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OAKLAND

2018 MAY 31 PM 5:11

## AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** Contract Agreements with West  
Oakland Job Resource Center

**DATE:** May 21, 2018

City Administrator Approval

Date:

5/31/18

### RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute The Following Agreements With West Oakland Job Resource Center: 1) A License Agreement For The Use Of City Space At The West Oakland Branch Of The Oakland Public Library For Job Resource Center Services; And 2) A Grant Agreement For An Amount Not To Exceed \$355,237 For The Period From July 1, 2018 Through June 30, 2019, For The Provision Of Job Resource Center Services.**

### EXECUTIVE SUMMARY

The West Oakland Job Resource Center (WOJRC) is a project of the City of Oakland that was developed in partnership with community organizations, employers, and labor unions. The concept of a WOJRC was developed as part of the community benefits for the Oakland Army Base (OAB) redevelopment project. Through a binding Cooperation Agreement between the City, organized labor, and community stakeholders, the City took the lead in creating the WOJRC to support contractors and employers in meeting the OAB project's local hiring requirements. To expedite its development, in 2014 the City entered into a services agreement for fiscal agency and other services with the Urban Strategies Council (USC) so that the WOJRC could operate during the nascent stages of its development. In addition, the City redirected OAB billboard revenue as funding support and provided space at the West Oakland Library for operations. These agreements extend that support for another fiscal year. In accordance with the established agreements and prior Resolutions approved by the City Council and its committees, City of Oakland and WOJRC staff have completed the process of forming a City-sponsored 501(c)(3) non-profit corporation to operate as the West Oakland Job Resource Center, A California Nonprofit Public Benefit Corporation ("WOJRC Corporation") going into Fiscal Year (FY) 2018-19.

### BACKGROUND / LEGISLATIVE HISTORY

The work of the WOJRC is framed by the OAB Project Labor Agreement (PLA) and the Community Jobs Policies, both of which are embedded in the OAB Lease Disposition and

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CED Committee  
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Development Agreements (LDDA). These Community Jobs Policies established the region's highest local and disadvantaged hiring goals as well as national precedent-setting job quality standards. The WOJRC was conceived during the multi-year community benefits development process and involved dozens of community stakeholders, organized labor, employers and City staff, resulting in the OAB Community Jobs Policies. To ensure accountability and adherence to local hiring and other related policies, the City of Oakland and its community partners established a Community Jobs Oversight Commission comprised of stakeholders from community-based organizations, employers, unions, and the public sector. The Commission meets monthly to review project performance towards policy goals and ensure accountability for results to the community.

Below is an overview of the authorizing Resolutions that established the WOJRC as an entity to help meet OAB Community Jobs Policies requirements.

**Resolution No. 84071 C.M.S. Oakland Army Base Community Jobs Policies:** The Jobs Policies for the OAB were adopted by the City Council in June 2012, as terms of the LDDA between the City and the developers of the OAB project. The Jobs Policies are also imbedded in the Army Base Cooperation Agreement and PLA. The Jobs Policies are applied to OAB public construction, private construction, operations in the West Gateway portion of the project, and operations in the East and Central Gateway portions of the project. The OAB Jobs Policies supersede preexisting City policies governing local employment on public works and publicly supported projects. In areas where the Jobs Policies are silent, existing City policy prevails. The policies cover only employment-related issues such as local hire, disadvantaged worker hire, living wages, and background checks; they do not address local contracting or other community benefits.

**Resolution No. 83933 C.M.S. Cooperation Agreement:** The Cooperation Agreement, approved by City Council on June 19, 2012, is a contract between the City and members of the Revive Oakland and Oakland Works coalitions, as well as the Alameda County Building and Construction Trades Council and the Alameda County Labor Council. The Cooperation Agreement is legally binding, with terms that articulate community support commitments regarding the OAB project, and commitments from the City regarding the long-term durability of the Jobs Policies.

**Resolution No. 13131 C.M.S. Lease Disposition and Development Agreement (LDDA):** The LDDA, approved by City Council on June 19, 2012, are long-term legally binding commitments entered into by the City and the two major developers of the OAB: Prologis and California Capital Investment Group (CCIG). The LDDA includes all of the Jobs Policies as binding terms, enforceable by the City against the developers and the eventual employers. The Jobs Policies will also be included in future development agreements that the City enters into with other developers at the OAB by way of Development Agreements.

**Resolution No. 84072 C.M.S. Project Labor Agreement (PLA):** The OAB PLA, approved by City Council on October 11, 2012, pertains to publicly funded construction at the OAB. It is a contract between the City and the Alameda County Building and Construction Trades Council and affiliated unions, and is incorporated into relevant construction contracts. The PLA contains Labor Peace provisions and requirements and commitments from the building trades to take

certain steps to help implement the Jobs Policies and to support the hiring of Oakland residents first and foremost.

**Resolution No. 84164 C.M.S. Appropriation and allocation of revenue generated from the Billboard Franchise and LDDA to the West Oakland Jobs Resource Center:** The City established the WOJRC to coordinate training sources and provide referrals for jobs at the Army Base and on other Oakland projects. The WOJRC is located in West Oakland on the second floor of the City's library branch at 1801 West Adeline Street. While the WOJRC provides a crucial function in implementation of the Jobs Policies, it is not an enforcement body. It does, however, provide referrals for Army Base jobs and assists in generating information to the City Administrator and Oversight Commission on hiring and retention of employees.

To provide a funding stream to support the operations of the WOJRC, in April 2013 the Oakland City Council approved the use of revenue from new billboards that were approved along with the OAB Lease Disposition and Development Agreement (LDDA) (Resolution No. 84312 C.M.S.). In January 2014, the City conducted a Request for Bids process and selected the USC as the Fiscal Agent and Employer of Record for the WOJRC; they have since continued to perform this function in accordance with subsequent actions by the City Council (Resolution No. 84994 C.M.S., Resolution No. 85251 C.M.S., Resolution No. 85661 C.M.S., Resolution No. 86240 C.M.S., Resolution No. 86760 C.M.S., and Resolution No. 87021 C.M.S.). Funding for the WOJRC was allocated at \$355,237 per year in the City's FY 2017-2019 budget, inclusive of some of the WOJRC's operating costs that are paid directly by the City.

Since the beginning of the Community Jobs Policies discussions, community stakeholders have expressed a strong desire for the "Job Center" to be a community-based organization, operating outside of the traditional City structure. The unique nature and evolution of the WOJRC and the binding agreements that guide its work has made it important to closely manage and support its operations. WOJRC staff have consequently become steeped in its policies, knowledge of the construction trades and relationships with community, labor, and business stakeholders.

Beginning in 2014, the City entered into a contract with the USC to provide administrative support including employment and benefits administration, risk management and compliance, financial services, IT support, data management assistance and resource development, and administration for the WOJRC while it worked to become a city-sponsored, independent 501(c)(3) non-profit public benefit corporation. The goal of obtaining 501(c)(3) nonprofit status was to enable the WOJRC to maximize funding opportunities and to reduce costs associated with third-party fiscal sponsorship. This path follows the City's history of creating non-profit entities for long-term operations such as Children's Fairyland, the Paramount Theater, and the Fox Theater.

City and WOJRC staff have completed the steps required to establish the WOJRC Corporation as an independent 501(c)(3) tax-exempt entity, including filing Articles of Incorporation with the California Secretary of State, as well as forming a board of directors that has adopted bylaws. Pursuant to the current WOJRC nonprofit Corporation bylaws, the board of the nonprofit WOJRC Corporation is composed of seven (7) board members, consisting of four (4) City of Oakland staff appointed by the City Administrator, two (2) community members nominated by the Community Jobs Oversight Commission and appointed by the City Administrator, and the WOJRC Executive Director.

The redevelopment of the OAB has reached the warehouse vertical development and tenanting phase, which is expected to ultimately create more than 1,000 Transportation, Distribution, and Logistics (TDL) jobs through both city and port-side developments. TDL represents the movement of goods from manufacture until they arrive to the purchaser, either in a store or, increasingly, at your doorstep. This sector is growing at all geographic levels, including locally, regionally, nationwide, and globally. In the East Bay, the sector provides about 36,000 direct jobs and 101,000 indirect jobs, which combined represent roughly 12 percent of the region's jobs. The Oakland Metropolitan Chamber of Commerce 2018 Economic Forecast reported that roughly 11,800 of the 180,900 jobs in the City of Oakland in 2016 were in Transportation, Warehousing, and Utilities; the Port of Oakland obviously drives much of this employment and economic activity.

### **ANALYSIS AND POLICY ALTERNATIVES**

The WOJRC provides ongoing case management to assist residents facing multiple barriers with entry level and mid wage careers in construction and warehouse and logistics sectors. For example, it has strengthened supportive interventions for construction workers who are within their first two years of apprenticeship to ensure their ability to move up through their training programs and towards family-sustaining wages. The WOJRC's innovative model includes: 1. Career and financial coaching; 2. Life/mentor coaching; 3. Occupational Health & Safety worker and job seeker training; 4. Technical assistance to OAB employers to assist with compliance goals, and 5. The development of a socially responsible staffing agency as a fee for placement service to generate revenue to expand and replicate the model. As part of its long-term sustainability plan, the WOJRC will explore the establishment of a High Road Staffing Agency (HRSA) in partnership with the Port of Oakland Warehouse Operations Jobs Policy. The analysis is to determine whether it would be feasible to develop a socially responsible staffing agency committed to high road employment standards and serve as a revenue stream to support the core mission. Historically, temporary staffing agencies offer low-wages, no benefits and are viewed as low-road employment that targets low-income communities.

The recommended actions extend the same level of funding from billboard revenue for FY 2018-19 as was provided through USC this fiscal year, as well as extending use of City space. The alternative of not approving this action would result in the potential suspension of the WOJRC as an operating organization. In that scenario, the WOJRC would be unable to continue its activities and those would need to be assumed by City staff.

### **FISCAL IMPACT**

The City Council authorized the use of OAB billboard revenue to support the WOJRC (per Resolution No. 84164 C.M.S) and funding was included in the City's FY 2017-19 Biennial Budget to support its ongoing operations. A total of \$453,532 was budgeted by the City for the WOJRC, of which \$355,237 is directly supporting operations and \$98,295 is allocated for City staff to administer contract and provide oversight and strategic support. Adoption of this resolution does not authorize additional funding for the WOJRC. Future funding levels are contingent on available funding from billboard revenue or other unidentified sources and are subject to future decision and appropriation by the City Council.

The funding block for the WOJRC is as follows:

<b>Fund Source</b>	<b>Organization</b>	<b>Project</b>	<b>Program</b>
<u>Fund 5671</u> Oakland Base Reuse Authority Leasing and Utility Fund	<u>Org 85311</u> Workforce Development	<u>Project 1000036</u> West Oakland Job Resource Center	<u>Program SC03</u> Workforce Development

### **PUBLIC OUTREACH / INTEREST**

The development and evolution of the WOJRC has involved numerous stakeholders including representatives from community coalitions such as Oakland WORKS and Revive Oakland!, the West Oakland Community Advisory Group, the Building and Construction Trades Council of Alameda County, contractors, the Alameda Labor Council, the Construction Employers Association, City and Port staff, the Oakland Workforce Development Board, and developers.

WOJRC staff is in regular communication with the OAB contractors, apprenticeship coordinators, training providers, community groups, and other service providers in implementing the program and provides monthly progress reports and accountability metrics to the Community Jobs Oversight Commission.

### **COORDINATION**

City staff in the Workforce Development and Army Base units of the Economic & Workforce Development Department coordinated on this report with the City Attorney's Office, the Budget Bureau, the City Administrator's Contracts and Compliance Division, as well as with Oakland Public Library staff.

In addition, City and WOJRC staff have worked with District 3 Councilmember Lynette Gibson-McElhaney's office and have been in contact with the signatories of the Cooperation Agreement.

### **PAST PERFORMANCE, EVALUATION, AND FOLLOW-UP**

The WOJRC began operations in early 2014 and has placed hundreds of local residents into jobs with contractors performing site preparation and infrastructure construction on the OAB project. The WOJRC provides services to job-seekers such as individual assessment, career counseling, referrals to training, direct job placement, and retention services. The WOJRC also assists employers with pre-screening, recruitment and technical assistance with the Community Jobs Policies. More broadly, the WOJRC provides valuable resources as a workforce intermediary to promote job quality in the TDL sectors and create access to good, family-sustaining jobs for low-income and disadvantaged job seekers and workers from Oakland's marginalized neighborhoods.

*WOJRC Impact & Results:* Through April 2018, Oakland workers at the OAB have filled nearly half (46 percent) of the project's 468,913 work hours, bringing home more than \$18.3 million in wages. The WOJRC provides monthly reports to the Army Base Community Jobs Policy Oversight Commission, which oversees compliance on the overall goals of the 50 percent local hiring requirement. Over the next year, the OAB project will move from the construction phase into the operation of warehouses, catalyzing the opportunity to open more permanent good job opportunities to hundreds more local, low income residents and to establish a city-wide and port-wide good jobs pipeline in the TDL industry that could apply to more than 1,000 local jobs.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** By assisting contractors and employers to meet the 50 percent local hiring goal and by facilitating the training and placement of Oakland residents in the construction sector, the WOJRC has a significant impact on the economic well-being of hundreds of Oakland residents.

***Environmental:*** This report does not directly address environmental sustainability.

***Social Equity:*** The WOJRC provides access to counseling, training, and employment for residents who have historically faced barriers to employment, particularly in the construction trades. The organization continues to focus its work to maximize benefit for disadvantaged job seekers and workers in Oakland's East and West Oakland communities, where unemployment among African Americans is much higher than the citywide average, and where in some neighborhoods as many as one in three residents have experienced incarceration. Additionally, these communities experience health inequities, which data has increasingly shown to be the result of lack of health care access, but also wealth inequality and numerous social factors related to where people live, work, and play. As the OAB redevelopment project continues to progress, the City is at a critical junction as WOJRC prepares training pathways to TDL jobs that will provide family-supporting wages that can be invested locally, all the while moving families out of poverty, improving health outcomes and increasing access to better opportunities for Oakland's communities and neighborhoods.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute The Following Agreements With West Oakland Job Resource Center: 1) A License Agreement For The Use Of City Space At The West Oakland Branch Of The Oakland Public Library For Job Resource Center Services; And 2) A Grant Agreement For An Amount Not To Exceed \$355,237 For The Period From July 1, 2018 Through June 30, 2019, For The Provision Of Job Resource Center Services.

For questions regarding this report, please contact Stephen Baiter, Project Manager III/OWDB Executive Director at 510-238-6440.

Respectfully submitted,



MARK SAWICKI  
Director, Department of Economic  
and Workforce Development

Reviewed by:  
Stephen Baiter, Project Manager III  
Executive Director  
Oakland Workforce Development Board

Prepared by:  
Honorata Lindsay, Program Analyst II

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Approved as to Form and Legality:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING THE FOLLOWING AGREEMENTS WITH WEST OAKLAND JOB RESOURCE CENTER: (1) A LICENSE AGREEMENT FOR THE USE OF CITY SPACE AT THE WEST OAKLAND BRANCH OF THE OAKLAND PUBLIC LIBRARY FOR JOB RESOURCE CENTER SERVICES; AND (2) A GRANT AGREEMENT FOR AN AMOUNT NOT TO EXCEED \$355,237 FOR THE PERIOD FROM JULY 1, 2018 THROUGH JUNE 30, 2019, FOR THE PROVISION OF JOB RESOURCE SERVICES**

**WHEREAS**, in July 2012, the City Council approved Ordinance No. 13131 C.M.S., which authorized a Lease Development and Disposition Agreement ("**LDDA**") for the Oakland Army Base Development Project which included a set of Community Jobs Policies, a Cooperation Agreement between the City and community groups, and a Billboard Franchise and Lease Agreement; and

**WHEREAS**, the Community Jobs Policies set targets for the employment of Oakland residents and disadvantaged workers on both the construction and operations phases of the Oakland Army Base Development Project; and

**WHEREAS**, the Cooperation Agreement specified that the City will, with the assistance of community partners, take steps to establish a West Oakland Job Resource Center ("**WOJRC**") to assist job-seekers, employers and contractors in meeting the hiring targets of the Community Jobs Policies; and

**WHEREAS**, in December 2012, Council approved Resolution 84164 C.M.S., which approved in concept the use of billboard revenue to support the WOJRC and other community benefits-related uses, including staff; and

**WHEREAS**, billboards are currently permitted and revenue is being realized; and

**WHEREAS**, the City's Policy Budget for FY 2017-19 includes an allocation of \$355,237 per fiscal year for the WOJRC; and



**WHEREAS**, City staff and WOJRC staff have formed a nonprofit organization, West Oakland Job Resource Center, A California Nonprofit Public Benefit Corporation (the "**WOJRC Corporation**"), to run the WOJRC and have established the WOJRC Corporation's 501(c)(3) tax-exempt status; and

**WHEREAS**, WOJRC has completed its transition into a 501(c)(3) tax-exempt, nonprofit organization as described in the staff report accompanying this Resolution; and

**WHEREAS**, the bylaws of the WOJRC Corporation provide that the board of directors shall be composed of seven (7) board members, consisting of four (4) City of Oakland staff persons appointed by the City Administrator, two (2) community members nominated by the Community Jobs Oversight Commission and appointed by the City Administrator, and the WOJRC Corporation's Executive Director; and

**WHEREAS**, a primary purpose of the WOJRC is to support the job creation and workforce development policies of the City of Oakland; and

**WHEREAS**, City staff are recommending the following two agreements to document the relationship between the City and the tax-exempt WOJRC Corporation:

1. A License Agreement providing in-kind space use for the WOJRC at the City-owned West Oakland branch of the Oakland Public Library, 1801 West Adeline Street;
2. A Grant Agreement in an amount up to Three Hundred Fifty-Five Thousand Two Hundred Thirty-Seven Dollars (\$355,237) to support the WOJRC's provision of employment services between July 1, 2018 and June 30, 2019; and

**WHEREAS**, Oakland Municipal Code Section 2.42.110 authorizes the City to license or lease City property in exchange for in-kind services, including social and cultural benefits to the community, in lieu of cash rent; and

**WHEREAS**, the Oakland Workforce Development Board has approved the grant to the WOJRC and has included this in the workforce development budget; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator to negotiate and enter into a Grant Agreement with the WOJRC Corporation to provide a grant in an amount not to exceed Three Hundred Fifty-Five Thousand Two Hundred Thirty-Seven Dollars (\$355,237) to support the WOJRC's provision of employment services between July 1, 2018, and June 30, 2019; and be it

**FURTHER RESOLVED:** That funding for this grant shall come from Oakland Reuse Authority Lease and Utility Program Fund (5671); and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to negotiate and enter into a License Agreement with the WOJRC for the WOJRC to provide job resource services at a portion of City-owned space at the West Oakland Public Library Branch for a term of one year in exchange for in-kind services from the WOJRC; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to provide a cash advance to the WOJRC of up to 25% of the total contract funding for program start-up and initial payroll costs; and be it

**FURTHER RESOLVED:** That the City Council finds that the license of the space to WOJRC in exchange for providing job resource services to the community at large is in the best interests of the City; and be it

**FURTHER RESOLVED:** That the City Administrator and his/her designees are hereby authorized to take whatever action is necessary with respect to said contracts and any ancillary documents as are consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES – BROOKS, CAMPBELL-WASHINGTON, GALLO, GIBSON McELHANEY, GUILLEN, KALB, KAPLAN,  
and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California