



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director, E&WDD

SUBJECT: Oakland Economic Recovery Advisory
Council Interim Report

DATE: October 8, 2020

City Administrator Approval 

Date: October 14, 2020

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report On The Economic Recovery Council's Draft Recommendations.

EXECUTIVE SUMMARY

In May 2020, in response to the COVID-19 pandemic, Mayor Libby Schaaf and Vice Mayor Larry Reid convened a group of Oakland community and business leaders to participate in the Oakland Economic Recovery Advisory Council (the Advisory Council). This report provides information and updates related to the activities of the Advisory Council, including the release of an Interim Report on September 14, 2020, containing recommendations related to financial support, leadership, health and safety guidance, business capacity building, and safety net assistance (**Attachment A**).

BACKGROUND / LEGISLATIVE HISTORY

In May 2020, in response to the COVID-19 pandemic, Mayor Libby Schaaf and Vice Mayor Larry Reid convened Oakland community and business leaders to participate in the Oakland Economic Recovery Advisory Council.

The Advisory Council is facilitated by Michael McAfee, PolicyLink and Micah Weinberg, California Forward, in partnership with Jose Corona, Eat. Learn. Play Foundation; Barbara Leslie, Oakland Metropolitan Chamber of Commerce; and James Head, East Bay Community Foundation. Research support is provided by Mills College and the Bay Area Council Economic Institute. The Advisory Council consists of roughly 43 representatives from business, non-profit, and intergovernmental partners representing key sectors, as well as staff from City departments.

The Advisory Council has met monthly since its convening, with weekly and bi-weekly working group meetings focused on both the immediate needs of Oakland businesses and workers, and longer-term recommendations for how Oakland can rebuild its economy in a socially equitable manner. The final meeting of the Advisory Council is scheduled for October 26, 2020. Recordings of all Advisory Council meetings and presentations, as well as the Interim Report,

are available online at: <https://www.oaklandca.gov/topics/oakland-economic-recovery-advisory-council>.

ANALYSIS AND POLICY ALTERNATIVES

The Interim Report is a consolidation of the recommendations of the Advisory Council members and reflects the output of the working group discussions. The recommendations center around five focus areas: financial support, leadership, health and safety guidance, business capacity building, and safety net assistance, with specific recommended actions within each category. The report describes actions that government and the private sector have already taken to address each recommendation, as well as which steps still need to be completed. The following is a summary of the recommendations of the Advisory Council, including City actions already completed or underway.

1. Provide financial support for small businesses and targeted funds for Black, Indigenous and People of Color (BIPOC) business owners.

1.1 Support the urgent need for commercial lease negotiations.

Many Oakland small businesses have struggled to pay rent and need legal advice to help negotiate lease terms with commercial landlords. An early priority that was raised by the Advisory Council was the need to support small businesses in commercial lease negotiations.

Actions completed include the City Council's passage of the Commercial Eviction Moratorium Extension and Advisory Council leaders convening meetings with small business owners, property owners, and investors on commercial lease restructuring.

The City has also allocated Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to address this recommendation by partnering with the Lawyers Committee for Civil Rights of the San Francisco Bay Area (LCCRSF) to provide legal assistance through commercial leasing webinars, one-hour consultations, and longer-term legal assistance. Business owners can access these free legal services at <https://lccrsf.org/legal-services-for-oakland-small-businesses/>.

1.2 Target funds for BIPOC business recovery.

City staff conducted multilingual phone outreach to assist hundreds of Oakland's small businesses in applying for stimulus funds in the early months of the pandemic, however, the City's recovery survey data shows that many did not apply or were unsuccessful. Data suggests that Black, Indigenous and Latinx business owners faced barriers to accessing federal stimulus funding, such as the Paycheck Protection Program (PPP). The Advisory Council recommended that recovery funds be directed to address these inequities.

Beginning in April, City staff partnered with Working Solutions, who issued 275 grants in the amount of \$5,000 each through the Oakland Small Business Emergency Grant Program to low-income small business owners with philanthropic funds from the Oakland COVID-19

Relief Fund. Eighty-four percent (84%) of the grants went to businesses owned by people of color.

Following City Council direction, in September 2020 the City partnered with Main Street Launch on the Oakland CARES Act Small Business Grant Program, which will distribute \$4.02 million in CARES funding to small businesses across Oakland, with a focus on businesses in Oakland's Opportunity Zones and other low-income census tracts. Information is available at <https://mainstreetlaunch.org/oakland-cares-act-grant/>.

1.3 Sustain Oakland's artists and cultural organizations.

One Advisory Council working group, led by the Executive Director of the Oakland Symphony, focused on the businesses, workers and cultural organizations in Phase IV, the latest stage of reopening. This group advised on the need to support artists and cultural organizations over the longer term and help them develop new business models while concerts and performances are not allowed under State and County health guidance.

In April, the City partnered with the Center for Cultural Innovation to launch the East Bay/Oakland Relief Fund for Individuals in the Arts. The initial program issued \$2,000 grants to Oakland's individual artists and culture workers using philanthropic funds from the Oakland COVID-19 Relief Fund and funding from the Economic and Workforce Development Department (EWDD) Cultural Affairs Division.

Following City Council direction, in September 2020 the City again partnered with the Center for Cultural Innovation to launch a new grant program, the Oakland CARES Fund for Artists and Arts Nonprofits, which will distribute \$1.425 million in CARES Act funding. Information is available at: https://www.cciarts.org/Oakland_CARES_Fund.html. An additional \$200,000 in CARES funding has been allocated to provide technical assistance to help arts organizations adapt to new revenue models.

2. Invest in community leadership.

2.1 Partner on recovery investments with community-led and -serving organizations

The Advisory Council also lifted up the importance of grassroots organizations that are delivering critical services in Oakland's most impacted neighborhoods and recommended that the City direct recovery investments to support these organizations and build their long-term capacity to continue to lead recovery work.

The Oakland City Council authorized CARES Act funding to several community-serving organizations, including to the Oakland Community Frontline Healers, an alliance of more than 20 organizations that are providing services to communities during COVID-19. The City Council also authorized CARES Act funding to Oakland's ethnic Chambers of Commerce and other community-led business support organizations to bolster their capacity as outreach partners and ensure that recovery resources reach the communities where they are most needed.

In September, the City partnered with Community Vision to launch the Oakland CARES Nonprofit Grant Fund, with \$850,000 in CARES Act funding to support non-profits that provide services to low-income residents in the areas of: health and human services, economic and workforce development, legal support, food security, housing, and education. Information can be found at: <https://communityvisionca.org/oaklandcares/>.

3. Create and distribute consistent, culturally competent business reopening guidance and Personal Protective Equipment (PPE).

3.1 Ensure uniform safety guidance and PPE use in businesses across Oakland.

Early in the crisis, the Advisory Council raised the issue that safety practices and PPE use were not evenly implemented across the City. Clear business safety plans for operations, and consistent, culturally-competent and multi-lingual public signage on mask usage, and PPE for workers are essential to safe and sustainable business reopening and economic recovery.

In response, Advisory Council members, led by the Oakland Metropolitan Chamber of Commerce working with local companies Oaklandish and FastSigns, produced and distributed safety posters, which are currently posted in businesses throughout Oakland.

Additionally, the City is using CARES funding to create 1,000 Safe Reopening Kits that contain face masks, hand sanitizer, gloves, and face shields for small businesses to offset the continued expense of safe reopening supplies. These kits will be distributed in partnership with community organizations, with preference given to low-income businesses operating in Oakland neighborhoods most heavily impacted by COVID-19.

4. Build business resilience through technical support.

4.1 Increase public space availability for businesses and cultural activities.

An early Advisory Council recommendation was that the City make public space available for safe business use and cultural activities while offsetting permit and other costs. The Advisory Council also recommended that current commercial tenants be allowed to pivot their business models and use space creatively with reduced regulatory burdens.

In June 2020, the City launched the Flex Streets initiative to streamline permitting and eliminate fees for use of outdoor space and City-owned outdoor property. City staff have conducted door-to-door outreach in commercial corridors that have been most impacted by COVID-19 to inform businesses about the program and provide technical support. The City is also waiving permit fees and providing expanded access to permits for mobile food vending on City streets or private property in commercial or industrial zones.

The City has committed CARES funding to purchase materials to support street closures and Flex Streets implementation in equity areas. In response to City Council direction, the City has also committed CARES funding to support mobile food vendors and is licensing City land under Flex Streets to provide a safe space for vendors to reduce crowding at Lake Merritt. Finally, City staff from the Economic and Workforce Development Department (EWDD) and the Planning and Building Department have met with Advisory Council

members to explore longer-term solutions, including zoning flexibility on vacant ground floor spaces to allow for pop-up retailers and other uses.

4.2 Expand equity programs and support industry efforts to reduce disparities

The Advisory Council pointed to Oakland's innovative Equity Permit Program, in which Cannabis Equity Permit holders receive real estate incubation space, technical assistance, and access to a loan fund as a potential model for how the City could support other industries in a post-COVID economy, with a focus on closing racial disparities. The Advisory Council also recognized the work of community partners to address racial and wage disparities in certain industries and recommended that the City support these efforts.

Advisory Council member Restaurant Opportunities Centers United has documented the extent of racial discrimination and occupational segregation in the Bay Area restaurant industry. The Workforce Development Division of EWDD partnered with Restaurant Opportunities Centers United by committing \$150,000 from the Disaster Employment Recovery grant that the City received in May to support wage subsidies for restaurant workers through their One Fair Wage program.

4.3 Close the digital divide for businesses and workers.

The Advisory Council noted that the digital divide presents significant barriers to Oakland's small businesses, both in accessing recovery resources and developing an online presence, which is more crucial than ever in the current economy. Workers and individuals also need online support for job searches, to access safer remote work opportunities, benefits, supportive services, and telehealth.

Since March, City staff, technical assistance providers and community members have helped hundreds of business owners who do not use computers apply for stimulus funds online. In June, the City partnered with the Oakland Startup Network who hosted Oakland's first Digital Small Business Week, with resources to help businesses sell online and scale using digital tools.

The City Council committed \$7.7 million in CARES Act funding to implement Oak WIFI, a public broadband access plan. EWDD is collaborating with the Information Technology Department to explore opportunities for ensuring that programs to expand internet access include low-income small businesses in equity areas.

4.4 Buy local campaign and online marketplace/ business-to-business platform.

Businesses are transitioning online to sustain sales but need an online marketplace and Buy Local movement to generate customers. For businesses that supply to other businesses, the creation of a Business-to-Business Exchange would encourage large purchasers to buy from local and BIPOC-owned businesses. The long-term benefits of investing in an online marketplace include support for pop-up businesses in high poverty areas to grow into storefronts, and increasing customers for existing storefronts.

Various business directories have been initiated by community partners, and the City is exploring how to support the consolidation of these different efforts into a single, customer-facing platform and support local businesses to develop their listings.

4.5 Support ongoing participatory research on the needs of Black business owners.

In discussing how to work toward a longer-term equitable economy, the Advisory Council raised the urgent need to assess the immediate survival needs of businesses, their post-crisis stabilization, and the impact of new programs on their revenues through focused participatory research with impacted business owners.

The City worked with the East Oakland Entrepreneurship Forum, which has been supporting business owners in East Oakland, to commit \$50,000 in CARES Act funding as a subgrant to Mills College to fund a participatory research project on the needs of businesses during the crisis, with a focus on marginalized businesses in East Oakland.

5. Guaranteed Income, Individual Support for Workers, and Home-based Entrepreneurs, and a Return to Work.

5.1 Immediate cash assistance and guaranteed income.

The Advisory Council emphasized that, while some Oakland residents received financial assistance through federal stimulus programs and unemployment benefits, many Oakland workers, including undocumented individuals, have not received these benefits. Unemployment assistance may not cover local rents, especially after the lapse in the \$600 pandemic supplementary payment. Home-based businesses, many of which are Black-, Latinx- and Indigenous-owned, may not pay commercial rent, so residential rent relief also sustains these businesses.

The Oakland COVID Relief Fund directed \$2.9 million to households through Centro Legal de La Raza, Keep Oakland Housed, Head Start, One Fair Wage, Oakland Public Education Fund, Oakland REACH and others. In July 2020, Oakland and ten other cities led a unanimous national call from the US Mayors Conference to support a guaranteed income.

The City Council allocated \$5 million in CARES Act funds for Residential Rent and Mortgage Relief. More information is available at: <https://www.oaklandca.gov/news/2020/city-of-oakland-receives-nearly-37m-in-cares-act-funding-5m-for-renters-homeowners>.

In early October, the City partnered with Working Solutions to launch the Oakland CARES Home-Based Business Grant Program, with \$500,000 in CARES funding to support home-based businesses, with priority given to those businesses that had faced barriers to accessing other forms of relief capital. More information is available at: <https://www.workingsolutions.org/oakland-home-based-grants>.

5.2 Develop and support policies for healthcare, childcare, and eldercare for long-term unemployed.

The Advisory Council also recognized that COVID-19 has led to loss of healthcare for many unemployed workers. Those still employed have limited childcare and eldercare options,

which is especially critical with schools closed and parents required to monitor their children during distance learning.

Oakland Parks, Recreation & Youth Development (OPRYD) Town Camp provided safe childcare for essential workers. Since May 2020, the City has partnered with the Federal Emergency Management Agency (FEMA), the State of California, and World Central Kitchen to provide free meals to Oakland seniors, while also providing much needed revenue to local restaurants and allowing them to keep workers on payroll. EWDD staff is working with OPRYD and the Oakland Unified School District (OUSD) to understand current childcare offerings and explore possibilities for expansion.

5.3 Engage Youth, Unemployed Workers and the Region on a Recovery Strategy.

Finally, the Advisory Council emphasized the urgent need for retraining and job placement for laid-off, low-wage workers in retail, hospitality and tourism, an industry that comprises more than 25,000 Oakland workers. Industries such as manufacturing may see growth post-pandemic and may provide opportunities for stable and higher wage work. The Advisory Council also advised that economic recovery and rebuilding efforts must engage and include Oakland youth to share their survival stories and hopes for the future.

In July 2020, the Oakland City Council approved Ordinance No. 13607 C.M.S. hat guarantees laid off hotel and airport workers priority should their former employers start hiring again, which will affect more than 10,000 Oakland workers.

The City applied for and received approximately \$1.3 million in funding from the State Employment Development Department. The Workforce Development Division of EWDD is working to identify sectors with growing hiring needs and target workforce services to Oakland zip codes with the highest unemployment.

FISCAL IMPACT

This item is for informational purposes only and does not have a direct fiscal impact or cost. The City has received \$36.9 million in CARES Act funding, which has been allocated to fund anti-displacement small business grants, artist and worker relief grants, community-serving organizations and various other recovery-related activities.

PUBLIC OUTREACH / INTEREST

The Advisory Council's roster included representatives from non-profit organizations, educational institutions, and community and business organizations that are active in either Oakland or the larger Bay Area region. Working group sessions provided opportunities for Advisory Council members to voice concerns and recommendations to City staff to help inform the City's recovery response.

COORDINATION

In addition to staff from all divisions within EWDD, staff from the Departments of Building and Planning, Race and Equity, Transportation, and the City Administrator's Office were involved in the Advisory Council process. City staff provided guidance and information to assist Advisory Council members during the working group process.

SUSTAINABLE OPPORTUNITIES

Economic: A core goal of the Advisory Council is to provide guidance to aid in the City's economic recovery. Therefore, current efforts informed by the Advisory Council's recommendations are likely to help sustain and revive the City's economy.

Environmental: Support for local businesses and industries may potentially lower the carbon footprint of consuming goods provided by non-local suppliers due to lower transportation needs.

Race & Equity: Both the Advisory Council and the City are committed to ensuring recovery outcomes are enjoyed equitably. The Interim Report provides recommendations and documents completed efforts geared towards sustaining and growing Oakland's BIPOC-owned businesses and communities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report On The Economic Recovery Council's Draft Recommendations.

For questions regarding this report, please contact Alexa Jeffress, Director, at 510-238-3653.

Respectfully submitted,



for

ALEXA JEFFRESS
Director, Economic & Workforce Development
Department

Attachments (1):
A: OERAC Interim Report