathfinder/innovations/housing/dud_str.html.

⁸ Information provided in this section was largely drawn from: Mary E. Brooks. *Housing Trust Fund Progress Report: Local Responses to America's Housing Needs*. (Washington, D.C., Center for Community Change, June 2002).

⁹ Ibid. p. 1.

¹⁰ State legislation has allowed New Jersey cities to impose fees on developers to raise money for affordable housing in order to meet their obligations under the New Jersey Fair Housing Act. (See *Housing Trust Fund Progress Report*, p. 21 for more detail).

these funds are administered by a city agency, although three funds—the San Antonio Housing Trust Foundation; the Nashville Housing Fund and the Affordable Housing Trust Fund in Knoxville Tennessee—are administered by outside agencies or foundations. In one example, the Bloomington Indiana Housing Trust Fund, funds are held by a local foundation but administered by a city department. In another example, the Santa Fe Community Housing Trust Fund was established by City, but the fund is administered by the Santa Fe Affordable Housing Roundtable, representing a cross-section of housing interests.

Sources of revenue for housing trust funds typically include:

- Transit occupancy taxes (hotel, motel);
- Business license taxes;
- Property taxes;
- Sales taxes;
- Real estate transfer taxes;
- Redevelopment tax increments;
- Sale of city-owned land;
- City-owned parking revenues; and/or
- Bond revenues.

City-managed housing trust funds are typically used as a source of flexible housing dollars. They can be designed to support a diverse variety of housing needs ranging from:

- Acquisition and development of affordable housing by nonprofit and for profit developers;
- Support for local homebuyer programs;
- Matching funds for other programs; preservation of housing developed with expiring tax credits;
- Affordable housing rehabilitation;
- Developing and supporting transitional housing, homeless housing and services, improving public facilities, etc.
- Some funds also support education and counseling, emergency repairs or tenant-based assistance.

Most city housing trust funds are administered by three or fewer staff members. Typical sources of operational support include: trust fund revenues, government-allocated funds, Community Development Block Grant (CDBG) funds, HOME funds and general funds.¹¹ Many city-managed funds leverage housing trust funds with other public resources, including those mentioned above.

Oversight of thirty-six of the funds is conducted by a board with members typically appointed by the city council or mayor. Typically, these boards represent a cross-section of

¹¹ Ibid. pg. 21.

stakeholders interested in housing policy and development including nonprofit developers, housing advocates, low-income residents, bank staff, realtors, labor representatives and service providers. Final decision-making authority on fund expenditures often rests with the City Council.

Community Investment Fund – South Oxfordshire District Council, England¹²

The South Oxfordshire Community Investment Fund was established in 1997 when the South Oxfordshire District Council sold its housing stock to a local housing association for a net sum of \$106 million. The proceeds of the sale were placed in a Community Investment Fund and interest was made available to support community initiatives costing \$32,000 or more.

In 2002/2003, the fund distributed over \$17 million for a wide range of community projects including: a volunteer center, renovations to public facilities, the development of sports facilities and playgrounds, a cycling path, the purchase of land for a nursing home, playground equipment, etc. The fund also allocated \$320,000 to be allocated by a separate grants committee for projects costing less than \$32,000.

The fund is open to any applicant, with projects measured according to the following criteria (not a full list):

- Benefits to the residents of South Oxfordshire;
- The extent to which the award meets or complements the Council's policies, strategies and targets;
- The extent to which an award would bring economic, social and environmental benefits to the area;
- The size of the bid in relation to available funds and other bids;
- Awards are generally limited to covering up to 75% of total project costs. (Preference is given to projects that receive a larger proportion of their matching funds from other sources);
- The quality and timeliness of the bid;
- The financial benefits and risk to the Council;
- Evidence that the award will benefit the community; etc.

FUNDS TARGETING INDIVIDUALS AND FAMILIES

The following models illustrate ways that a fund could directly benefit individuals and families in the target community.

¹² Additional information can be obtained through the Council's website at www.southoxon.gov.uk.

Alaska Permanent Fund – State of Alaska¹³

The Alaska Permanent Fund was established in 1976 with funds collected by the state from oil companies drilling on public lands. The first deposit of dedicated revenues into the fund was \$734,000, made in 1977. By June 2001, the Fund's assets exceeded 28.1 billion.

Fund assets are invested in stocks, bonds and real estate investments. Annual dividends from these investments have been paid to Alaskan citizens since 1982. The size of the dividend varies, depending on the performance of the fund each year and for the four previous years. In 2000, each resident of Alaska received a dividend of \$1,963.86.

While the fund has not been without controversy, it has provided a valuable source of assets—from fishing boats to college funds—for low-income Alaskan families. An amendment to the state constitution was proposed in the mid-1990s to allocate a proportion of the funds to finance an educational endowment. This amendment has not been passed and remains controversial.

Community Asset-building Fund¹⁴

One strategy to ensure that resources from the Community Fund go directly to building assets for community residents would be allocation of all or a portion of the funds as matching funds for Individual Development Accounts (IDAs) benefiting West Oakland residents.

Individual Development Accounts (IDAs) are dedicated savings accounts, similar in structure to Individual Retirement Accounts (IRAs) that can only be used for purchasing a first home, education or job training expenses, or capitalizing a small business. They are typically managed by community organizations and accounts are held at local financial institutions. Contributions for lower-income participants are matched using both private and public sources. Additionally, all participants receive economic literacy training that helps them to address credit issues; establish a budget and savings plan; and to learn how to better manage their money over the long term.¹⁵

For each dollar deposited by IDA accountholders, a match—typically ranging from one to four dollars—is deposited in the account of the participant. Matching funds for IDA programs

¹³ This section was drawn from a PolicyLink report entitled, *Sharing the Wealth: Resident Ownership Mechanisms* (Oakland: PolicyLink, December 2001), pp. 82-84. A full copy of the report is available at www.policylink.org. For additional information on the fund, go to www.apfc.org.

¹⁴ The information provided in this section draws primarily from a recent report by the Corporation for Enterprise Development (CFED) entitled *Building Assets: A Report on the Asset-Development and IDA Field.* (Washington, D.C.: CFED, December 2001) and the *IDA Program Design Handbook: A Step by Step Guide.* (Washington, D.C.: CFED, December 1999).

¹⁵ Source: Website of the Corporation for Enterprise Development, Washington DC: www.cfed.org.

usually come from a range of sources including private foundations, the public sector, individuals, universities, churches, banks, etc. While the authors found no example of an individual development account program where matching funds came from a local development project, there is nothing in the structure of IDA programs to prohibit such a use.¹⁶ A West Oakland IDA program could be established at a local bank or credit union with all or a portion of the matching funds coming from the West Oakland Community Fund. This structure would result in direct benefits for West Oakland residents in the form of individual and family savings—which could be used to buy a home, invest in a business or invest in employment and training.

Background on IDA programs as community asset building tools:

The IDA concept was first proposed by Professor Michael Sherraden of the Center for Social Development (CSD) at Washington University (Missouri) and has since been developed as a policy and practical tool to building assets among low-income/low-wealth residents of communities across the country.

In 1997, the Corporation for Enterprise Development and CSD obtained support national foundations to start a multimillion dollar demonstration project—the Downpayment on the American Dream Policy Demonstration (ADD).¹⁷ In 1998, the passage of federal legislation—the Assets for Independence Act (AFIA)—brought public resources to a federal demonstration project.

Today, there are over 350 IDA programs, serving over 10,000 IDA account holders, in communities across the country.¹⁸ These programs are supported by a comprehensive national infrastructure that includes: over 240 financial institutions that either support IDA programs or holding IDA accounts; a philanthropic network; a peer support/technical assistance network; a national IDA training institute; management software; specialized financial literacy curricula; a quarterly newsletter; a national learning conference; etc.¹⁹

According to ADD evaluation data, “about 90% of matched withdrawals were fairly evenly distributed across the categories of home purchase, postsecondary education, microenterprise development, and home repair, with the remaining 10% going to job training and retirement. Home purchase expenditures accounted for the largest *share* of IDA dollars, followed by

¹⁶ This assertion is based on communications with Robert Friedman, chair and founder of the Corporation for Enterprise Development. The structure of the model would require further research and discussions with IDA program developers.

¹⁷ The Corporation for Enterprise Development is the leading national organization promoting the development of IDA programs nationwide. CFED has provided practical and policy support for the development of IDA programs and policy at the local, state and national levels.

¹⁸ *Building Assets*, pg. 4052.

¹⁹ *Ibid*, pg. 4052.

microenterprise.”²⁰

It should be noted that IDAs are also being used to support asset-building among youth. For example, San Francisco-based Juma Ventures has developed an IDA program for youth working in enterprises owned by the nonprofit, including three Ben and Jerry’s Ice Cream shops and concession stands at 3Com and PacBell Park.

²⁰ Ibid, pg. 4058.

APPENDIX B

PERSONS & GROUPS CONTACTED

PERSONS AND GROUPS CONTACTED

West Oakland Community Advisory Group (WOCAG) and WOCF Subcommittee
West Oakland Community Collaborative
West Oakland Project Area Committee (WOPAC) and Outreach Subcommittee
Coalition for West Oakland Revitalization (CWOR)
Oak Center Neighborhood Association
Acorn Tenants Association
West Oakland Neighbors
Bernida Reagan, Port of Oakland
Rick Wiederhorn, Port of Oakland
John Glover, Port of Oakland
William J. White, Shute, Mihaly, & Weinberger
Nancy Nadel, Vice Mayor and Councilmember, District 3
Rodney Brooks, Chief of Staff, Supervisor Keith Carson
Michael Rubiano, Senior Staff Assistant, Congresswoman Barbara Lee
Eugene Leong, ABAG and OBRA member
Tony Daysog, Alameda Vice Mayor and Councilmember and OBRA member
Rhonnell Sotelo, SF Foundation and West Oakland Neighborhood Initiative
Elois Thornton, Oakland Base Reuse Authority
Aliza Gallo, Oakland Base Reuse Authority
Ignacio de la Fuente, Council President and Councilmember, District 5
Dr. Washington Burns, Prescott-St. Joseph Center

APPENDIX C

REFERENCE DOCUMENTS

REFERENCE DOCUMENTS

Preliminary Redevelopment Plan for the Proposed West Oakland Project Area

Oakland Army Base Redevelopment Project, Report to City Council

West Oakland Transit Village Action Report

West Oakland Visions and Strategies

**7th Street/ McClymonds Corridor Neighborhood Improvement Initiative
Community Plan**

Memorandum of Agreement for the Oakland Army Base

APPENDIX D

NOTES FROM TOWNHALL & PLANNING SESSIONS

NOTES FROM TOWNHALL AND PLANNING SESSIONS



The National Economic Development & Law Center

2201 Broadway-Suite 815, Oakland, CA 94612
Phone: (510) 251-2600 Fax: (510) 251-0600 www.nedlc.org

West Oakland Community Fund Town Hall Meeting April 17, 2003

- Need ongoing \$ stream; \$4M is a small amount; perhaps seek % of tenant revenue
- Grants, loans, board initiated projects
- Seek \$1 per truck (23,000 trucks per day) from Port
- Monitor jobs from development process
- Tax increment financing from Army Base to support Fund
- Look at Port, developer as sources of \$
- Can West Oakland community be developer of the Base? Using the models to create the asset
- Who eligible to apply for \$? Be clear that want everyone to be engaged
- Train people in community to do the monitoring and get the TA jobs
- Build on existing projects or start new projects? Be clear
- Determine how to use existing organizations for their technical skills
- (Nadel) Port questioning whether its \$ can be used for non-Tidelands Trust purposes
- Create the Fund and raise \$ now, not wait for 2 years
- How to coordinate/leverage Fund with the WOPAC?
- Do not turn over management of Fund to outside organization
- Accountability of Fund to community, with community advisory boards
- Availability of City \$ for Fund in light of budget crisis?
- TA funds are very important: training, capacity building, etc
- Want more visuals, many terms are unclear
- Build Fund around the community residents that participated in the process; get more participation
- Benefit the poorest in the community
- Will there be a residency requirement, so that long-term residents benefit from Fund?
- Need support systems and training for small businesses
- More capacity building for West Oakland organizations; build on existing resources
- IDA program too limited to enable homeownership, need other models for that
- Get businesses involved; build on West Oakland, rely less on outside models
- Focus on children, and help adults that cannot read
- Develop hotel for truckers to stay overnight in community, creates jobs
- Has been a long process (9 years), lots of community input about what it wants

- Likes idea of 100 families contributing \$2,000, matched by Fund, to create \$ to be developer on Army Base
- Tie environmental contamination in area to how \$ used
- West Oakland Fund is unique, make sure well-used and sustainable; help all the people, not just a few
- Address health issues in community
- Develop job training centers
- Invest \$ in West Oakland Credit Union, not downtown bank



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West Oakland Community Fund

Community Planning Session I

April 29, 2003

Community Investment Model

- Possibility of revolving Fund if investments are successful
- Not everyone has the resources to utilize the \$, e.g. might not have \$ for downpayment
- Can make grants for those who need it
- Landbanking of vacant lots, but find out current plans for them, have early investigation
- Want housing ownership possibilities for single-parent families and for larger size families
- Do not destroy homes, acquire and renovate
- Develop businesses that create jobs for community residents and that are owned locally
- Create ownership of land and businesses
- Can use \$ to provide training for jobs in the development
- Want opportunities for residents to own a share of projects
- Address governance, conflict of interest
- Develop something lasting, something big that all can see and benefit from; be willing to do project in phases; do not fritter the \$ away
- Include \$ for center for youth as requirement in all projects
- Renovate existing facilities in community, supplement their operations
- Support youth-serving businesses, entertainment
- Support cultural center/recreation center that could assist arts organizations

Family Asset Model

- Issue of accountability, make sure \$ used appropriately
- Would it result in lasting benefit to community?
- Importance of financial education, including for youth
- Connect to the credit union in West Oakland, make sure it is available to whole

- community; credit union has IDA program
- Support learning centers for youth

Neighborhood Foundation Model

- Support existing facilities
- Support youth and senior services and facilities
- Do not like grantmaking capacity building, is jargon
- Connect this model to the family asset building model
- Support entrepreneurship training, homeownership counseling, etc.
- Provide support for the nonprofits involved in the other 2 models, but make sure monitoring of how the nonprofits use the \$
- Accountability of nonprofits who apply to the Fund

Target Population

- Using Councilmembers district?
- Target most troublesome areas of West Oakland

Governance Structure

- Majority residents, but include businesses and others such as service providers
- Balance renters and homeowners
- Include ministers, etc; be inclusive

Leverage the Fund

People who had signed up at the Town Hall:

Gwen Morris
Dorothy Paynes
Ora Knowell
Cornelia Shanklin
Malaika Edwards
Marcel Diallo
Deborah Robinson

People who signed attendance sheet:

Cornelia Shanklin, 1068 10th St, 465-4250
Monsa Nitoto, CWOR, 1801 Adeline St, 451-2967
DeAndre Finley Sr, CWOR, 937 Wood St #2, 272-9967
Peggy Shields, 2926 Chestnut St

Malaika Edwards, Peoples Grocery, 820 Wood St, 504-0323
Mary Gilmore, Westside Eco Dev, 851 Wood St, 763-1447
Yvonne Smith, 1536 Myrtle St, 452-3801
Ron Shipman, 1703 Filbert, 893-8513
Ellen Wyrick Parkinson, WOCAG, 1420 Magnolia St, 835-2290
LMR Crisis Comm Dev Ctr, PO Box 24676, Oakland 94623, 763-8687
Keri and Darrell Ford, 1428 11th St 94607, 812-4901
Gwen Morris, 700 Willow St #8, 452-4643
Midas Jones, 1071 12th St, 451-2364
Queen Thurston, ECWOR, 1001 Linden St, 452-4180
Dorothy Paynes, OCNA, 1038 Adeline St, 763-0341
A Brown, CWOR, 2617 San Pablo Ave, 839-7161
Helene Carpenter, 1436 14th St 94607, 763-4928



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West Oakland Community Fund
Community Planning Session II
May 7, 2003

In each model, how will the Fund revolve?

Community Development Investment Model

- Combine with family asset model, e.g. shares in projects to individuals
- Support development that brings opportunity to buy basic goods and services locally; keep \$ circulating in community, like Jack London Gateway
- Do not necessarily limit investors to West Oakland residents
- Have a West Oakland Community Fund credit card so that Fund gets \$ from every credit card transaction
- Provide \$ to help people fix up their houses; do as lien so there is recapture of \$ eventually
- Help families retain their homes so they can be transferred to the next generation
- Invest in youth by providing loans they can repay by working in the community or paying cash; try to keep them living in the community; blends this model with the family asset model; support youth with nonprofit services, brings in the neighborhood foundation model
- Provide lower cost loans to absentee landlords as well (incentive to fix up property), make sure that the \$ are not taken out of the community and are used to renovate West Oakland property for the benefit of the tenants
- Support sweat equity housing that enables renters to buy their homes
- Help tenants buy their homes and remove absentee owners; Fund could hold mortgage on property and get \$ return

Family Asset Model

- Make sure \$ come back to replenish the Fund
- Keep people from unduly benefiting, e.g. taking profits from their home early
- Fund match of family savings should be a loan to be repaid, so Fund need not rely on *outside funding*

- Fund could start a business and make money by providing services to other organizations; Fund could help other nonprofits go into business
- Fund could form a West Oakland financial services center; Fund could start a bank
- Help youth learn to save; match youth savings for a college fund, computers, or for training and apprenticeship programs; make sure \$ used for the specified purpose; maybe increase the match if get good grades
- Train youth in wealth-building
- Fund should reflect community values, can speak for community regarding importance of youth training, etc.

Neighborhood Foundation Model

- Promote collaboration and sharing of resources among nonprofits, so Fund not depleted; leverage resources
- Require match by nonprofit recipients of Fund \$; require repayment in \$, services, etc. of some or all of Fund \$
- Fund should seek \$ from businesses on Army Base on ongoing basis; seek \$ from Redevelopment Agency; seek \$ from each truck going through community; seek \$ from businesses coming into West Oakland
- Tax credit for contributions to Fund, e.g. business license fee reduction
- Seek tax deductible contributions to Fund
- To get \$ from Fund, organization must be part of collaborative process in West Oakland; help change the way community thinks by promoting cooperation
- Allow Board of Fund to directly pursue projects, make grants, loans, etc.
- Fund should have a profit-making arm too
- Ask each family to invest in Fund, e.g. \$1 [maybe as member dues]

People who had signed up at the Town Hall:

Jumoke Hodge, WOPAC member, 918-4403
 Bill Richie, EBCC, 992-8022
 Kokoman, AHC, 652-5530
 Valerie Allums, WOAC, 763-1880
 Deborah Robinson

People who signed attendance sheet:

Aeeshah Clotley and H.K. Clotley, 3276 West St 94608, 652-7901, aaeeshah@aol.com
 Deborah Robinson, 1518 Magnolia St, 444-1612, deboraharobinson@aol.com
 Margaret Gordon
 Andy Nelsen, 436-2882
 Richard Neveln, 448-1234, fax 814-7321
 Jimmy Mack, 541 29th St 94609, 986-1540 CWOR
 Jumoke Hodge
 Joetta Fitzpatrick, 1070 24th St, 832-1699



The National Economic Development & Law Center

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Phone: (510) 251-2600 Fax: (510) 251-0600 www.nedlc.org

West Oakland Community Fund
Community Planning Session III
May 15, 2003

Comment: Get bank CRA \$ for the Fund

People who had signed up at the Town Hall:

Sidney and Flora Cooper

A. Brown, CWOR

R. Shipman

Deborah Robinson

People who signed attendance sheet:

Junious Williams, 672 13th St, 893-2404, junious@urbanstrategies.org

Dorothy Paynes, 1036 Adeline, 763-0341

Also James (Tim) Thomas



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West Oakland Community Fund Community Planning Session on Governance June 19, 2003

Comment: Does "Board/org/staff" model work in first place?

Need annual commitments, not one time.
Don't create new organization – fund existing ones.

Response: With any model, still need to figure out who will decide. The issue tonight is not who gets \$, it's who decides (who governs)?

Fundamental difference with 7th Street is that in 7th Street, the community didn't ultimately decide, it was the foundation.

Model #1: Categorical Representation; Model #2 Community/Member Elected

- Some people should be appointed; some elected to represent a neighborhood
- Board should be a policymaking body; few people have the time to manage day-to-day
- Categorical representation with some appointees from key stakeholder groups (e.g. Port, City, Redevelopment Agency), with community in majority
- Concern about timeline, since consultants charged with planning only
- Need to leverage/magnify these funds; Board role is key
- Community must lead this; based on the collective interest of the community
- Need to mix it up, bring in some outside leaders
- Need interim governance structure to transition between consultants work and implementation
- Support for ongoing fund
- Like election process with some representation (minority) by "the powers that be"
- Strong funding stream, ongoing, is key
- This process is about creating a framework for the Fund that the developer has to abide by
- The community should be able to decide who has the power to appoint; the community should decide which strengths/experience should be represented

- Outside reps bring connections to money and influence; it would be valuable to have Congressional, County, etc. staff represented
- Need representation from entire West Oakland community
- Need unity; need a strong structure, board and successful project
- Need results, not talk
- Note: John Greer/Opus West still has “right of first refusal”, can negotiate with him
- Who does the appointing – we would have to decide
- Likes hybrid: Board elected from the community with specific criteria
- Need to know about candidates; need screening process
- Consensus emerging around #1 and #2, with caveat that outside members need to be there, elected reps would be there
- Grassroots leadership is key
- Models #3 and #4 are more top down
- Models #1 and #2 are more transparent
- Top down models stifle participation
- Outreach/engagement is key
- Board members need to reflect and understand the diversity of West Oakland
- Models #3 and #4 don't allow for diversity
- Need to focus on community building
- Either model needs to be self-sustaining; need nonprofit and business arms

Question re comparing the models. Response: need feedback from group first. Clear about support for Model #1 and Model #2 hybrid, but what about Models #3 and #4.

Model #3 Organizational Representation; Model #4 Existing Broad-Based Representative Body

- Models #3 and #4 could be reflected in hybrid; pieces about community important, election is key
- Model #3 precludes individuals unless designated from the group
- In Model #3, membership of organizations control the representative, so it allows for representation, but should be mixed with Model #2
- Need to ensure that the bylaws ensure openness and transparency of Brown Act and Sunshine Laws
- Need substructure (working group) to make recommendations to the group
- Need to get people together/be united so can create a product to move now
- Need money out now!
- Can we select small ad hoc committee to discuss the board and come back to the group, to speed up the process?
- Do a workshop on board
- Process needs to include education of board – need to become user friendly (i.e. don't leave people out)

- Ongoing community education, using many medias (e.g. newspaper, bulletin boards, billboards); information must be plain and simple, community building is key
- Problem with Models #3 and #4 is that no one organization represents West Oakland as a whole (General agreement/good point)

Comment: Need time spent on all of the details / fundamental questions need to be answered.

Response: The detail will have to come later. The consulting team is going to suggest a framework based on input (in this meeting, in response to written report, and in townhalls).

Some people suggest that we need to create a governance structure first ... who will facilitate?

Response: We'll make recommendations about framework. July 31 draft, August 31 final.

WOCAG needs more people. At end of the WOCAG meeting, they pushed for \$1 million upfront.

Community should make use of WOCAG. WOCAG has official capacity. Needs everyone to participate.

Pick people to come in to WOCAG.

If form a board, the money will come. Get good cross-section of residents. Need for things to be inclusive.

The WOCAG could help to set up an interim board among people who are willing to volunteer to participate; it should be diverse. Seconded.

Comment: WOCAG is advising OBRA.

Response: WOCAG is decision-making body, has made decisions. Can transition WOCAG into permanent board; need people to join and commit.

WOCAG is fine as interim. Permanent body must be representative.

VOTE that WOCAG plus new participants should be interim board; invite in diverse groups. All but one agree!

People who signed attendance sheet

Richard Neveln, PO Box 3650, Oakland 94609, 448-1234, fax 814-7321
Tim Thomas, 1530 6th Avenue #10, Oakland 94606
George Bolton, 1316 Union Street, 670-5594
Johnnie Lewis, 1724 Mandela Parkway #1, 645-4290, fhoward519@aol.com
Aeeshah and K.Clotey, 3276 West Street 94608, 652-7901, 652-5530
Jose Robles, 317 Hanover Drive #207, 268-1770, jcrdesdrf01@hotmail.com
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Ron Shipman, 893-8513
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Ann Bortz, 2144 Woolsey, Berkeley, 848-5339
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Ray Kidd, 3255 Louise Street 94608, 653-1563
Ellen Wyrick Parkinson, WOCAG, 1420 Magnolia St, 835-2290



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**West Oakland Community Fund
Townhall Meeting on Draft Final Report
July 31, 2003**

Issues and Comments

- Getting the Port to commit its funds might be difficult
- WOCAG fundraising subcommittee to be formed to seek additional money for the Fund

A WOCAG subcommittee (interim board) has been meeting to develop a vision statement for the Fund, will seek community input

- Include some sample (pilot) projects in the report as examples of what the Fund might do initially, in order to facilitate receiving money

But need structure and process in order to make decisions concerning projects

- Developing project criteria will narrow the field of applicants, since some potential applicants will not meet the criteria
- Look for other funds right away, do not just rely on the Port and City
- Work with CBOs to collaborate on grant-writing and proposal development

But do not exclude others who are not part of CBOs

- Need to define membership in the Fund, for example, the role of neighborhood associations and their level of participation

The WOCAG interim board will discuss membership requirements, such as dues, and roles

- People need help with other life issues before being able to access services such as the Empowerment Center
But Fund cannot address all needs for everyone, should focus, and refer people to other resources
- Need to address underlying community tensions
- Urban Voice provides entrepreneurship training and has computer expertise
- How much money does the community need, how big should the fund be?
- What happens to the timeline if the first task, securing the \$2 million, is not achieved on time?
- Invest in youth so they are capable of taking over the Fund in the future
- The monitoring function is like the role of the Supervisory Committee in a credit union; it is separate from the Board, and reviews performance
- Perhaps have a special assessment district in West Oakland to raise money for the Fund; do not just rely on grants

Could require that a percentage of all commercial leases on the Base would be devoted to the Fund; this would not require formation of a special assessment district

- Look at the redevelopment agency in West Oakland and the Base as source of money for the Fund (Nadel)
- Suggest name change to West Oakland Community Improvement Fund

But could be West Oakland Community Development Fund or any of several other names; West Oakland Community Fund is broad and encompasses many types of activities

- Fund should focus on common area projects like fixing broken sidewalks

But redevelopment agency might do such projects

A motion was made, seconded, and unanimously approved to adopt the draft report, with the appropriate comments from this meeting, as the "road map" to move the Fund forward

- A sign-up sheet for the Fundraising Committee was circulated

People who signed attendance sheet (others in attendance were Fenix Barbour, Elois Thornton, Ellen Wyrick Parkinson and Nancy Nadel):

Richard Neveln, PO Box 3650, Oakland 94609, 448-1234, fax 814-7321

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Monsa Nitoto, 1801 Adeline, 451-2967

Johnnie Lewis, 1724 Mandela Parkway #1, 645-4290, fhoward519@aol.com

Kokoman Clotey, 3278 West Street 94608, 652-5530, info@ahc-oakland.org

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Kianti Lewis, 950 Adeline Street, 663-5714

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Sharita Wilkins, 963 18th Street Apt. F, Oakland 94607, 451-2967

Min. Jason Braden, 1202 E. 33rd Street, 800-773-5482, ministerbraden@aol.com

Rodney Brooks, 1221 Oak Street #536, 272-6618, rodney.brooks@acgov.org

Darrell Ford, 1428 11th Street, 763-8687, putinalotonit@sbcglobal.net

Bob Xavier, 2239 Poplar Street, 336-2629, bobxavier@yahoo.com

Tony Crear, 400 Broadway, 268-7958, tcrear@co.alameda.ca.us

People who signed up for the Fundraising Committee

Sharita Wilkins

Richard Neveln

Nancy Nadel, 238-7303

Rock Hollingscotti, 465-8423, Oakland Funding 874-4210

Minister Jason Braden, 800-773-5482

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Tony Crear, 268-7958

Ellen Wyrick Parkinson, WOCAG, 835-2290

APPENDIX E

ACRONYMS AND ABBREVIATIONS

ACRONYMS & ABBREVIATIONS

AFIA	Assets For Independence Act
Agency	Oakland Redevelopment Agency
CDC	Community Development Corporation
CEDA	Community and Economic Development Agency
EDC MOA	Economic Development Conveyance Memorandum of Agreement
Fund	West Oakland Community Fund
GDA	Gateway Development Area
IDA	Individual Development Account
IRS	Internal Revenue Service
MOA	Memorandum of Agreement
NEDLC	National Economic Development and Law Center
OARB	Oakland Army Base
OBRA	Oakland Base Reuse Authority
RFP	Request for Proposal
RFQ	Request for Qualifications
SLC	State Lands Commission
WOCAG	West Oakland Community Advisory Group
WOCF	West Oakland Community Fund

ATTACHMENT 2:

STAFF'S RESPONSES TO RECOMMENDATIONS OF THE CONCEPTUAL FRAMEWORK DOCUMENT

[NOTE: These recommendations are predicated on selection of Option 1. If a different option is selected, revisions to these recommendations will be required.]

<p align="center">Conceptual Framework Recommendation</p>	<p align="center">Staff's Response</p>
<p>Stage One: Building the Infrastructure of the WOCF</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to capitalize the WOCF in a prompt and expeditious manner. <p><u>Recommendations:</u></p> <p>(1) That a minimum of \$2 million--one-half of the initial \$4 million commitment from the Port of Oakland and the Oakland Redevelopment Agency/Master Developer--be placed immediately into a designated WOCF account in order to a) accrue interest; b) build on the present momentum and level of interest; and c) affirm the goodwill that has been generated by the framework development process.</p> <p>(2) That other revenue sources be identified and vigorously pursued.</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to continue active community outreach and engagement Activities--especially with renters, seniors and youth--to garner input on the design and implementation of the WOCF and build interest among prospective candidates for the WOCF Board of Directors any other community parties that would be associated with this project. <p><u>Recommendation:</u></p> <p>(1) That the WOCAG serve as the interim transition entity to carry forward with outreach and engagement until such time as the WOCF Board has been dully selected and assumes the on-going management of WOCF activities.</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to move steadily forward with the establishment of a new non-profit entity along the lines of the community-preferred model for the structure and governance of the 	<p>Do Not Support; Transmit \$2 million funding in accordance with the OARB MOA provisions</p> <p>Support the Recommendation</p> <p>Establish a transition entity that includes WOCAG Members, and other Members of the Community</p>

Item: 3

<p align="center">Conceptual Framework Recommendation</p>	<p align="center">Staff's Response</p>
<p>WOCF.</p> <p><u>Recommendations:</u></p> <p>(1) That the WOCF process moves forward to implement the preferred structure and governance model which is a hybrid of the:</p> <p style="padding-left: 40px;">(a) Categorical Representation Model in which the governing body consists of persons from the community, business, foundation and public sector who fulfill selected criteria designed to achieve broad support for the WOCF. Additionally, because of the financial reporting, auditing and other administrative requirements resulting from the source of funds, the designated State Lands Commission trustee and a representative(s) of the Oakland Redevelopment Agency might also be on the governing body; and, the</p> <p style="padding-left: 40px;">(b) Community/ Member Elected Model in which the governing body consists of persons elected by the members of the WOCF. Membership could consist of persons living and working in West Oakland as well as businesses, organizations and associations located in or serving West Oakland.</p> <p>(2) That the administrative support for this project be carefully evaluated and a corresponding two-year budget be constructed with funds earmarked to support both the pre- and post-incorporation operational costs for staff (and/or consultants where necessary) to support project.</p> <p>(3) That WOCAG take the lead in the preparation of a mission/vision statement, articles of incorporation, by-laws and tax-exempt application for the WOCF, and in the coordination of the process for the formal identification, screening and selection of the WOCF Board of Directors.</p> <p>(4) That the WOCAG (where necessary) have access to technical assistance (either through dedicated staff and/or consultants) during the process of putting a board together, forming the corporation, and raising funds.</p> <p>(5) That the WOCAG design and implement some sample (pilot) projects in order to facilitate fundraising efforts. This may include projects that can offer additional community benefits to West Oakland residents such as the Jack London Gateway Plaza, the Mandela Farmers Market, or other examples.</p> <p>Stage Two: Commencing Operations and Programs of the WOCF</p>	<p>That the Process be Held in Abeyance Until the Master Developer is Selected and Can Institute the Community Fund</p> <p>Do Not Support; The Master Developer Would Assume Responsibility for Organizing the Community Fund, Including Preparation of a Budget</p> <p>That the Process be Held in Abeyance Until the Master Developer is Selected and Can Institute the Community Fund</p> <p>Same as Above</p> <p>Same As Above</p>

Item: 3

<p align="center">Conceptual Framework Recommendation</p>	<p align="center">Staff's Response</p>
<p>▪ Finding: There is a need for a Fund design that provides resources for community investment while simultaneously building the capacity of residents to be investors, in collaboration with the public, private and non-profit sectors. This design should be implemented and continuously refined through on-going research, analysis and planning efforts.</p> <p><u>Recommendations:</u></p> <p>(1) That the next step of the WOCF developmental process includes the funding and implementation of WOCF operations and the start-up of a grant-making program based on the hybrid investment model that emerged from community discussions. The model would include a combination of the following features:</p> <p style="padding-left: 40px;">(a) the Community Development Investment Model where a portion of the funds be used to provide loans, grants and/or equity investments to finance community economic development projects like housing, business or real estate development; and,</p> <p style="padding-left: 40px;">(b) The Family Asset Building Model (borrowing some of the structural and technical assistance from the Neighborhood Foundation Model) where a portion of the WOCF's resources would be used as matching funds for an Individual Development Account Program (IDA). For each dollar saved by residents, the WOCF would provide matched savings. Savings could be used by residents to purchase a home or businesses in the community or pay for education and training or retirement. The model would include general financial literacy training and support for different investment strategies--like homeownership counseling or business planning.</p> <p>▪ Finding: There is a need to establish a community-based, multi-faceted capacity building program in West Oakland for WOCF directors, members, residents, community leaders, staff and affiliate organizations.</p> <p><u>Recommendation:</u></p> <p>(1) That, if it cannot be shown that existing City resources or existing organizations are not available to provide the necessary capacity-building functions, funding be identified and garnered to plan, staff-up and launch an independent West Oakland Empowerment Center. The purpose of the Empowerment Center is to ensure that skills of local residents are enhanced</p>	<p>That the Process be Held in Abeyance Until the Master Developer is Selected and Can Institute the Community Fund</p> <p>Do Not Support Concept of the Empowerment Center; Recommend that the Process be Held in Abeyance Until the Master</p>

Item: **3**

Conceptual Framework Recommendation	Staff's Response
<p>to the point of fully accessing, managing and utilizing WOCF funds. Based in West Oakland, the Empowerment Center, among other activities, would offer--either directly and/or in partnership with existing providers--the following services:</p> <ul style="list-style-type: none"> ❖ Training and technical assistance (TA) for individuals, families, organizations and youth in West Oakland in: project/proposal development; financial and computer literacy; entrepreneurship training; and, investing through matched savings ❖ Training/TA for organizations in community benefits plans and resident ownership strategies ❖ Training/ TA for WOCF Board Members and staff in grant-making management and oversight; board/ member roles and responsibilities; and, systems for on- going fund development, monitoring and evaluation of the WOCF 	<p>Developer is Selected and Can Institute the Community Fund. At that Time, the Appropriate Monitoring/Evaluation Method Can be Identified</p>
<p>Stage Three: Sustaining and Growing the WOCF</p> <ul style="list-style-type: none"> ▪ Finding: An effective approach for monitoring, evaluating and fine-tuning the WOCF over time is required. <p><u>Recommendations:</u></p> <p>(1) That the information presented in Chapter VII regarding WOCF monitoring and evaluation be used as a guide for the design and implementation of an empowerment evaluation program.</p> <p>(2) That both program and financial audits be conducted each year by independent, qualified professionals; the results of which would be shared with key stakeholders and the public vis-à-vis a WOCF annual report.</p> <p>(3) That West Oakland youth and young adults be continuously immersed in the activities of the WOCF to ensure that there will be capable stewards for the WOCF in the years ahead.</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to identify additional sources of funding in order to maximize the impact of the WOCF and to ensure that it is sustainable over the long term. These sources could include direct grants to the fund. They could also include resources to leverage the WOCF's investments. In the long term, there is a need to create an 	<p>Same as Above</p> <p>Support the Recommendation. Require That Program and Financial Audits be a Requirement of the Master Developer's Community Fund Activities</p> <p>Support the Recommendation When the Community Fund Becomes Operational Under the Master Developer</p>

Item: **3**

Conceptual Framework Recommendation	Staff's Response
<p>endowment fund so that the fund can operate in perpetuity.</p> <p><u>Recommendation:</u></p> <p>That the information presented in Chapter VI regarding WOCF revenue generation be used as the starting point in crafting a comprehensive WOCF development and investment strategy.</p>	<p>Support the Recommendation When the Community Fund Becomes Operational Under the Master Developer</p>