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OFFICE OF THE CITY CLERK
OAKLAND

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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Economic Development Strategy
2018-2020 Year 1 Progress Report

DATE: February 11, 2019

City Administrator Approval

Date:

2/20/19

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report On the Progress implementing Oakland's Economic Development Strategy 2018-2020.

EXECUTIVE SUMMARY

This report and attachments serve as the year one progress report for the City's adopted Economic Development Strategy 2018-2020. In November 2017, the City Council adopted a three-year Economic Development Strategy (the Strategy) with connected goals to increase both the overall productivity of the city's economy and the wealth and economic security of Oakland's lowest income households, as well as reduce racial disparities. The Strategy encompasses 62 performance measures, reflecting the contributions of multiple City departments to economic development, and monitors our progress towards these desired outcomes over the years 2018-2020. Following two interim progress reports, this is our first annual report on progress implementing the Economic Development Strategy.

Highlights from 2018 include:

Citywide Metrics:

- Employment levels and wages increased across demographic groups, with median wages increasing 20-30% between 2015 and 2017.
- Oakland experienced a slight overall decline of 339 jobs (0.2%) from Q1 2017 to Q1 2018 after steady annual increases since 2013. Among target sectors, retail increased by 469 jobs, manufacturing declined 181 jobs, and arts, entertainment and recreation increased by 358 jobs.
- Significant new retail tenants located in areas outside of Downtown and North Oakland, including Fruitvale, Seminary Point, and the 7th Street Corridor.

Item: _____
CED Committee
March 5, 2019

Economic & Workforce Development Department Service Targets:

- Staff assisted over 1,400 business owners, artists, and entrepreneurs through specialist support, the Business Assistance Center, Cultural Arts funding grants, and Façade and Tenant Improvement grants.
- 5,000 job seekers this year accessed City-funded Workforce services.
- 44% of the adults who enrolled in workforce training programs completed a certificate in one year; all those who completed the certificate reported stable employment.
- The City's new Cultural Development Plan was adopted.
- Three Exclusive Negotiating Agreements were approved (for affordable housing on City land at 3050 International Boulevard, Hill Elmhurst, and Fruitvale Transit Village Phase IIB), four public/private development projects began construction using City-controlled land (601 City Center, Fruitvale Transit Village IIA, Coliseum Connections, and MacArthur Station), and City Council provided staff direction on a Public Lands Policy in December 2018.

Some of the most significant policy initiatives affecting the City's adopted economic goals came from our partners in other Departments, agencies and the private sector. These include:

Reducing Asset Poverty:

- The Keep Oakland Housed program helped 437 households retain housing and avoid a financial emergency.
- Alameda County eliminated criminal justice fines and fees for parolees, providing savings for thousands of Oaklanders.

Increasing the number of Oaklanders Earning a Living Wage:

- The minimum wage (\$13.80, adjusted annually for inflation) has now increased to an amount above the living wage (\$13.75 with benefits); private sector wages are also rising.

Building Housing:

- The City reviewed and issued building permits for over 4,000 new homes in 2018 of which 95% are multi-family and 10% are affordable. Over 9,300 homes are now under construction in Oakland.

BACKGROUND / LEGISLATIVE HISTORY

The Economic Development Strategy was adopted by the City Council in 2017 and covers the three-year period from calendar years 2018 to 2020. Staff committed to provide two interim progress reports and one full annual report to monitor implementation and communicate City economic development activities to both the City and a wider audience. Some targets, including the delivery of the Cultural Development Plan and development of City-owned properties, are also being reported to the City Council as separate items.

The 62 targets identified in the Strategy include both levels of City services and our desired outcomes for market performance. While the adopted Economic Development Strategy includes several targets disaggregated by race and one by gender, the Economic & Workforce Development Department has a 2019 goal to complete a Race & Equity Analysis to further disaggregate economic targets by race, identify economic disparities, and recommend City actions to create more equitable outcomes.

ANALYSIS AND POLICY ALTERNATIVES

The Economic Development Strategy has three high-level goals:

1. **Increase Productivity:** *Per Capita Gross Regional Product (GRP) for Oakland Grows by 10% from 2018 to 2020¹*
2. **Reduce Wealth Disparities:** *The Asset Poverty Rate of African American and Latino/as reduced by 50%*
3. **Increase Economic Security:** *The number of Oaklanders making less than a living wage is reduced by 50%*

Performance on these high-level goals shows us whether the City's collective economic activities are moving us in the right direction, although the efforts and tools at the City's disposal provide only indirect links. The remaining measures identified in the Strategy reflect the City's multiple roles with regards to economic development, and the priorities identified by the business community and other local and regional stakeholders. Local businesses have consistently named housing, infrastructure investment, and illegal dumping as top priorities for City that will impact economic development. Some of the Strategy targets are annual and others are recognized as multi-year efforts, often involving coordination between multiple departments.

The remaining analysis is organized around the following economic development themes:

1. Supporting Oakland Businesses
2. Improving City Services
3. Reducing Racial Disparities
4. Attracting Investment, Employment, and Housing

1. Supporting Oakland Businesses

Support for Oakland's businesses helps ensure stable employment, provision of local goods and services, wealth creation for residents, and revenue for City services. There are an estimated 44,000 businesses in Oakland. About 14,000 are unique brick and mortar

¹ Oakland's GRP, the final market value of all goods and services produced in Oakland, is modeled by the East Bay Economic Development Alliance. The GRP includes the total earnings, property income, taxes, and subsidies for each industry sector in Oakland, using data from the Bureau of Economic Analysis (BEA) and the Quarterly Census of Employment and Wages (QCEW) from the Bureau of Labor Statistics (BLS). Dividing the GRP by Oakland's total population measures overall economic productivity. GRP increased 3% from 2016 to 2017; 2018 data will be released later this year.

establishments; others are home-based, in co-working spaces, mobile vendors, or landlords and property managers. Under the Economic Development Strategy, the City has targets to support the growth of 1,000 Oakland businesses, including 500 small businesses and 500 businesses in low-income neighborhoods.

In 2018, the Business Development team helped over 1,400 business with services including site selection, permit navigation and development entitlement, marketing, events, and referrals to local technical and financial assistance providers. Oakland's Business Development team of 6.6 FTEs includes a Deputy Director, Marketing Coordinator, three industry specialists, one Business Improvement District administrator, and one staff for the Business Assistance Center. This figure also includes direct grants through other divisions, including the 79 Cultural Arts grants and 18 Facade and Tenant Improvement grants. It does not include attendees of major events such as Small Business Week (1,500 attendees) or the partner-led Oakland Startup Network (over 1,000 entrepreneurs).

This total also does not reflect the work of the two teams contracted to provide technical assistance to businesses on International Boulevard during the construction of the AC Transit Bus Rapid Transit Line, Anew America and Mason Tillman Associates. . These two teams have collectively served over 1,000 additional businesses on the BRT corridor.

Of the 1,400 businesses that received staff service in 2018:

- An estimated 1,071 (75%) had fewer than 20 employees;
- 555 (39%) are in zip codes with median incomes below the City median; and
- 412 (29%) are in East Oakland.

City staff have exceeded the targets for services to businesses, small businesses, and businesses in low-income neighborhoods. We are continuing to develop business tracking and satisfaction feedback as well as encouraging more business development activity in neighborhoods where growth and investment has lagged. Currently, the team has two temporary, foundation-funded positions supporting business and community development in East Oakland.

2. Improving City Services

Feedback from focus groups during the creation of the Economic Development Strategy, as well as from 2017's Small Business Advisory Group, highlighted the Oakland business community's priorities for streamlined regulatory and permit processes, and for better City responsiveness to maintenance requests.

In 2018, the City rolled out multiple improvements in digital services for businesses, reducing the time needed for City permits and tax certificates. One of our first delivered Strategy targets is a multi-lingual online business permit navigator, <http://businesspermits.oaklandca.gov>, which allows easy zoning lookups and quick, individualized information about necessary permits and costs. Since January 2018, this service has had:

- 4,516 project permit sessions
- 6,990 questions answered
- 6 minutes to scope each project
- 4,403 Zoning Lookups

Even more impactful has been the rollout of the online renewal process for the City's Business Tax Certificate, with 28,183 businesses choosing to renew online in 2018. Since online applications for new businesses began in September 2018, 182 new businesses have applied online.

Of all successful permit applications submitted to the Planning and Building Department, 43% were approved within one business day, and an in-depth review of permit processing times is underway. The Department of Public Works reports that 91% of service requests they received were completed in three business days. Public Works also successfully rolled out and is replicating a workforce training program to add staff for blight reduction, which was an additional service target in the Strategy.

Business representatives also highlighted housing as a top issue, which is discussed in #4 below.

Reducing Racial Disparities

One of the Economic Development Strategy's major goals is to see a reduction in asset poverty for Oakland's Black and Latino/a households. This target is analyzed independently by a nonprofit inequality research organization, Prosperity Now, using a combination of data points that calculate total household wealth as a combination of housing, wages, savings, car ownership, and other assets. The measure captures whether households have \$6,000 in total assets available to stay solvent in the event of an emergency. The most recently available asset poverty rates in Oakland are 47.8% for Black households, 46.9% for Latino/a households; and 33.9% citywide (based on a report using American Community Survey 2009-2013 data and issued in July 2017).

The City's most direct asset-building program is the annual Earned Income Tax Credit campaign, which encourages and provides free tax preparation for low income families who may not otherwise claim their refunds. In 2018, the City added a free tax preparation site at the Business Assistance Center and marketed the Earned Income Tax Credit to low income business owners, who could take advantage of the State of CA credit for the first time. Despite this additional effort, however, the total number of EITC refunds in Oakland declined from 2017 to 2018.

Two new 2018 initiatives supporting Oakland households to keep their assets are the Keep Oakland Housed program, which can fund up to \$7,000 per family to stay in their home and to contest evictions; and the elimination of Alameda County Criminal Justice fees, which averaged \$6,000 per adult on probation. The Keep Oakland Housed program helped prevent evictions for 437 households in 2018. An estimated 3,520 Oakland adults were on probation in 2017 and are

potentially impacted by the fee elimination.² (The City does not have demographic data on participation in those programs.)

Another major Strategy goal, increasing the number of Oaklanders earning a living wage, is based on American Community Survey 2016 1-year data, which estimates that Oakland had about 46,000 households with incomes below \$30,000, or 24% of all households. The numeric goal is to move half of those, or 23,000 households, above the \$30,000 annual threshold. In 2017, staff estimates that 37,721 Oakland households had incomes below \$30,000, an overall decrease of 3,934 households (17% of the goal total) earning below a living wage.

Living wage levels are set each year by the Contracts Compliance Department and used in the City's own contracts. As of July 2018, the City's Living Wage was set at \$13.75/hour if the job comes with benefits and \$15.78/hour without benefits, or approximately \$30,000/year for full-time employment. However, in January 2019, Oakland's minimum wage increased to \$13.80/hour, just over the threshold for the Living Wage for employment with benefits (this will be adjusted again next fiscal year). While this brings more Oakland workers over the threshold, only about 25% of minimum wage earners in Oakland are also Oakland residents. There are still many Oakland minimum wage earners who work in other cities and are still not earning over the living wage level.³ Fortunately, average annual wages are rising across the board in both Oakland and Alameda County.⁴

Black Oaklanders are disproportionately represented in households earning less than a living wage, as shown in Table 1 below. Although employment and incomes are rising across demographic groups, rents are stabilizing, and the eviction rate is decreasing,⁵ it is unclear whether any decrease in households earning less than the Living Wage is due to the movement of low income households out of Oakland. One way to test whether the same residents are earning higher wages is to look for continuity in the City's demographics. While the 2017 American Community Survey showed an increase in Latino, Asian, and households identified as Some Other Race, the estimated number of Black and White households decreased slightly 2016 and 2017.

² Wendy Stills, Chief Probation Officer, Alameda County Probation Department, Final Budget Work Session 10 (June 27, 2017), <https://acgov.org/MS/OpenBud>.

³ Hausrath Economics, Minimum Wage Impact Analysis, 2015.

⁴ Oakland/East Bay Economic Forecast Report 2019, Oakland Chamber of Commerce.

⁵ Oakland Mayor's Office and Department of Housing and Community Development

Table 1. Estimated Demographics of Oakland Households Below the City's Living Wage Threshold, American Community Survey 1-Year, 2017

	Black	Latino/a	Asian	white, not Latino/a	Some Other Race	Total ⁶
2017 Households below \$30,000	13,894	6,821	8,880	7,606	4,905	37,721

Preliminary data suggests that the City is seeing some increases in Black and Latino/a wealth, but 2017 Census data does not show us whether new programs rolled out in 2018 are having an impact on stopping Black displacement from Oakland. With the Black median wage rising from \$34,000 in 2015 to \$45,937 in 2017, the City may want to look at the potential to increase resources for workforce housing or a down payment assistance program, in addition to affordable housing production.

4. *Attracting Investment, Employment and Housing*

The City is committed to making our services more responsive to evolving business needs and fostering a friendly and equitable climate for business creation, expansion, and growth. Housing development was a top issue in 2018 and, in response, we have seen a massive construction boom underway and Oakland rise to national prominence as an attractive place for real estate investment. Lack of supply and rising real estate costs have required and increased City focus on maintaining affordability for residents, as well as local businesses and nonprofits.

Public Lands Development

The City made significant progress in public/private development on City-controlled land in 2018, including celebrating the opening of the Seminary Point retail center in Council District 6.

Public/private development projects currently under construction include:

1. 601 City Center - 600,000 square feet of Class A office space
2. Fruitvale Transit Village IIA - 94 units of affordable housing, target construction completion is October 2019.
3. Coliseum Connections -- 110 residential units next to the Coliseum BART station, of which 55 are affordable and 55 are market, to be completed by the end of February 2019.
4. MacArthur Station (Macarthur Blvd. @ 40th St.) - 875 residential units including 90 affordable units, 31,500 square feet of retail, a 5,000-square-foot community center, new access streets, and a new BART Plaza.

⁶ Race/Ethnic groups do not sum to the total number of households because Latino/a is an ethnicity category that includes multiple racial groups.

The City entered Exclusive Negotiating Agreements for the following projects on City land:

5. 3050 International Boulevard - 75 units of affordable housing
6. Hill Elmhurst, at 95th and International Boulevard - 57 units of affordable housing
7. Fruitvale Transit Village Phase IIB - 179 affordable units with 2 market rate, 120 parking spaces, and approximately 6,000 square feet of nonprofit commercial space next to the Fruitvale BART station.⁷

At the end of 2018 the City Council adopted a Public Lands Policy Resolution, providing staff direction to prepare an Ordinance that will create a new Community Advisory Committee process and to prioritize affordable housing on the remaining City-owned development sites, among other policies.

Housing Production and Preservation

The Strategy has an aggressive housing production target, based on the City's adopted Housing Action Plan, of producing 4,250 new homes by 2020, including 1,200 new below market rate homes and permanent supportive homes for the homeless, while protecting 5,000 households from displacement.

The total number of units under construction in 2018 was 9,304, with 638 of those being affordable units. The City issued building permits for 4,109 new homes, nearly achieving the three-year target for all units. However, permits were issued for only 350 new affordable housing units. In addition, building permits were issued for 133 secondary units in 2018. With 1,698 affordable units in the pipeline, the City could meet its affordable housing production target if the pace of affordable construction increases.

As of the end of 2018, 331 units had been converted from unrestricted to protected affordable housing; and as mentioned above, an additional 437 households received legal or financial assistance to stay in their homes. The City also added additional displacement policy protections in the form of substantial rehabilitation regulations and a moratorium on the conversion of Single-Room Occupancy hotels.

Employment

The Economic Development Strategy has an overall employment goal to increase the number of jobs by 2,800, as well as metrics for key industries in Oakland: retail, manufacturing, and cultural arts. The retail and arts sectors are growing (469 and 389 jobs, respectively), while manufacturing is estimated to have dipped 181 jobs in 2018 after an increase in 2017. The City added just over 3,000 jobs in 2017, but saw a slight decrease in Q1 2018. Staff anticipates employment figures to rise again as new office, commercial and industrial real estate opens in 2019.

⁷ For a full list of City Public-Private Developments, please see <https://www.oaklandca.gov/topics/public-private-development-project-agreements>

Next Steps

As the second year of the City's adopted Economic Development Strategy begins, the following actions are scheduled:

- Continued cross-Department collaboration, including around shaping investment into Oakland's Opportunity Zones, marketing collateral, and recommendations to attract investment from the private sector into equitable economic development projects
- A program to encourage tenancing of vacant properties
- Completion of the Economic & Workforce Development Department's Racial Equity Analysis
- New programs and partnerships targeting resources to entrepreneurs of color and female entrepreneurs
- Increased employment, as Square and other firms relocate and expand into newly added office space
- Increased industrial development market activity, and completion of an Industrial Lands Study
- A significant increase in available retail space marketing as new buildings open with ground floors reserved for commercial use, particularly in the Broadway Valdez Specific Plan area
- Adoption of a Public Lands Ordinance and creation of a 16-member Citizen Advisory Committee to review all land dispositions for potential affordable housing.

In 2018, staff across Departments (Housing and Community Development, Planning and Building, Economic & Workforce Development, and the Chief Resiliency Officer) applied for a \$23 Million State of California Transforming Climate Communities grant to fund affordable housing and four East Oakland-based community organizations to provide sustainable infrastructure, including free bikeshare, street trees, and expansion of a community plant nursery. Although the application was unsuccessful, we are continuing this cross-departmental focus to pursue equitable development opportunities.

FISCAL IMPACT

There are no immediate fiscal impacts associated with this informational progress report.

PUBLIC OUTREACH / INTEREST

The Economic Development Strategy has been shared and discussed with local business service organizations, neighborhood organizations, foundations, investors, community banking and education institutions. Since January 2018, 877 visitors have visited the Economic Development Strategy web page and downloaded the PDF document 563 times.

Twelve issues of the *Oakland Economy Now* digital newsletter were released in 2018, resulting in 22,844 readers opening the document 44,000 times, and 9,750 readers generating 11,465 clicks.

Interviews have been conducted by our Greenlining Institute-sponsored Equitable Economic Development fellow with over 50 entrepreneurs of color and organizations that support businesses owned by women and people of color.

COORDINATION

The Departments of Economic & Workforce Development, Planning & Building, Housing and Community Development, Public Works, and Race & Equity and the Mayor's Office, as well as Oakland Promise staff, all contributed to this report. Visit Oakland provides tourism figures.

SUSTAINABLE OPPORTUNITIES

Economic: The successful implementation of the Strategy will yield growth in business activity, jobs and training, investment, wealth building, and overall economic security of residents.

Environmental: The Strategy includes implementing the City's adopted Specific plans for transit-oriented development, one of the primary environmental goals of the Energy and Climate Action Plan, and includes targets for blight remediation.

Social Equity: The Strategy identifies racial and gender disparities in Oakland's income, employment, and business ownership levels and includes targets and metrics to increase the economic strength of women and people of color. The Strategy also includes targets for housing affordability, protecting households from displacement and increasing retail and healthy food access in underserved neighborhoods.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report On Progress Implementing Oakland's Economic Development Strategy 2018-2020.

For questions regarding this report, please contact Marisa Raya, Urban Economic Analyst, at 510-238-6230.

Respectfully submitted,



MARK SAWICKI
Director, Economic & Workforce Development

Reviewed by:
Micah Hinkle
Deputy Director

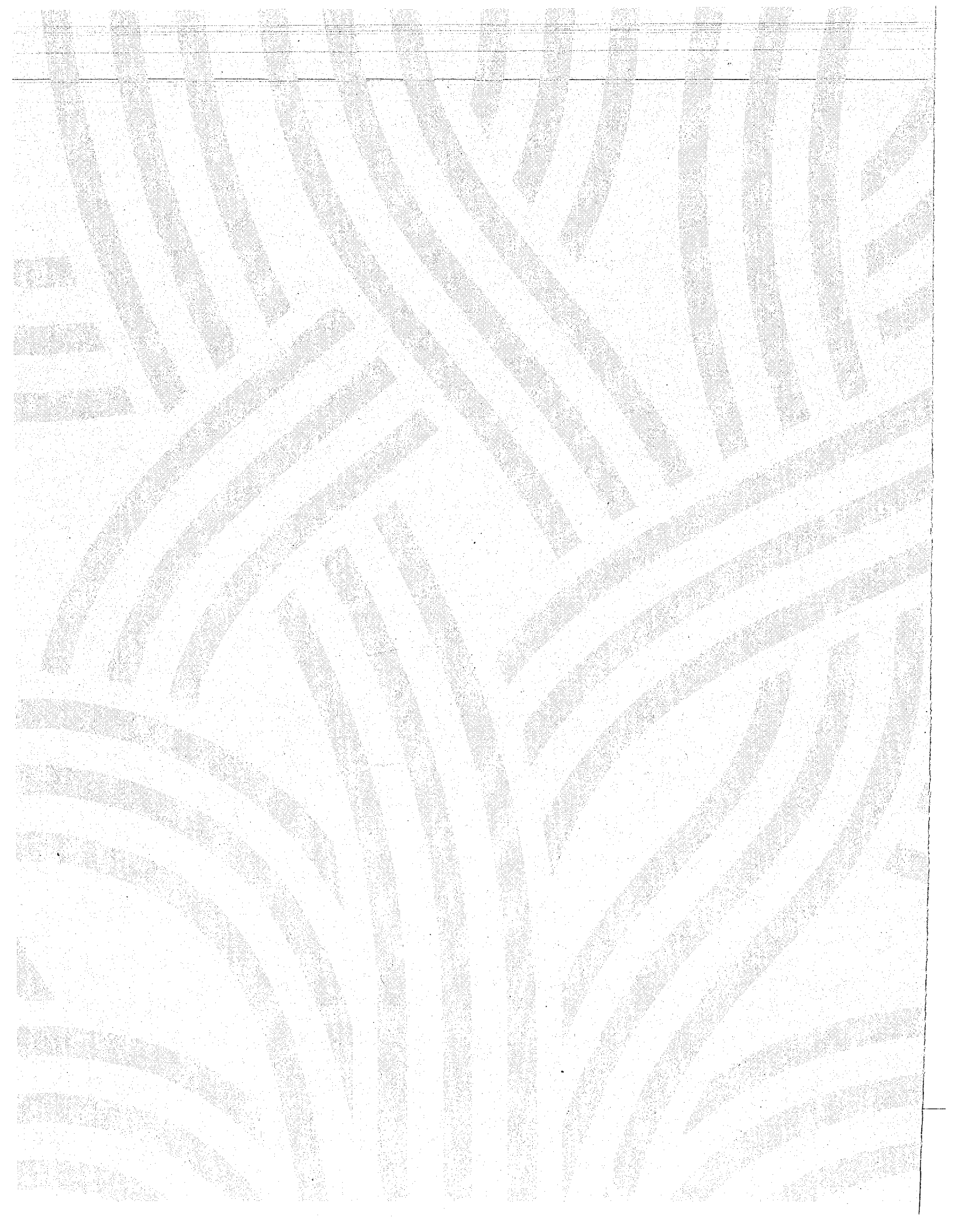
Prepared by:
Marisa Raya
Urban Economic Analyst

Attachments (3):

- A: Economic Development Strategy Year 1 2018 Progress Report
- B: Economic Development Strategy Target Tracking Report, January 2019
- C: Economic Development Strategy 2018 Report Planned Public and Private Investment Map



Year 1 Progress Report
Economic Development Strategy



Oakland is an exciting, dynamic and welcoming business location, where residents, business owners and entrepreneurs share common values of equitable economic development so all benefit from continued growth.

In November 2017, City Council adopted an Economic Development Strategy that outlines steps to make Oakland an easy, efficient and prosperous place to do business, while also reducing wealth disparities and finding ways to give previously marginalized businesses and residents the tools and access they need to thrive now.

This report chronicles the tremendous progress made in calendar year 2018 – year one of the three-year Strategy – on the metrics and targets identified in the document.

These metrics and targets relate to the Strategy's three high-level objectives:

1. Oakland's economy will continue to grow, with a 10% increase in per capita gross regional product by 2020.
2. The number of Oaklanders making less than a living wage will be reduced by 50%.
3. The asset poverty rate of African Americans and Latinos will be reduced by half.

There are two sections in this report: first, a series of infographics quickly shares numeric achievements on key metrics and targets. Through narratives, the second section illuminates the partnerships and projects that advanced equitable economic growth.

We recognize that many City departments play key roles in sustaining a local environment to foster equitable economic growth. With gratitude, we acknowledge the following internal partners for their unwavering support and ongoing participation to reach our shared citywide goals, targets and metrics:

- Office of Mayor Libby Schaaf
- City Administrator's Office
- Department of Race and Equity
- Department of Transportation
- Finance Department
- Housing & Community Development Department
- Parks, Recreation & Youth Development Department
- Planning & Building Department
- Public Works Department

OUR ACHIEVEMENTS AT A GLANCE



Support Oakland Businesses



1,400+ Oakland Businesses Assisted
400 more than Target

- 555 were within low-income areas
- 1,071 were small businesses
- 364 small businesses were started

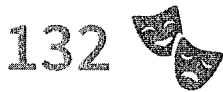


\$560K+

KIVA loans Funded in the Oakland Area

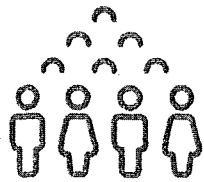
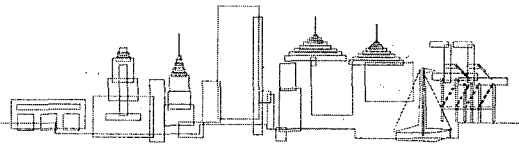


Tech Entrepreneurs Supported



Cultural Organizations Protected from Displacement

Small Business Week



1,500+ Attendees

72% Female

32% Black

16% Asian

15% Latino



93% Rated Workshops Good or Excellent



Create Jobs

NEW Retail Jobs **469**

358 **NEW** Arts, Entertainment and Recreation Jobs

*comparison of Q1 2016, the most recent data available, to Q1 2017



Train the Workforce

5,583 Oaklanders Accessed Job-Training Services

44% of Adults in City-Funded Training Programs Received Credentials

1,467 Youth had Summer Intern or Work Experience

44% of Adults get Stable, Middle-Income Job



Invest in Transportation

\$14.5 million in transportation infrastructure





Improve City Services

1,000
Visitors to
Cultural Plan Web Page



12
Issues of our
eNewsletter



44,000 opens
9,750 unique clicks

Zoning and Permit App

4,516
Permit Sessions

6,990
Questions Answered

6
Minutes to
Scope Project

4,403
Zoning Lookups

9
Minutes to
Check Zoning

28,183/37%

Business Tax permits Renewed
using Revenue's online system



3 minutes

Length of Time to
Renew Online

43%

of all Planning
and Building Permits
Issued within

91%

of Service Requests
Completed in

182

Businesses used Revenue's
New Online Tool to Create a
New Business Tax Account*



6 to 10
minutes

length of time to create
a new business tax
account online



1

Business
Days



3

Business
Days

*partial year; platform enhancement allowing new account creation began in late September 2018



Support Tourism

3.8 million
Visitors*



\$142 million

to State and Local Tax Coffers*



76.7%

Hotel Occupancy Rate*
(Up 2.1% from 2017)

\$668 million

in Visitor Spending*
(6.5% increase over 2016)

UP 17.3%

Tourism Industry Jobs since 2013*

\$155.79

Average Daily Hotel Rate*
(Up 4% from 2017)

*Fiscal Year 2017

*Fiscal Year 2018



Build Homes & Preserve Affordability

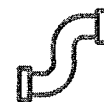
9,304
Housing Units
Under Construction



638
of those are
Affordable

473

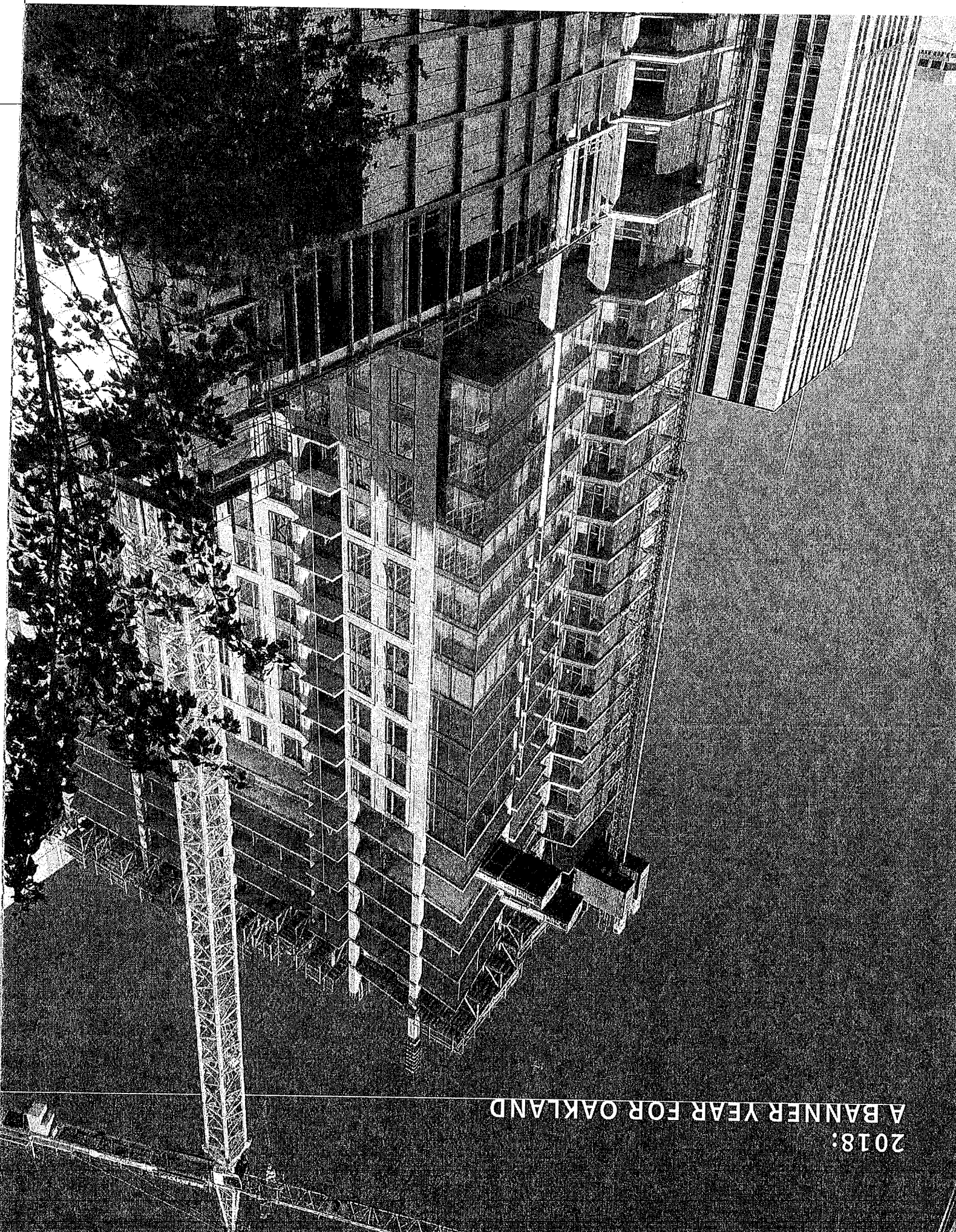
low-income, at-risk
households protected by
Keep Oakland Housed



Pipeline has
an Additional

1,698
Affordable
Housing Units

10,584
Market-Rate Units



2018:
A BANNER YEAR FOR OAKLAND



Oakland saw tremendous investment this year – indeed 2018 may go down as the year of the crane, with 17 soaring above commercial and residential construction sites from the Coliseum BART station to North Oakland. More than 9,300 housing units, 240,000 square feet of new retail space and 945,000 square feet of new office space are under construction with deliveries slated for 2019, 2020 and 2021. The San Francisco Business Times has estimated that Oakland’s largest construction projects total \$2.3 billion in investment.¹

And new construction is just part of the story as institutional investors have entered the Oakland market in a big way. Existing office buildings changed hands, and made money for investors with each sale. These transactions demonstrate the confidence investors have in Oakland and, coupled with some of the nation’s lowest vacancy rates, show strong demand for space in our city.

Investment has been spurred, in part, by the five Specific Plans completed by the City over the last decade. These adopted Plans, and the accompanying Environmental Impact Reports, save time and money for developers and add predictability since the Plans’ visions have been publicly vetted and adopted by Oakland City Council.

The Downtown Specific Plan, to help guide future development of Oakland’s urban core, is well underway. The Preliminary Draft Plan, released in January 2019, identifies the potential goals, strategies, projects and programs to achieve a new vision of inclusion, celebration and opportunity through the transformation of downtown.

The year concluded with the announcement of what may be the largest leasing transaction in Oakland’s history – Square’s lease of all office space in the iconic Uptown Station, which is being transformed by CIM Group.

Office and Industrial rental rate data in the Quarterly Economic Dashboards suggest that rates may have peaked and started a slight decline in the second and third quarters of 2018. Visit business2oakland.com to see the most recent dashboard.

Oakland’s overall unemployment rate dipped to 3.2% in December 2018, below both the national rate of 3.9% and California’s rate of 4.2%.

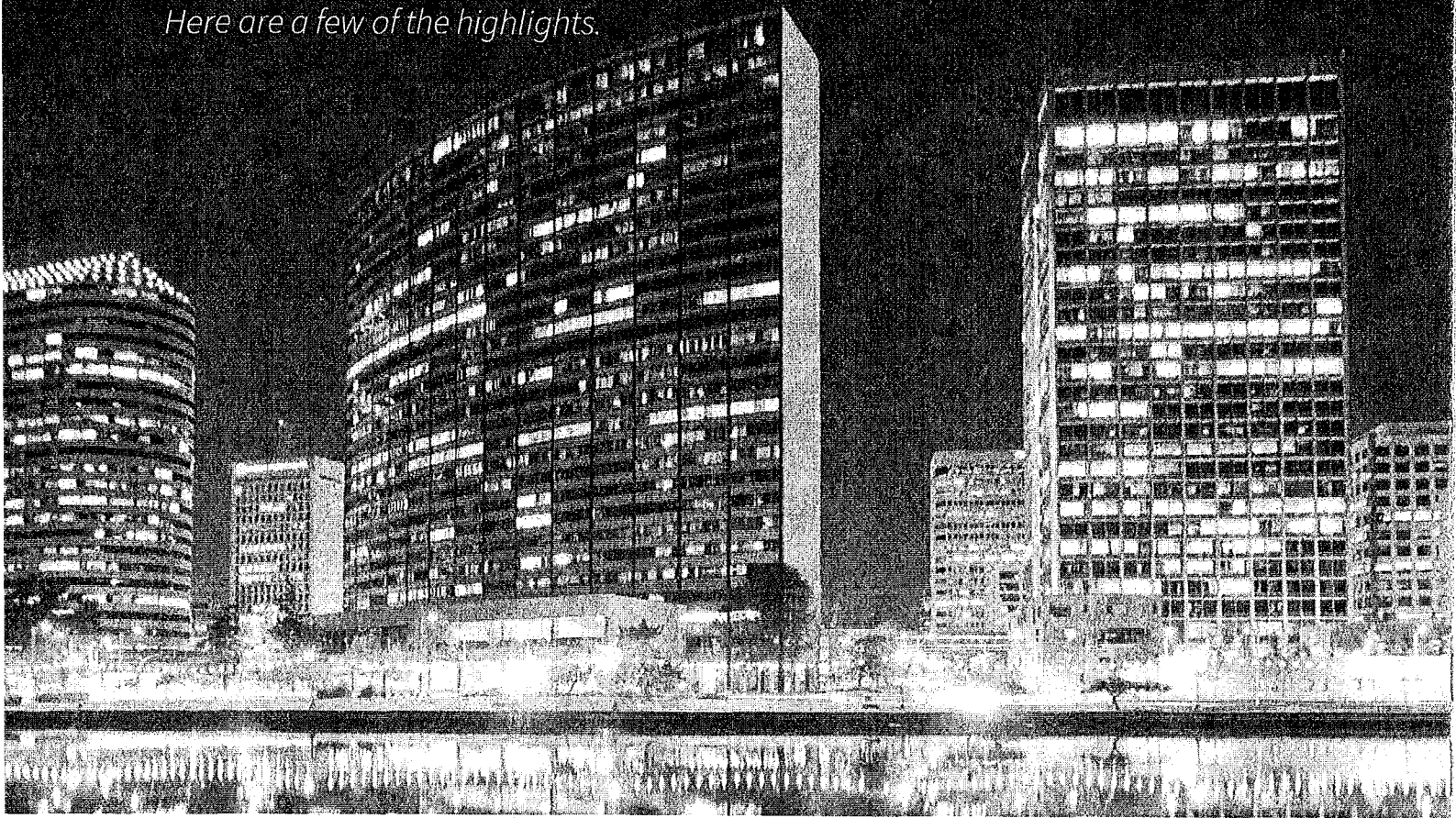
While the growth in business, jobs and development is considered an economic boon, we must continue to pursue economic development that creates inclusion and racial equity, while combating displacement, so that all Oaklanders can share our continued prosperity.

¹ Sandler, Rachel. “Largest Construction Projects in Oakland.” San Francisco Business Times, December 4, 2018.

THE STORIES BEHIND OUR SHARED SUCCESSES

Over the last 12 months, our efforts have advanced equitable growth.

Here are a few of the highlights.



Support Oakland Businesses

Through staff at the Business Assistance Center (BAC) and our industry specialists, we've helped both budding entrepreneurs and existing business owners grow and sustain their companies.

Largest-Ever Oakland Small Business Week

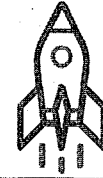
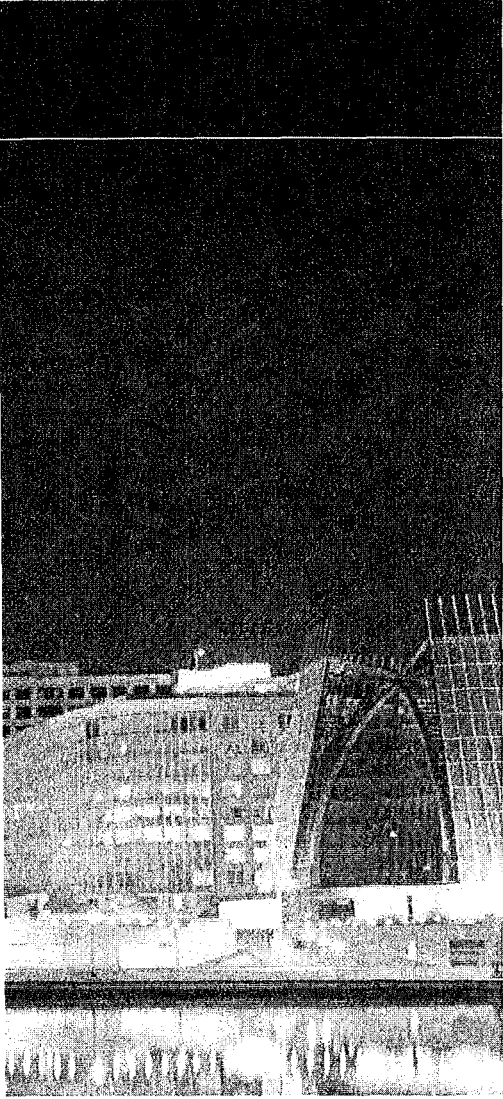
We organized and hosted the largest-ever Oakland Small Business Week, with 79 workshops downtown and in seven neighborhoods attended by over 1,500 participants from diverse backgrounds as shown in the infographics on page 2. Other Small Business Week activities included recognition of family-owned legacy businesses, City Councilmembers' recognition of individual businesses in their respective districts and the Multi-Cultural Chambers' Members of the Year Awards Reception.

Additional workshops to foster business growth were hosted year-round in the BAC and City Hall as well as at our business service partners' locations.



79 Workshops

7 Neighborhoods



40%
of loans for
Start-Ups or
1st Year businesses

Support Entrepreneurs

Small business financing remains a challenge for many. To assist, we've continued our role as a trustee in the record-breaking partnership with KIVA, a crowdfunding loan platform for entrepreneurs. Over 530 Oakland entrepreneurs have accessed interest-free loans since the program began, making Oakland KIVA's largest U.S. operation in early 2018. At that time,

- Over 70% of KIVA loans in Oakland supported women entrepreneurs
- Over 80% supported entrepreneurs of color
- Over 40% supported start-ups or entrepreneurs in their first year of business

As business mature and grow, an important financing option is SBA loans administered by our prolific partners. Main Street Launch has funded over \$35 million in loans to more than 450 businesses in Oakland. TMC Financing is the top provider of SBA 504 commercial real estate financing in Northern California and Southern Nevada. Working Solutions, with a focus on early-stage startups, has issued 700 loans totaling \$18 million in its first 20 years.

Build Equity

Through a fellowship provided by the Greenlining Institute with funding from the Surdna Foundation, we hired an Economic Equity Strategist to further empower low-income neighborhoods and reach additional businesses owned by people of color. Complementing this position is a FUSE Fellow, who will engage the East Oakland community – particularly along International Boulevard – to build inclusive economic development and community self-determination and drive economic security and growth.

We awarded over \$1 million in grants to support a wide variety of activities by 79 Oakland-based artists and arts organizations. Supported activities range from Hip Hop 4 Change's culturally-responsive, multidisciplinary hip hop education to the Oakland Symphony's hands-on orchestral music program offered across town to the Girls on the Mic program by Women's Audio Mission.

Prevent Displacement

Additional support in the arts community was provided by the City's partner, the Community Arts Stabilization Trust (CAST), through 14 grants totaling \$350,000. Awarded through Keeping Space – Oakland, the grants assist arts nonprofits to secure long-term, affordable and safe space in Oakland. Based on the needs of each organization, the funds will go towards acquisitions, planning expenses, tenant improvements or rent and moving expenses. CAST has also secured an additional \$3 million from the Oakland-based Kenneth Rainin Foundation to help develop permanently affordable space for Oakland arts and culture organizations.

Together with our technical assistance partner the Northern California Community Loan Fund, we identified and aided nonprofits feeling the space squeeze due to rising rents and real estate costs through a short survey. This work helps retain the nonprofits that provide vital services to Oaklanders. In total, we helped 10 nonprofits relocate or expand in Oakland, including assistance identifying affordable locations.

A multi-year effort to retain an automotive dealership culminated with the September 2018 opening of a new 38,000-square-foot dealership for Oakland Acura (pictured below). Upon learning that the dealer needed to relocate, we identified a 3.6-acre, City-owned parcel that offered unparalleled freeway visibility and negotiated a sale to Oakland Acura at fair-market value. The dealership further activates Coliseum Auto Row, already home to One Toyota, Coliseum Lexus, Paul Blanco's, Golden Gate Truck Center, TEC Oakland and Oakland Harley-Davidson.



14

Grants to
Assist Arts Nonprofits



Improve City Services

Two free online tools to simplify the process of opening a business were launched in January 2018. Through a series of easy-to-answer questions, these apps quickly inform you whether your business venture is allowable at a particular location, what types of City licenses and permits are required and how much the related fees will be. Available 24/7, the business permit app has recorded more than 4,500 sessions, while the zoning lookup app has been used more than 4,400 times. See other app data infographics on page 3.

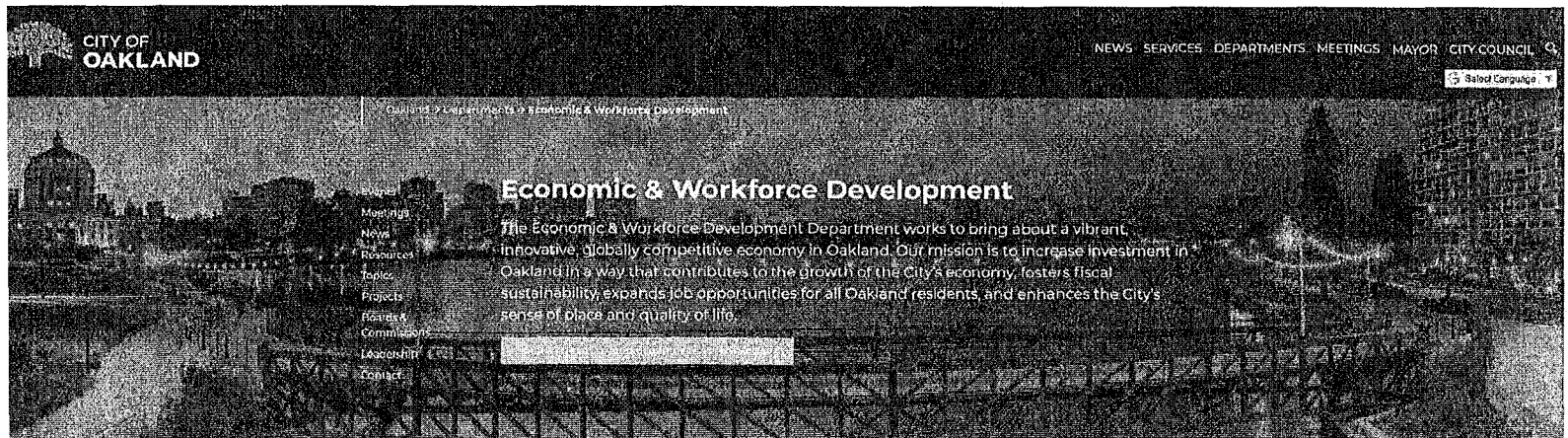
Improve Digital Access

The Finance Department upgraded their website to handle both renewal of business tax certificates, new business tax applications and the payment of certain taxes and fees online; saving business owners a trip downtown. See the data infographics on page 3.

**OAK
311**

Launched in April

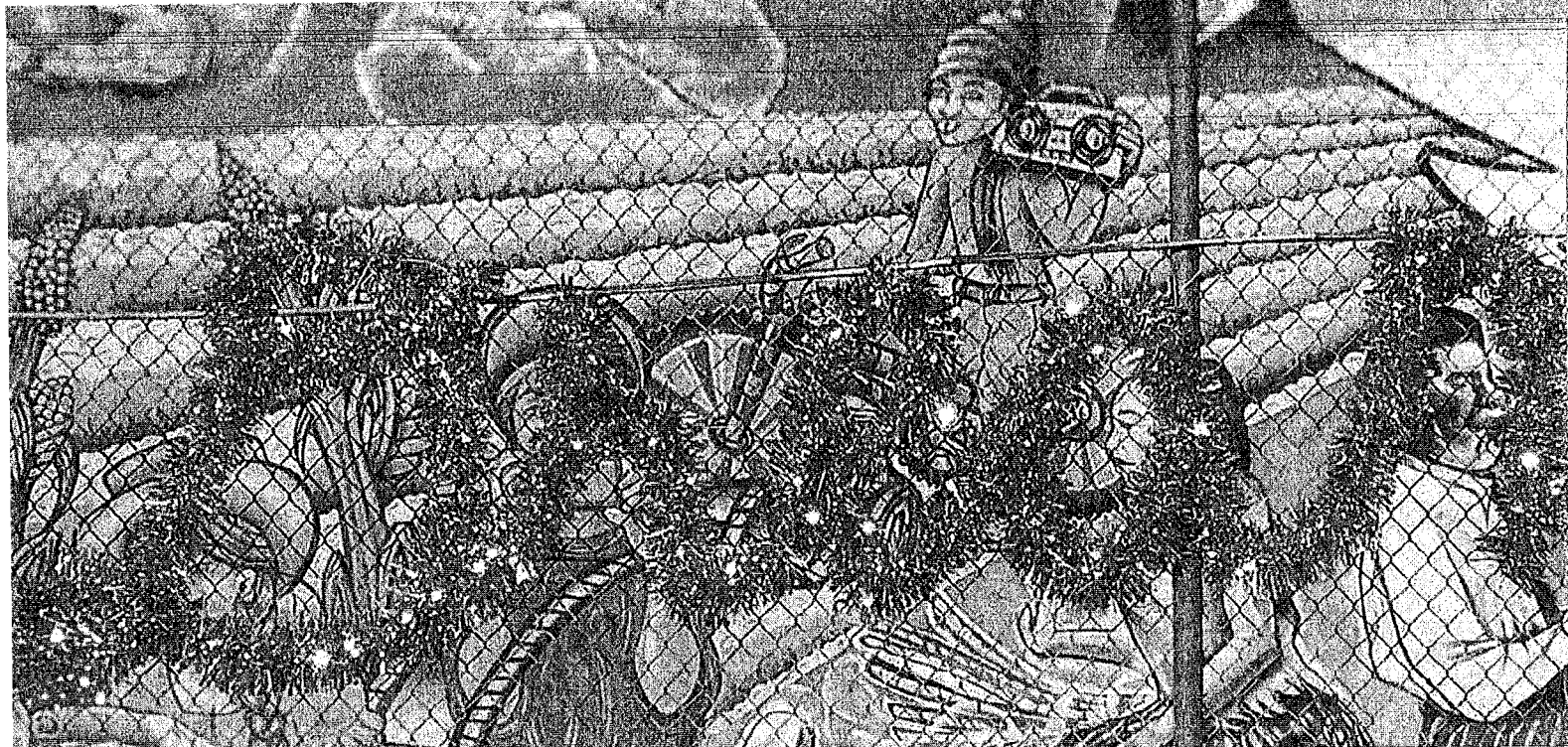
OAK 311, a new service to make it easier to report problems and request infrastructure maintenance, was launched by the Public Works Department in April 2018. Businesses and residents can request the City's help with issues including potholes, graffiti, streetlight outages and illegal dumping by phone, email, website or app. Between July and November 2018, 91% of service requests were completed within three business days.



A new visual design and service focus were part of the City's new website launched in April (pictured above). A robust search function aids the user experience. In the last four months of 2018, the City's website had more than 1.6 million unique page views by 438,000 users.

Bring People Together

The Civic Design Lab, located on the 9th floor of City Hall, brings together City staff with community members and private-sector partners to apply human-centered design and systems thinking to public-sector problems.



Reduce Racial Disparities

Led by the Department of Race and Equity, the City of Oakland released its first **Equity Indicators Report**, establishing a baseline quantitative framework that can be used by City staff and community members alike to better understand the impacts of race and measure racial inequities related to City policy. The City is consulting with community members on how best to remedy disparities.

Cultural Equity

The City adopted “*Belonging in Oakland: A Cultural Development Plan*,” its first cultural plan in thirty years. The plan provides a roadmap to **support and lift up the role of culture in building a just and equitable city**. It makes a clear case for why arts and culture matter to Oakland, and the important role they play in the City’s economy. As first implementation steps, **two new pilot Cultural Funding initiatives** will advance cultural equity, belonging and well-being for all the communities in Oakland. The *Cultural Strategists-in-Government Pilot Program* will fund five artist-in-residence slots in City departments to infuse City policy-making and practices with artistic innovation and culturally-competent problem-solving. The second pilot program, *Neighborhood Voices: Belonging in Oakland Grant*, seeks to lift up seldom-heard voices of Oakland’s neighborhoods in collaboration with Oakland artists to support the expression and understanding of Oakland’s most diverse communities. These two new initiatives are in addition to the Cultural Funding grants mentioned earlier on page 7.

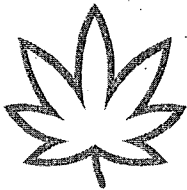


Equity in Planning for Tomorrow

Through the East Oakland Neighborhoods Initiative, the Planning & Building Department is partnering with 15 East Oakland non-profit organizations on a year-long **community planning process to identify priority capital improvement, public health and greenhouse-gas reducing projects**. Funded through a grant from the California Strategic Growth Council, the Initiative will engage residents and businesses in six East Oakland neighborhoods: Coliseum/Rudsdale/Lockwood/Havenscourt, Brookfield Village/Columbia Gardens, Highland/Elmhurst, Sobrante Park, Stonehurst and Melrose. This Initiative will update existing community plans in Elmhurst and Sobrante Park, and will encourage new, community-driven planning in the other neighborhoods.

Improving Access to Capital

Our business service partner Working Solutions is investing in the dreams of diverse entrepreneurs with support from Wells Fargo's Diverse Community Capital Program. Working Solutions **increased the availability of low-cost microloans** (from \$5,000-\$50,000), and expanded its signature consulting services to startup and existing businesses. The partner provides diverse small businesses access to capital, loan application support, business coaching and additional resources to grow successful businesses, creating local jobs and thriving communities.



OAKLAND
Develops 1st of its kind
Equity Incubator Program

A National Model

The City of Oakland's Equity Program for Cannabis Permits has become a **national model to address past disparities in the cannabis industry** by prioritizing the victims of the war on drugs and minimizing barriers of entry into the industry. Since access to capital to secure a business location is a significant barrier to entry, the City's cannabis regulations address this issue with the **Equity Incubator Program**. An equity applicant is an Oakland resident with an annual income at or less than 80 percent of the Oakland Average Medium Income (AMI) and either has a cannabis conviction arising out of Oakland or has lived for 10 of the last 20 years in police beats that experienced a disproportionately higher amount of law enforcement with respect to cannabis. This groundbreaking legislation was based in part on a racial equity analysis conducted by the City's Department of Race and Equity. These steps have helped advance the fledgling industry in an equitable manner as cannabis operators gain permits following the start of the state's adult recreational use law on January 1, 2018.



New Neighborhood Retail

Beyond meeting the daily consumer needs of residents in neighborhoods that have seen disinvestment in the past, these new retailers are a **source of both jobs for residents and sales tax revenue** that supports vital City services.

Bringing More Retail to East Oakland

Seminary Point, a 27,000-square-foot retail project in East Oakland (pictured above), is home to Walgreens, It's A Grind Coffee House, Metro PCS and other merchants. This catalytic project, which opened in April 2018, replaced an underutilized vacant and blighted property with a new commercial neighborhood retail center. Over nearly 12 years, we assembled the land, performed soil remediation, made neighborhood streetscape improvements, allocated tax credits, provided financing to bring the project to fruition and brokered a 66-year lease with Oakland-based developer Sunfield Development, LLC.

In late 2017, two national retailers opened in the Fruitvale District. **WSS Shoe Store**, a footwear chain with a range of options for adults and kids, has built a successful business model focusing on urban neighborhoods. Adjacent to WSS, **Cardenas Markets** opened its Oakland store, the first in Northern California. The 37,000-square-foot grocery underwent an extensive remodeling and employs 120.

Building Access Through Pop-Ups

As the retail industry continues to evolve, pop-up stores are becoming increasingly popular tools to activate vacant ground-floor space.

Uplift, a curated Black pop-up experience organized by the Oakland African American Chamber of Commerce, found an event location thanks to our efforts to craft a one-day lease to activate a vacant City-owned space. Similarly, the city's first **Real Black Friday**, hosted by Better Black, an Oakland nonprofit group working to bring more attention and revenue to Black-owned and -operated businesses, was held a month later in the same space.

Other Major Retail Announcements

Decathlon plans to open a 47,000-square-foot store, their first full-scale outlet in the Bay Area, on the Oakland/Emeryville border in Spring 2019. The space will feature products for over 100 sports, and will allow shoppers to try out products before buying them.

A new 33,000-square-foot Target store in Hanover's mixed-use development at 27th Street and Broadway is set to open later in 2019. The small-format store will employ up to 65 and will offer most products found in full-size stores, along with in-store order pickup.



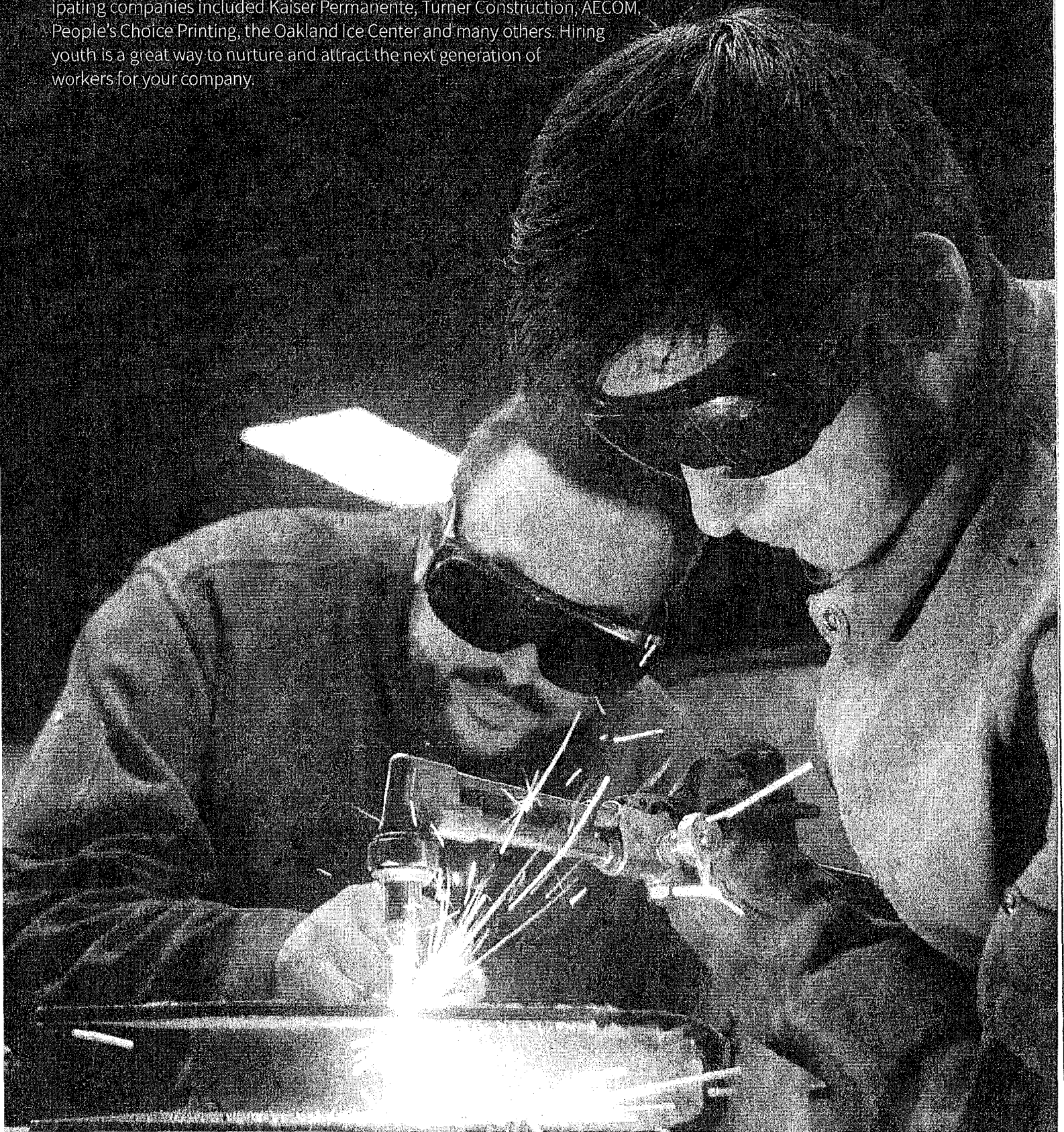
McMullen, a women's clothing boutique with collections created by both established and emerging designers (pictured above), added to Uptown's growing independent fashion retail scene. Thanks to our broker introductions and market insight, the retailer selected Oakland when their Piedmont lease expired.

In partnership with Planning & Building colleagues, we guided The Alice Collective founders through the permitting process as their innovative hybrid business – a 7,200-square-foot hybrid café, community space and commissary kitchen – was not an easy fit with any of the existing business-use types. We also helped the founders with neighborhood introductions as they transformed the historic Holmes Book Co. building into a retail, event and incubator triple play.

Three Oakland retail hotspots – Montclair Village, Rockridge and Grand Lake neighborhoods – had record-low vacancies in the first quarter of 2018.

Train the Workforce

More than 1,460 youth, ages 16 to 24, had meaningful summer work experiences through the Earn and Learn Youth Summer Employment Program, a project of the Oakland Workforce Development Board (OWDB) and its four service providers, and through placements by nine partner organizations. Through these programs, youth are prepared for the workforce by gaining valuable skills, experience and confidence to pursue career, academic and personal goals. Participating companies included Kaiser Permanente, Turner Construction, AECOM, People's Choice Printing, the Oakland Ice Center and many others. Hiring youth is a great way to nurture and attract the next generation of workers for your company.



Supporting Businesses

Team Oakland Business launched **door-to-door merchants visits** in the fall of 2018 with walks along part of International Boulevard and in the Laurel District. Merchants received information on workforce support services offered by the City and participating partners. The teams included our staff along with representatives from the Oakland Metropolitan Chamber of Commerce, Peralta Community College District, Oakland Unified School District and the America Job Centers of California.

This same group jointly hosted four Lunch, Listen and Learn education sessions for business owners to gain deeper insight on how the partners' support services **help Oakland employers to recruit, attract, train and retain local talent.**



Businesses
Assisted by
Oakland Workforce
Development Board
and its Partners

Among the 122 Oakland businesses served by the Oakland Workforce Development Board (OWDB) and its partners, was **Premier Organics**. The 16-year-old company, located in East Oakland, **invested in new equipment** to expand their operation allowing for broader distribution of their organic nut butters. Premier Organics applied for **funding to train their current employees**, as well as newly hired workers, on operation of the new equipment. The company received \$43,000 in Workforce Innovation and Opportunity Act (WIOA) funds, which allowed **30 employees to be trained**. The project was coordinated and managed through the Oakland Private Industry Council, a non-profit partner who administered the WIOA funds on behalf of OWDB.



80
Companies
384
Job Openings

Connecting Tech with Talent

Founded three years ago to help close the talent gap in tech, TechHire Oakland launched a new web resource, techhireoakland.org, to make its work accessible to a broad audience. In mid-January 2019, 80 companies had 384 job openings listed on the site, along with resources to **help employers to connect with and hire talent of color**. Partners include Google, Salesforce, Ideo Co-lab, Ellie Mae and others.

Also in the tech sector, the Oakland Startup Network **aids diverse tech founders** along the entrepreneurial path, from ideation through the pre-seed funding phase. With the support of tech anchor Kapor Center, the network reached more than 1,700 entrepreneurs in 2018.

These efforts are complemented by iLab Oakland, a three-month residency, for founders seeking a space and nurturing community to **grow their for-profit or non-profit tech initiatives.**

Building Awareness

In September and October, the City joined with other Bay Area cities in “Manufacturing the Dream,” a social media campaign by the Bay Area Urban Manufacturing Initiative. Through personal stories, including one from Oakland’s own Hodo Foods, the campaign raised awareness of the quality, middle-class jobs available in the growing manufacturing sector.

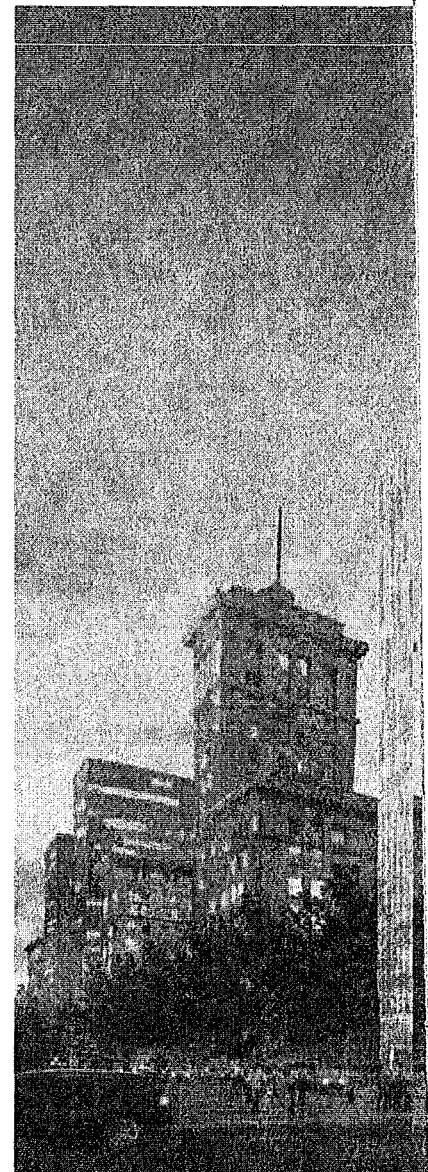
On November 8, nearly 200 students from eight high schools toured several different Oakland manufacturers during the 3rd Annual Oakland Manufacturing and Skilled Trades Day. A joint project of the Oakland Unified School District, Laney College, the Association of Manufacturers Bay Area and the City, the tours and luncheon **highlighted the importance of manufacturing in our society** and the career technical education programs available for young people to **develop skills to enter fulfilling, lucrative careers in manufacturing**. In 2018, Mettler Toledo Rainin and FATHOM joined the six returning tour sites: OCHO Candy, Nor-Cal Metal Fabricators, KSI Keyboards, Everett Graphics, Creative Woods and AB&I Foundry.

Disney’s investment of profits from the “Black Panther” movie in a STEM Innovation center at the Boys and Girls Club, part of a \$1 million grant shared with other cities, follows over \$10 million invested over the last few years in Oakland schools and programs, including those hosted at OCCUR’s David E. Glover Technology Center and Google’s Code Next. Student enrollment in computer science courses at Oakland public schools has increased 400% to one of the highest rates in the country.

Reducing Employment Barriers

In partnership with the Center for Employment Opportunities (CEO), the Public Works Department provides meaningful employment to reduce recidivism and increase employment for individuals who were previously incarcerated. The crew primarily works to eradicate vegetation from the right-of-way and remove litter and debris during rainy weather. In addition to earning money, this employment opportunity helps residents returning from prison gain valuable job skills while reducing blight in Oakland. Participants are supported with a robust set of wrap-around vocational support services.

 **200**
Students
Attend
Oakland Manufacturing
and Skilled Trades Day



Create Jobs by Attracting New Investment & Businesses

To sustain and grow manufacturers who offer good, middle-income jobs, we launched an **industrial lands inventory and impact study**. The study will provide a more complete picture of our industrial assets, both in land and operating businesses; the fiscal and economic impacts that they provide to the City and its residents; and to what degree these assets may be at short- or long-term risk from changing markets, particularly due to developments in the cannabis industry. The insight gained – results are anticipated in mid-2019 – will assist City policymakers in making decisions to maintain a diverse, sustainable economy.

Creative Models for Neighborhood Growth

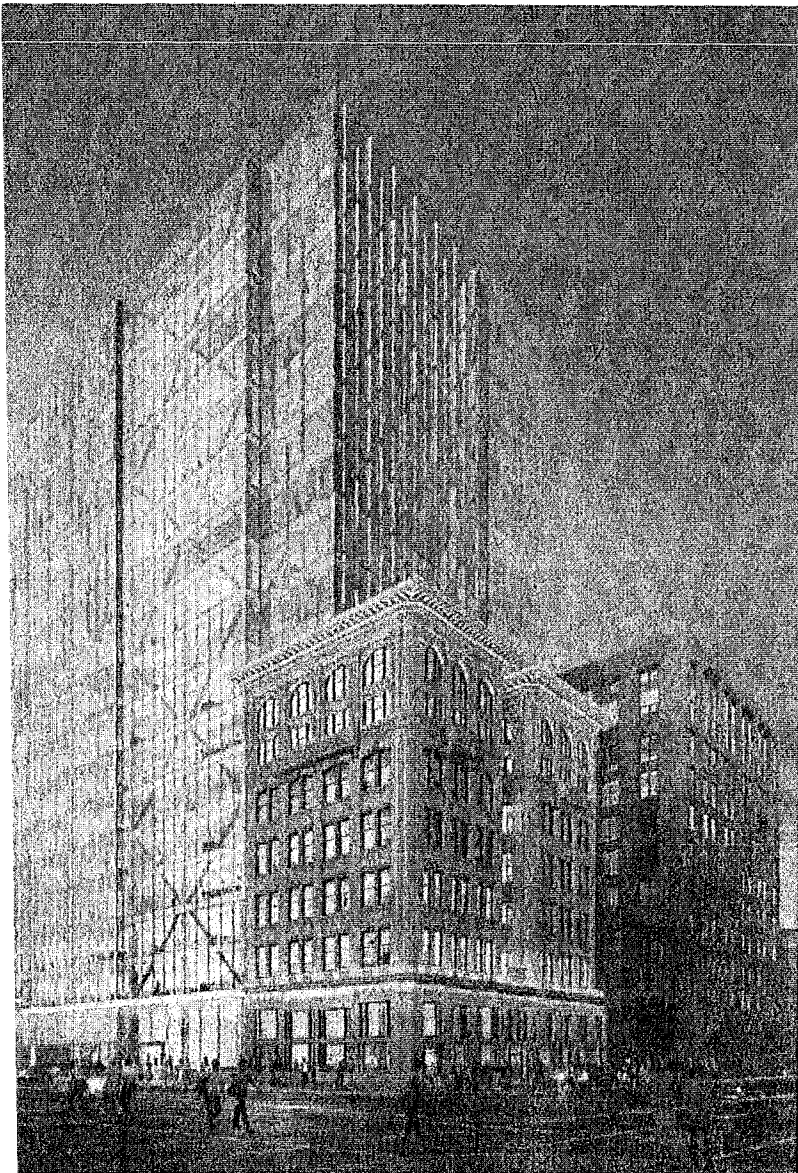
The San Pablo Area Revitalization Collaborative, a project of the East Bay Asian Local Development Corporation to **improve the neighborhoods along 1.5 miles of San Pablo Avenue**, has led to early successes. The Community Foods Market, supported in part by neighborhood crowdfunding, will open in early 2019. A few blocks away, the historic California Hotel is seeing an infusion of investment that promises to build on its African American legacy with cultural and arts elements like the soon-to-open CRAVE restaurant, Oakland Public Conservatory of Music and Fantastic Negro's Black Ball Universe Recording Studio.

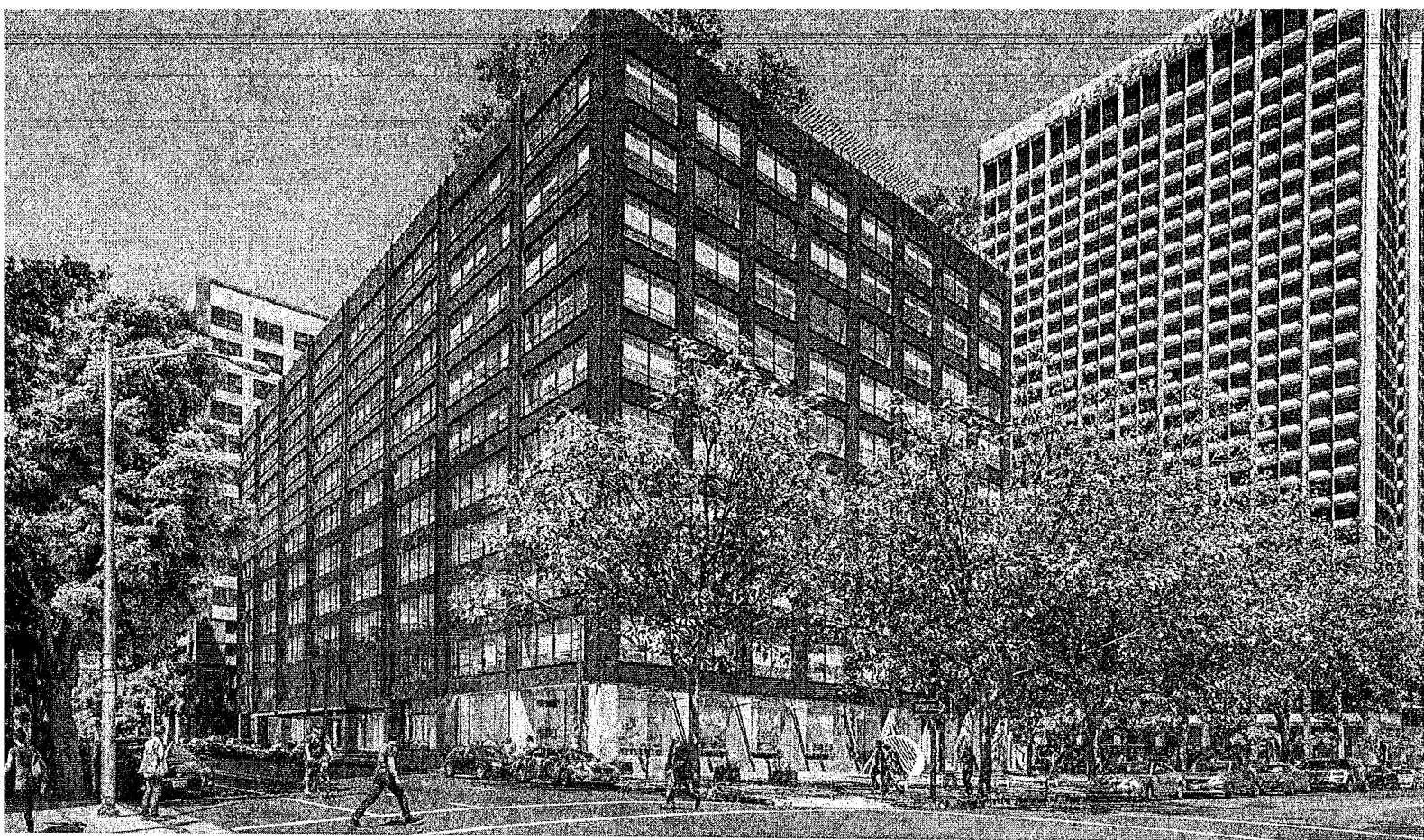
New Buildings Bring Jobs

The Key at 12th, a 345,000-square-foot project (pictured at left) that combines a new 18-story tower with the historic Key System Building, is expected to be ready for occupancy in late 2019. More than half of the office space has been leased. The project will create 500 temporary construction jobs, and will house about 1,700 new workers when fully occupied.

601 City Center, a 24-story, 600,000-square-foot office building owned by Shorenstein Properties, LLC, will be available in 2019. Blue Shield committed to taking 225,000 square feet on the building's upper floors when the health insurance company relocates from San Francisco.

Like Square (announced early in this report), other companies that have or will soon join Oakland's diverse economy include Clovis Oncology, Oracle, Arup, LendUp, WeWork and Delta Dental.





Other commercial projects underway in 2018 include the Hampton Inn Oakland Downtown (121 rooms opening in 2019), 2150 Webster Street (renovation of 236,000 square feet of office space and pictured above) and the Springfield Suites (134 rooms opening in 2019). The transformation of the former Oakland Army Base continued with three developments underway or completed: Cool Port (280,000 square feet of temperature-controlled storage and logistics), Seaport Logistics Complex (440,000-square-foot distribution center) and the Oakland Global Logistics Center (two buildings totaling 490,000 square feet).



New Hotel Rooms
Under Construction

Harnessing a New Tool

In the second half of 2018, initial guidelines were released by the U.S. Treasury Department on Opportunity Zones, a tax incentive meant to **revitalize communities and create jobs in designated low-income census tracts**. City staff from several departments reviewed the State's initial roster of recommended census tracts and suggested additional ones for inclusion. While not securing all of the desired tracts, Oakland received Opportunity Zone designations for 30 census tracts. Investments made by individuals through Qualified Opportunity Funds in these zones would be allowed to **defer or eliminate Federal taxes on capital gains**. The City of Oakland has been meeting with internal and external partners to see how we could use this tool to further our equitable economic development goals outlined in the Economic Development Strategy by prioritizing projects with demonstrated community benefits in the review process and ensuring developers and investors are in compliance with our housing and anti-displacement regulations.

Build Homes and Preserve Affordability

The City of Oakland is making great strides in addressing the housing crisis that has gripped the Bay Area and much of the West Coast.

The City's multi-pronged approach to the crisis includes helping vulnerable populations avoid the loss of their housing, implementing emergency shelter strategies and spurring construction of housing.



Households Threatened
with Eviction Helped

Preventing Displacement

The Keep Oakland Housed Initiative has helped 473 households threatened with eviction in the last six months of 2018. Through three nonprofit partners, the initiative provides legal representation, emergency financial assistance and supportive services to **prevent Oakland residents from losing their housing**. The program is funded in part by Kaiser Permanente and the San Francisco Foundation.

Innovative Solutions

The City currently has three temporary Community Cabin sites, plus one that has already wrapped successfully after 12 months of operation. At each site, formerly homeless residents are able to access **shelter and supportive services** while working with on-site case managers to transition into temporary and permanent housing facilities. Of the more than 200 formerly homeless people who have opted to enter the program, 70% have successfully exited into transitional or permanent housing. The City plans to open four additional Community Cabin sites and establish a Safe Parking Program allowing residents to stay overnight in vehicles in a safe and secure environment.

In 2018, the City acquired a former SRO hotel that will **provide more transitional housing and services with the goal of rapidly re-housing people**, like the existing, successful Henry Robinson Multi-Service Center which has an 88% success rate of placing clients into permanent housing upon exit.

Funding Affordable Housing

The production of affordable housing is being bolstered by the Affordable Housing Impact Fees (AHIF) paid by developers. Since July 2016, nearly \$21 million has been assessed. Additional funds from voter-approved County and State measures will enable construction of even more affordable housing units.

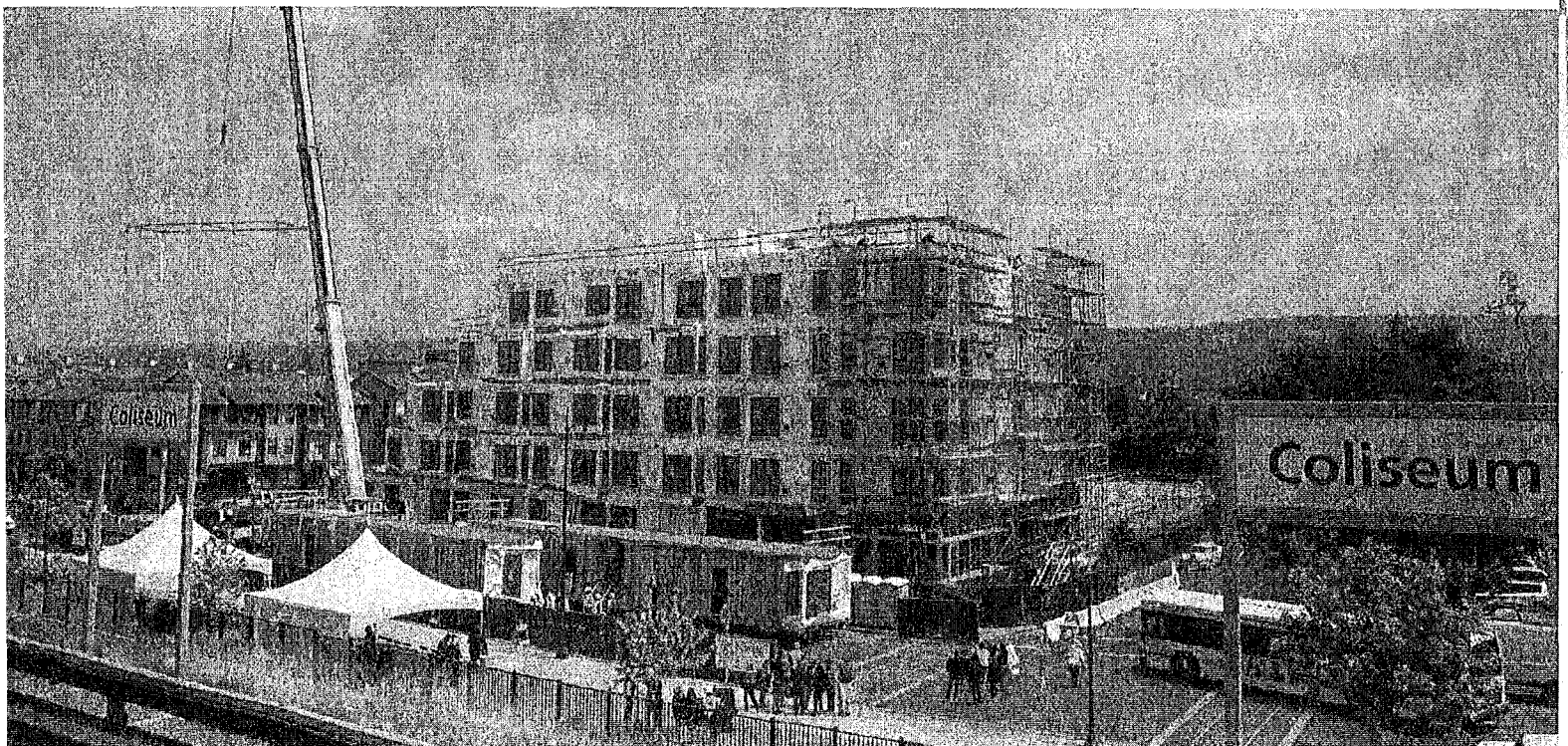
In December 2018, Oakland City Council took the initial steps to establish a public lands policy to use our limited land resources efficiently to accelerate the production of much-needed affordable housing. The bulk of the 21 publicly owned sites available for development would be used as affordable housing sites. Ensuring select parcels, where optimal uses would be commercial or market-rate housing projects, may be sold with the proceeds and corresponding housing impact fees used to fund affordable housing will result in a greater number of affordable units being constructed.

Housing Under Construction

As previously mentioned, more than 9,300 housing units are currently under construction. Space limitations prevent narratives on each project, but below are highlights of a few housing developments where the City played a lead role.

Fruitvale Transit Village Phase II, a \$60 million, transit-oriented development that includes 94 affordable housing units, broke ground in March 2018. The project transforms a City-owned BART parking lot into permanent affordable housing.

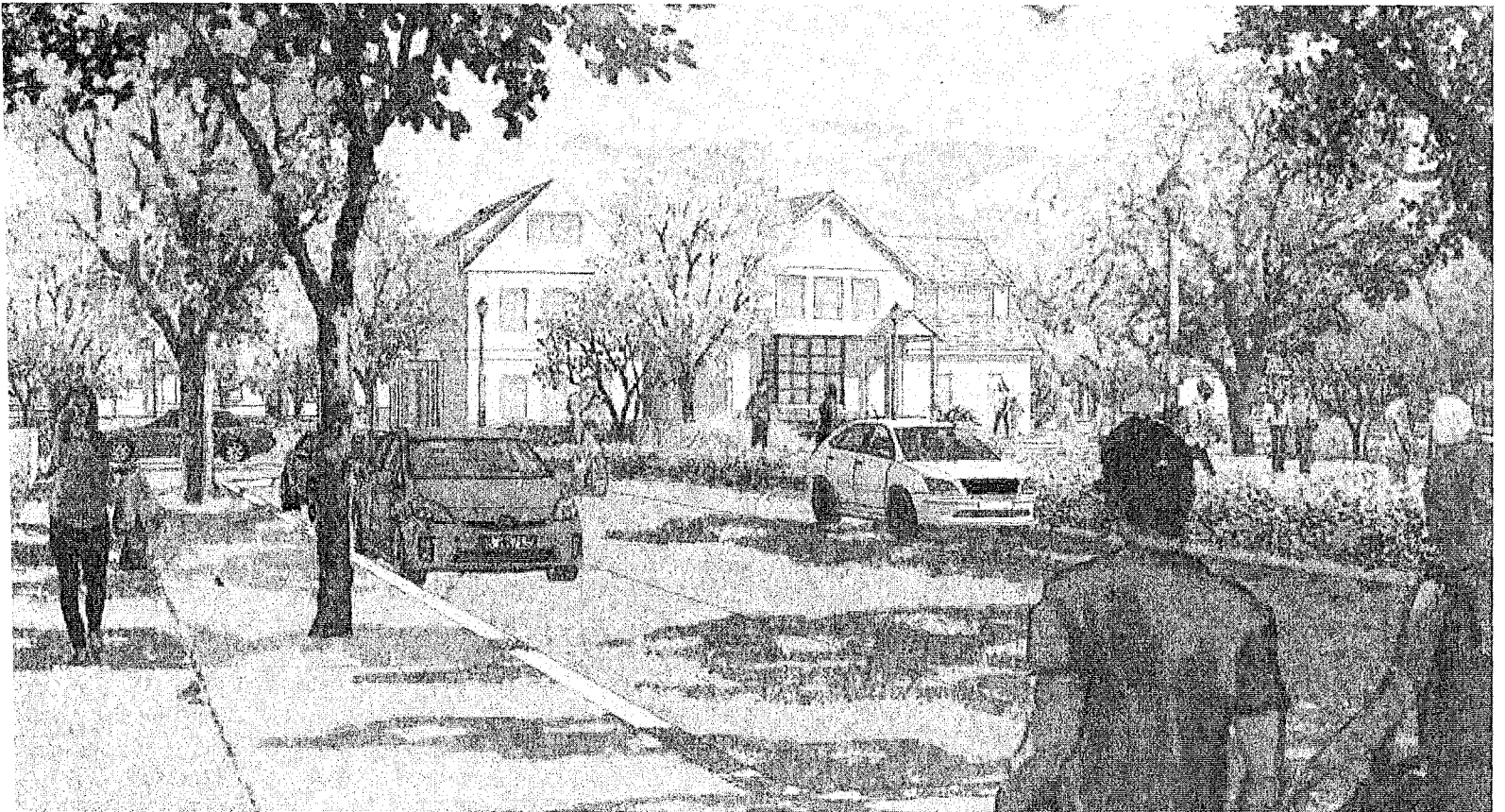
With a mix of private and private funding sources, including funds from the City, County and State, Coliseum Connections (pictured below), a transit-oriented development adjacent to the Coliseum BART station, will have 55 affordable units and another 55 market-rate units.



On a parcel previously owned by the City, construction began on a 16-story building with 288 market-rate apartments at 1100 Clay. The groundbreaking marked the conclusion of a multi-year process that included issuing a request for proposals, negotiating with the developer and selling the parcel for \$3.35 million.

Creating New Neighborhoods

Two large housing developments that will create new residential neighborhoods also saw important milestones in 2018.



Master developer SunCal broke ground on Oak Knoll (pictured above), which will feature 918 for-sale townhomes and single-family homes, 80,000 square feet of retail and about 84 acres of green space. Decades in the making, this development activates the site of a former naval hospital. An adjoining 5.4-acre parcel, retained by the City, is slated for development of affordable housing.

Nestled on the Oakland Estuary, Brooklyn Basin will create a new, mixed-use neighborhood on the historic waterfront. The transformation of the 64-acre, former industrial site went vertical in 2018 when construction began on 241 units in the Orion building. Leasing is expected to begin in 2019.

Acknowledgments & Resources

Our shared successes are only achieved through the combined efforts of our City colleagues, the support of the City Administration, the vision of Mayor Libby Schaaf and the innovative policies adopted by the Oakland City Council.

Thanks also to the numerous community partners who support a business ecosystem that fosters equitable economic growth.

Special thanks to the following internal partners:

- Office of Mayor Libby Schaaf
- City Administrator's Office
- Department of Race and Equity
- Department of Transportation
- Finance Department
- Housing & Community Development Department
- Parks, Recreation & Youth Development Department
- Planning & Building Department
- Public Works Department

Through our continued collective efforts, we look forward to achieving the 2019 goals and targets outlined in the Economic Development Strategy resulting in even greater prosperity for all Oaklanders!

View the Economic Development Strategy and Appendices at
www.oaklandca.gov/projects/economic-development-strategy

We're Here to Help

Startups and Small Businesses

Business Assistance Center

270 Frank H. Ogawa Plaza, Oakland CA 94612

(510) 238-7952

www.OaklandBusinessCenter.com

Business Attraction and Relocation

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Graphic Design

MmM Design

Photos

Page 6: By Natausha Greenblott, Courtesy of Visit Oakland

Page 4, 8, 14, 15 & 22: By Harry Hamilton, City of Oakland

Page 9: Courtesy of Hodo Foods

Page 12: Mural by EastSide Arts Alliance and Civic Design Studio at the Sol Building; mural artists: José García, Darren Villegas, Vanessa Espinosa, and Visual Element. Tinsel Wire Sculpture by Civic Design Studio, Fremont Architecture Academy & Castlemont Sustainable Urban Design Academy.

Photo by Vanessa Whang.

Page 16: Courtesy of Oakland Unified School District

Page 19: Courtesy of Ellis Partners

Page 20: Courtesy of Lane Partners

Page 23: Courtesy of SunCal

FOR MORE INFORMATION
www.Business2Oakland.com

OUR GOAL

*Make Oakland an easy, efficient, prosperous and resilient place to do business,
and to reduce racial disparities and help all Oaklanders achieve economic security
so that everyone has an opportunity to thrive.*



CITY OF
OAKLAND

Indicator or Target (Indicators in bold text)	2018	2019	2020	City lead	Baseline and Current Status (Baseline in bold text)	End of Year 2018
Per capita GDP increases by 10%			✓	EWD	Previous GDP per capita growth: 0% (2013), 11% (2014), 5% (2015)	No Data
The asset poverty rate of African Americans and Latinos reduces by 50%			✓	Mayor's Office	Current asset poverty rates are Black 47.8%, Latinx 46.9%; citywide 33.9% (July 2017, report using ACS 2009-2013 data).	No Data; new program launches in 2018
The number of Oaklanders making less than a living wage is reduced by 50%			✓	Mayor's Office, EWD	41,650 Oakland households earn below \$30K annually. (ACS 2016). Goal is to move 23,000 above \$30K.	37,721 Oakland households below \$30K in 2017
A developer is selected at Coliseum			✓	EWD	No change recorded.	No change
Real Estate Portfolio Management plan is published, which includes strategies for better utilizing properties to meet community needs	✓			EWD - Real Estate	Phase 1 is complete establishing 1112 parcels and 117 leases. Phase 2 evaluation of worth and development opportunities is underway. Phase 3 recommendations and plan will go to Council	Ongoing
1000 supported businesses innovate, grow and access new markets	✓	✓	✓	EWD-BD	550 at BAC alone in Q1 of 2018; over 75 received specialist support. Also includes 14 Façade and Tenant Improvement grants, Professional Development support for Cultural workers, and Specialists have supported 23 new businesses in launching in Q1. Total does not include BAC.	Exceeded
Of above, 100 businesses are created, which the City has supported	✓	✓	✓	EWD - BD	550 at BAC (March 2018)	Exceeded
Of above, 500 small businesses (20 or fewer) are supported to innovate, grow and access new markets	✓	✓	✓	EWD - BD	550 at BAC (March 2018)	Exceeded
Of above, 200 entrepreneurs have crowdsourced loans	✓	✓	✓	EWD - BD	Kiva has served 520 Oakland entrepreneurs total	Did not meet- 116 Borrowers in 2018
Of above, 500 supported, small businesses in low-income neighborhoods are contacted about City services and support	✓	✓	✓	EWD - BD	No baseline - City did not previously track locations of supported businesses.	Target met
Three workshops to support supplier certification and partnerships are held	✓	✓	✓	EWD - BD	First workshop will be during Small Business Week.	Exceeded
Small Business Advisory Group Created	✓			EWD - BD	Forthcoming - a Small Business Task Force recommendation	Ongoing
BAC location, programming, and online presence is set.	✓			EWD - BD	Ongoing; Assessment by Alliance for Community Development	Ongoing
A business organizing pilot program is evaluated and a decision taken to expand or end the program	✓			EWD - BD	No Baseline	Ongoing

Indicator or Target (Indicators in bold text)	2018	2019	2020	City lead	Baseline and Current Status (Baseline in bold text)	
600 tech entrepreneurs are supported to innovate, grow and create new Oakland businesses	✓			EWD - BD	1000 entrepreneurs engaged (OSN report to Kaufmann grant)	Exceeded
2800 jobs are created in the local economy	✓	✓	✓	EWD-BD	Oakland gained 4000 jobs in both 2016 and 2017	2018 Data not available
New retailers are attracted to Upper Broadway, Broadway Valdez and Uptown	✓	✓	✓	EWD-BD	Prime retail sites created through BVSP	Target met
A multi-lingual portal, which contains all permitting, licensing and business services information, is published	✓			EWD-BD	http://businesspermits.oaklandca.gov and http://zoningcheck.oaklandca.gov launched Jan 2018; visited by over 7000, over 1000 businesses scoped.	Target met
Sector strategies for each of Oakland's priority sectors are refreshed or published	✓			EWD-BD	Last published Sector Strategy: retail (2008). Updates currently in scoping.	Ongoing
Compelling marketing propositions are published and communicated to target businesses and investors	✓			EWD-BD	Marketing Coordinator secured; materials on track for 2018.	Target met
Benefit district pilots are evaluated and funding is raised for improvements in 20 locations	✓	✓	✓	EWD, DOT	No Baseline	Ongoing
Business satisfaction with City assistance and services is 90%		✓	✓	EWD-BD	No Baseline - City will need to create and administer a feedback survey and collect data from other Departments	Not yet evaluated
Five new permanent retailers and five pop-up or temporary retailers are created in underserved neighborhoods		✓		EWD-BD	No Baseline	Target met
The Oakland Startup Network program has been replicated		✓	✓	EWD - BD	One industry-specific program targeting underrepresented entrepreneurs	Ongoing
Revenues generated by businesses owned by people of color grow by 40%			✓	EWD - BD	Census SBO 2012 average revenue for Oakland business owned by person of color is \$168,000	No data
Revenues generated by women-owned businesses grow faster than the average for all businesses in Oakland			✓	EWD - BD	Census SBO 2012 average revenues for Oakland female-owned business is \$78,000.	No data
Attracted businesses create 5000 additional jobs			✓	EWD-BD	Oakland gained 4000 jobs total in both 2016 and 2017	Ongoing
Manufacturing contributes 12% to the City's economy			✓	EWD-BD	In 2016 Manufacturing contributed 10% of City's GRP	No data
Priority industry sector employment increases by 8500			✓	EWD-BD	Oakland gained 4000 jobs total in both 2016 and 2017	No data
New BIDs are created			✓	EWD-BD	11 City BIDs; last BID (Tourism) est. 2015	Ongoing
400 additional Manufacturing jobs are created (2018-2020)			✓	EWD-BD	6404 manufacturing jobs in Oakland in 2016; a 1% decline since 2010.	Manufacturing saw slight decline in Q1 2018
1000 retail jobs are created (2018-2020)			✓	EWD-BD	10,810 retail jobs in Oakland in 2016, a 35% increase since 2010.	Retail increased 470 jobs in Q1 2018

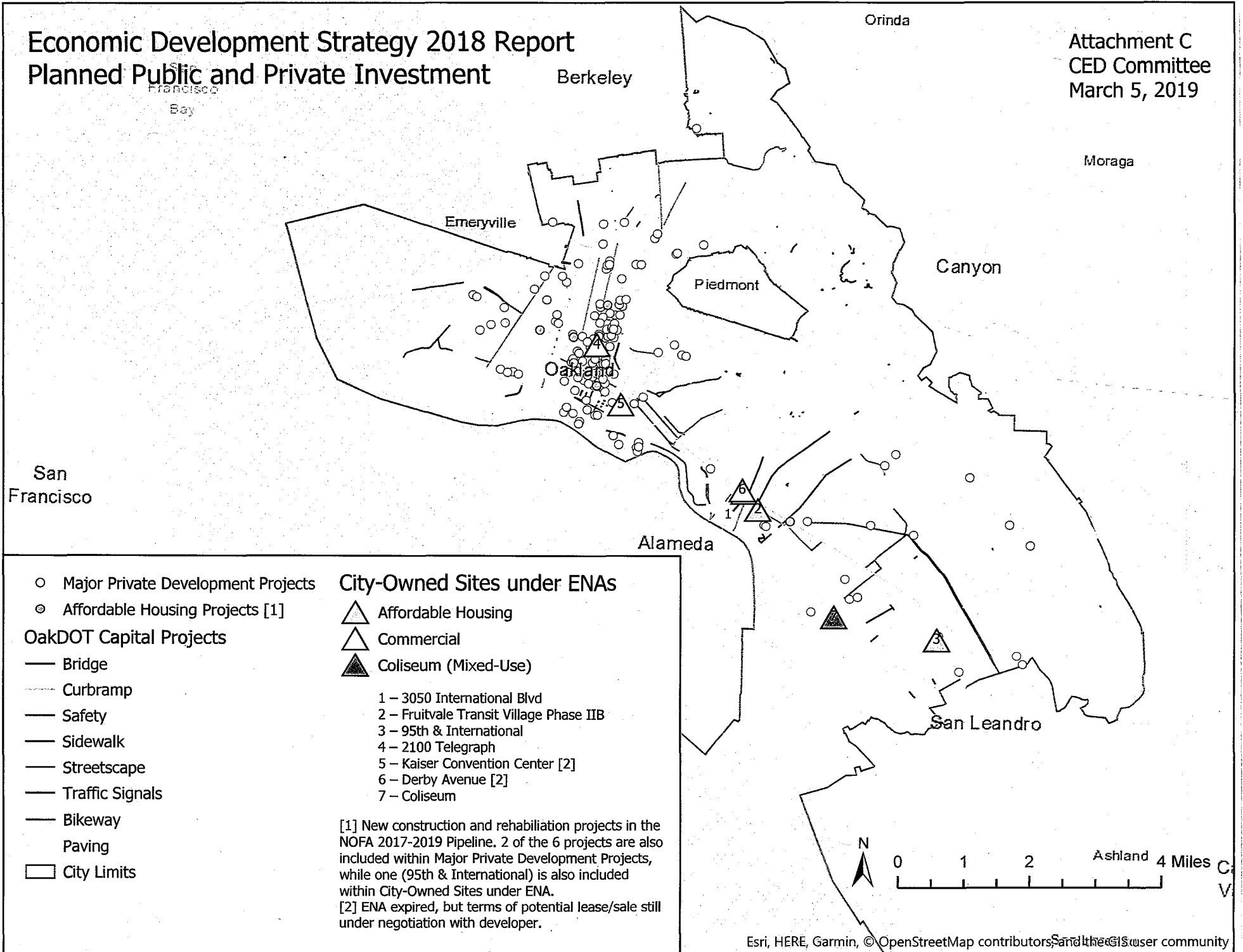
Indicator or Target (Indicators in bold text)	2018	2019	2020	City lead	Baseline and Current Status (Baseline in bold text)	
A Cultural Arts Plan is published	✓			EWD-Cultural	Draft Plan released in March 2018	Target Met
Grow Cultural Arts employment by 5%			✓	EWD - Cultural	About 5000 FTE in 2017	Arts, Entertainment, Recreation increased 350 jobs in Q1 2018
Grow Cultural event attendance by 5%			✓	EWD - Cultural	2017 Art & Soul 13,300; no baseline for Parades, Runs and Street Festival attendance - data under	15,000 paid and unpaid Art & Soul attendees in 2018
Public-private developments earn \$30m in one-time and \$16m in annual City revenue			✓	EWD-PPD	Revenue projections based on current and projected developments in Attachment B.	
Significant new funding sources are secured			✓	EWD-PPD	In progress	Opportunity Zones established
17 City owned properties are developed and 12 are ready for development			✓	EWD-PPD	Two groundbreakings in Q1 2018.	Four ground breakings and three negotiated agreements in 2018
Identify sites for hotels and meeting space, attract hotel developers and explore co-investment opportunities			✓	EWD-PPD	T5/T6 approved with hotel in Q1 2018; other hotels in pre-development.	Two hotels scheduled to open in 2019 and a third under construction.
The Calvin Simmons theater is reopened and affordable to local arts organizations			✓	EWD-PPD	Currently in ENA with Orton Development	On track
12,000 Oaklanders are given access to job training services	✓	✓	✓	EWD-WD	12,000+ accessed workforce services online in 2017; 3561 workers current registered in CalJOBS.	Did not meet- 5583 adults registered in CalJOBS
50% of adult participants in city-funded training programs receive an industry-recognized credential within 1 year	✓	✓	✓	EWD-WD	Currently 43%, double the percentage of previous fiscal year.	Did not meet - 44%
70% of adult participants in city-funded training programs get a stable, middle income job	✓	✓	✓	EWD-WD	Currently 55% of participants report employment.	Target met - 100% employed
1200 additional residents are employed in local businesses		✓		EWD-WD	148 people hired locally (FY 2016-2017)	Did not meet
200 Oakland businesses hire local trainees, with 60% of businesses being supported more than once		✓		EWD-WD	96 Oakland businesses hired locally, 23% repeated. (FY 2016-2017)	Did not meet - 122 Businesses
3500 young people undergo workforce learning			✓	EWD-WD	2000 (2017); 2018 goal is 2500	Ongoing - 1467 youth in 2018
The development remains on track to create 5881 job-years and \$3.7m new tax revenue (\$1.8m ongoing annually.)	✓	✓	✓	EWD-Army Base	Contractual completion date is January 2018; additional truck parking lot added, will move completion of City's role to July 2018.	Ongoing

Indicator or Target (Indicators in bold text)	2018	2019	2020	City lead	Baseline and Current Status (Baseline in bold text)	
A Racial Equity Analysis is completed analyzing impacts and maximizing positive equity outcomes for communities of color, english learners, and low income communities		✓		EWD, DRE	Department Race & Equity team has been established and begun scoping analysis.	Ongoing
All business-government processes are streamlined	✓			CAO	Building permit analysis underway; Revenue application update underway. Special events on	Business Tax fully online; Permit process review in progress
\$120m is spent on transportation infrastructure and other public facilities			✓	DOT, PWD	FYTD Bond measure spending includes \$238K on Public Facilities, \$1.52M on Transportation & Infrastructure (March 2018)	\$ 2M for other public facilities, \$12.5M on transportation & infrastructure
5000 properties are acquired and rehabilitated			✓	HCD	Forthcoming	331 units
4250 new homes are built and 5000 households are protected from displacement			✓	HCD (multiple)	6,604 new market rate units under construction, 71 affordable; pipeline includes 14K with 1256	Building permits issued for 4109 market-rate units; 350 affordable units
Number of Oakland HS graduates who go on to graduate from college triples	✓	✓	✓	Mayor's Office	28% - Out of 1754 OUSD HS graduates in 2009, 499 graduated a 2 or 4-year college within 6 years (most recent data available.)	57% (1131 out of 1980) Class of 2018 seniors enrolled in a 2 year or 4-year post secondary college program immediately after graduation
The number of residents who apply for the Earned Income Tax Credit increases by 20%			✓	Mayor's Office	10,541 EITC returns done in 2017	Ongoing
100 cultural organizations access affordable space through grants, technical assistance, and creation of new, affordable space	✓	✓	✓	Mayor's Office, EWD	100 organizations served thus far.	Exceeded
65% of all planning and building permits are issued within 1 day	✓	✓	✓	PBD	Of issued permits, 60% issued same day as submittal in 2016 (65% in 2015.)	Did not meet - 42%.
A review of development processes is published, with recommendations to reduce costs and delays	✓			PBD	Review underway in Planning & Building with case studies of different size projects	Ongoing
Program to encourage tenancing and re-use of vacant properties is created		✓		PBD	Reincarnation of vacant property registry project, may propose a tax.	Ongoing following vote for tax
A new Call Center is created and 85% of calls for service to	✓	✓	✓	PWD	Acheived 86% in three days for FY 2017-2018.	Exceeded
New training positions are added in blight reduction and public infrastructure maintenance	✓			PWD, EWD-WD	Completed in partnership with Alameda County, Center for Employment Opportunities; crew began April 2018	Target met
Oakland attracts 7.5 M annual visitors by 2025				Visit	3.8 Million visitors in 2017	No change recorded

Economic Development Strategy 2018 Report

Planned Public and Private Investment

Attachment C
CED Committee
March 5, 2019



- Major Private Development Projects
- ⊙ Affordable Housing Projects [1]

OakDOT Capital Projects

- Bridge
- - - Curbramp
- · · Safety
- Sidewalk
- · - Streetscape
- · - Traffic Signals
- · - Bikeway
- Paving
- City Limits

City-Owned Sites under ENAs

- △ Affordable Housing
 - △ Commercial
 - ▲ Coliseum (Mixed-Use)
- 1 – 3050 International Blvd
 2 – Fruitvale Transit Village Phase IIB
 3 – 95th & International
 4 – 2100 Telegraph
 5 – Kaiser Convention Center [2]
 6 – Derby Avenue [2]
 7 – Coliseum

[1] New construction and rehabilitation projects in the NOFA 2017-2019 Pipeline. 2 of the 6 projects are also included within Major Private Development Projects, while one (95th & International) is also included within City-Owned Sites under ENA.
 [2] ENA expired, but terms of potential lease/sale still under negotiation with developer.

