

2018 JUL -5 PM 7:20

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July 1, 2018

To: President Reid and Council Members.

From: Council Member Desley Brooks.

RE: RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018, A PROPOSED AMENDMENT TO THE OAKLAND CITY CHARTER TO ESTABLISH THE CAREER JOBS NOW! FUND TO PROVIDE FUNDING FOR JOB TRAINING SERVICES IN THE AMOUNT OF SEVEN PERCENT OF ANNUAL UNRESTRICTED REVENUES RECEIVED BY THE CITY FROM THE NEW CONSTRUCTION OF MARKET RATE HOUSING AND COMMERCIAL DEVELOPMENTS COMPLETED ON OR AFTER JANUARY 1, 2019; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS, PROVIDE FOR NOTICE AND PUBLICATION, AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018, GENERAL MUNICIPAL ELECTION

Dear President Reid and Council Members:

This memorandum is to advise you that there is a crisis in our community. Our residents are being pushed out of our city. They are being locked out of the construction boom that is taking place. The city has failed to reach our hiring goals and we know that there is skilled work that is going unfilled because we don't have a skilled labor pool. Our policies are failing our residents. We must take decisive action to ensure that there are real opportunities for all of our residents to thrive. This ballot measure moves that agenda. This is not a new tax. The measure does not take money from another program. It provides for a set aside of new money, that has yet to be allocated, from new market rate construction built or completed after January 1, 2019.

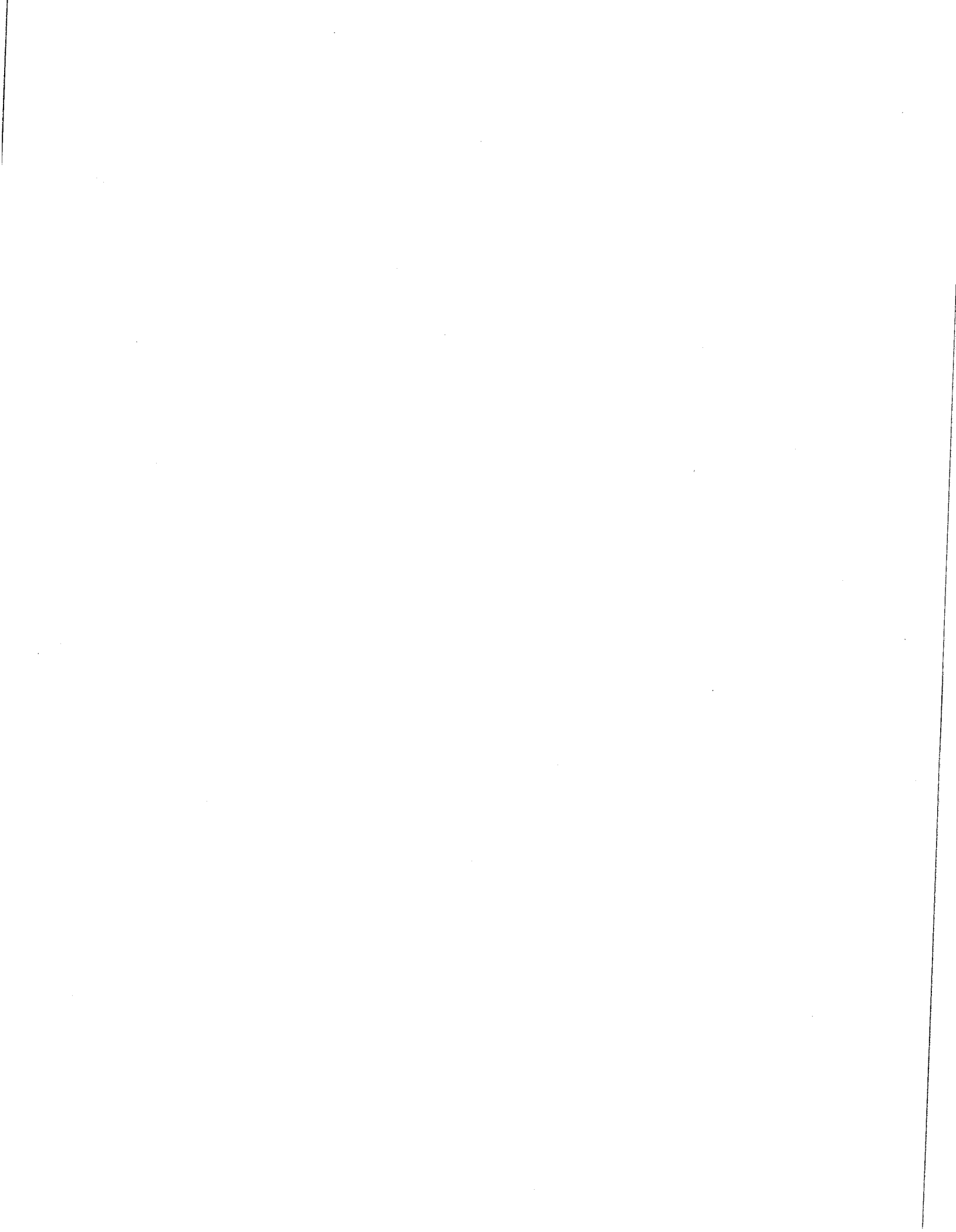
I ask that you put this matter before the voters in the November 6th election and let them decide.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink that reads "Desley Brooks".

Desley Brooks
Council Member, District 6



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APPROVED AS TO FORM AND LEGALITY
DRAFT

CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS BROOKS AND GALLO

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018; A PROPOSED AMENDMENT TO THE OAKLAND CITY CHARTER TO ESTABLISH THE CAREER JOBS NOW! FUND TO PROVIDE FUNDING FOR JOB TRAINING SERVICES IN THE AMOUNT OF SEVEN PERCENT OF ANNUAL UNRESTRICTED REVENUES RECEIVED BY THE CITY FROM THE NEW CONSTRUCTION OF MARKET RATE HOUSING AND COMMERCIAL DEVELOPMENTS COMPLETED ON OR AFTER JANUARY 1, 2019; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS, PROVIDE FOR NOTICE AND PUBLICATION, AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018, GENERAL MUNICIPAL ELECTION

WHEREAS, the City of Oakland is experiencing an unprecedented increase in new employment opportunities and the city-wide unemployment rate is below five percent (5%); and

WHEREAS, the City of Oakland is also experiencing chronically high underemployment and unemployment rates that can exceed ten percent (10%) or more for Oakland's underserved, low income, people of color, youth, and under skilled residents, including the over 12,000 estimated ex-offenders who need support to reenter the workforce; and

WHEREAS, three out of every 100 Oakland residents are under criminal justice supervision, 84% are people of color, and 97% are under 50 years old; and

WHEREAS, high housing costs, employment barriers and lack of training have resulted in a disproportionately higher rate of unemployment; and

WHEREAS, in the 2014/2015 school year, Black and Latino youth made up 70% of Oakland Unified School District's student population, but only 60% and 56%, respectively, graduate, with far fewer prepared for UC and CSU admission, while an average of just over 27% dropped out of school; and

WHEREAS, a clear solution to the housing crisis is to train the majority of Oakland's growing Black homeless population, place them and support them in jobs that pay a "housing wage"; and

WHEREAS, providing opportunity to become gainfully employed and earn a living and housing wage is a strong displacement deterrent, public safety and anti-poverty solution that provides people a means by which to support their families; and

WHEREAS, the residents of Oakland find it imperative that the City create a dedicated fund for job training so that all of its residents have the opportunity to find gainful employment in the city of Oakland, which prides itself on diversity and shared prosperity for all of its residents; and

WHEREAS, the City of Oakland is approving the construction of market rate housing developments and commercial developments which generate new revenue for the City, but the City has not properly used those funds to maximize job training programs for its more vulnerable residents; and

WHEREAS, the purpose of this Charter Amendment is to provide a dedicated, reliable source of funding for the creation of critically needed job training and placement programs in the City of Oakland; now, therefore, be it

RESOLVED: That the Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED: That the City Council does hereby submit to the voters at the November 6, 2018, general election, a proposed amendment to the Oakland City Charter to add Article XVI to reads as follows:

ARTICLE XVI. CAREER JOBS NOW! FUND

Section 1600. Title. This Article shall be known and may be cited as the Career Jobs Now! Act ("Act").

Section 1601. Findings and Purpose. The people of the City of Oakland make the following findings and declare their purpose in enacting the Act as follows:

- (a) The City of Oakland has long prided itself in its unique civic character and diverse populace, which are made possible by increased employment opportunities for all of its residents;
- (b) As the tech economy has grown in recent years, Bay Area businesses have prospered and hired tens of thousands of new employees;

- (c) The City of Oakland is experiencing a significant inflow of new businesses and new residents;
- (d) This has resulted in increased demand for new employees across the wide spectrum of jobs created to fill the needs of new businesses and residents;
- (e) The City has approved large market rate housing projects and commercial developments, including office space, which generate new revenue for the City, but City funding for job training programs, especially for low income underserved residents, reentry people (formerly incarcerated) and untrained workers has been inadequate;
- (f) It is critically important that the City maintain its diverse populace and unique character, and in order to do so the City must expand its efforts and funding in support of job training for the unemployed; and
- (g) In order to provide funding for job training, the City of Oakland shall create the Career Jobs Now! Fund and set aside seven percent (7%) of specified unrestricted revenues received by the City from the new construction of new market rate housing and commercial development into that Fund for the creation and/or maintenance of job training programs for unemployed and underemployed Oakland residents.

Section 1602. Establishment of the Fund. The Career Jobs Now Fund ("Fund") is hereby created.

Section 1603. Fund Revenues. Notwithstanding any other provision of law, effective on the first day of the year following approval of the voters of this Charter Amendment, and continuing for 35 years thereafter, the Fund shall receive monies in an amount equal to seven percent (7%) of the annual Unrestricted Revenues received by the City arising from the new construction of all new market rate housing and commercial developments under construction or completed on or after January 1, 2019, in the City of Oakland ("New Development"), as specified below, and said monies shall be appropriated as specified in this Act each year, together with any interest earned on the Fund and any amounts unspent or uncommitted by the Fund at the end of any fiscal year. The monies deposited in the Fund pursuant to this Act shall only come from Unrestricted Revenues received by the City of Oakland as specified in this Act.

"Unrestricted Revenues" received by the City arising from the New Development for the purposes of this Article shall mean all monies received by the City from the following:

- (a) Increased unrestricted real property tax revenue received under Charter, Article VIII, § 802, as a result of the New Development;
- (b) Increased unrestricted real property transfer tax revenue received under Oakland Municipal Code § 4.20.010, et seq., as a result of the New Development; and

- (c) Increased unrestricted business tax revenue received under Oakland Municipal Code § 5.04.010, et seq., as a result of the New Development.

Monies received from the aforementioned Unrestricted Revenues shall be deposited into the Fund no later than 90 days after receipt by the City.

The City Council may extend the provisions of the Act beyond 35 years without referral back to the voters, as further set forth in Section 1609 below.

Section 1604. Use of Fund.

(a) No less than 90% of the monies in the Fund shall be used to provide workforce development services and job training in the City of Oakland for low income, unemployed and underskilled Oakland residents, including persons who were previously incarcerated. Job training shall include job placement for persons who successfully complete job training programs. No more than 10% of the monies in the Fund may be used for administration, strategic planning, independent third-party evaluation, communications and outreach.

(b) Monies in the Fund shall be used exclusively to:

(i) Plan, support and/or develop job training programs in the City of Oakland, which shall include job placement by programs providing job training; or

(ii) Augment budgets of existing job training programs in the City of Oakland.

(c) Any allocation of funds from the Fund to job training programs shall be subject to the review and approval of the City Council. Monies from the Fund shall be allocated to programs through a request for proposals or other competitive basis conducted by the City subject to approval of the City Council. Alternatively, monies from the Fund may be so allocated to specific job training programs or service providers selected without competitive process: (1) for grants, subject to the approval of the City Council, or (2) for service provider agreements, upon a finding by the City Council that waiver of a competitive process is in the best interests of the City. Funds from the Fund shall be provided to selected job training programs or service providers through a grant agreement or service provider agreement between the City and the agency sponsoring the program for terms of five years, which may be extended by the City Council. Approvals for grants or service agreements awarded shall be carried out in accordance with the City's fiscal and purchasing policies and procedures. Said agreements must include a scope of services that requires that program funds be used to provide specified job training services (as defined in subsection 1604(a) above) to Oakland residents, and shall include appropriate program performance measures. Monies in the Fund shall be distributed quarterly to the providers pursuant to the terms of the grant agreement or service provider agreement.

Section 1605. Base Spending Requirement. Each year the City of Oakland shall not reduce the amount of its own expenditures for eligible job training services in any fiscal year paid from sources other than the Fund, below the Base Spending Amount as defined below.

The Base Spending Amount is the amount required to be expended by the City year-to-year on eligible job training services, derived from the application of the Base Year Percentage to total audited actual City expenditures in each fiscal year. In future years, said expenditure shall not be less than the sum expended in the 2017-2018 fiscal year.

The Base Year Percentage is defined as the ratio of actual appropriations made by the City for eligible job training services, funded from all sources, to total City actual appropriations in the 2017-2018 fiscal year. Actual appropriations shall be determined by the City Auditor.

If the City Auditor finds that in any fiscal year after the 2017-2018 fiscal year, the amount of funds expended by the City for eligible job training services is less than the Base Spending Amount, the City of Oakland shall increase expenditures for eligible job training services within the following two years so that the correct amount of funds is expended. Overspending identified by the City Auditor may be set off against a future Base Spending Amount up to a maximum of 5% each year for the following two years.

Monies from the Fund shall not be appropriated for services that substitute for or replace services included in the Base Spending Amount, except to the extent that the City of Oakland ceases to receive federal, state, county, or private foundation funds that the funding agency required to be spent only on those services.

Within 180 days following the completion of each fiscal year's external audit through 2019-2053, the City Auditor shall calculate and publish the actual amount of City of Oakland spending for job training services (exclusive of expenditures mandated by state or federal law).

Section 1606. Independent Evaluation of Performance and Results. Each job training program or service provider that is the recipient of Fund monies pursuant to this Act shall be evaluated for its performance and results by an independent third-party evaluator, who shall issue an annual public report. The evaluator shall be selected by the City Administrator. Programs that do not maintain a successful completion rate of 75% of its trainees or which do not place 75% of their trainees in jobs may have their funding removed at the discretion of the City Administrator.

Section 1607. Annual Auditor Review. The City Auditor shall annually review and report on the Fund's financial status, including that monies in the Fund are being spent in accord with the provisions of this Act.

Section 1608. Administrative Regulations. The City Administrator or his or her designee is hereby authorized to adopt rules and regulations consistent with this Article as needed to implement this Article, subject to the review of the City Attorney and approval of the City Council, to develop all related forms and/or other materials, and to take other steps as needed to implement this Article consistent with this Article and its basic purposes.

Section 1609. Reauthorization and/or Extension of the Act. This Act may be extended for an additional 15 years by a simple majority vote of the City Council. If the City Council does not itself extend this Act, then the City Council shall place the question of whether to extend this Act on the first available ballot that it qualifies for a vote of the electorate. After the initial 35-year

term, this process will be repeated every 15 years or until reauthorization is rejected by a vote of the electorate.

Section 1610. Effect of Other Measures on the Same Ballot. In approving this Charter Amendment, it is the voters' intent to establish the Career Jobs Now! Fund and a dedicated source of funding for job training programs which includes job placement. To ensure that this intent is not frustrated, this Charter Amendment is presented to the voters as an alternative to, and with the express intent that it will compete with, any and all voter initiatives or City-sponsored measures placed on the same ballot as this Amendment and which, if approved, would create a stream of funding for job training. In the event that this Charter Amendment and one or more conflicting initiatives are adopted by the voters at the same election, then it is the voters' intent that only that measure which receives the greatest number of affirmative votes shall control in its entirety and the other measure or measures shall be rendered void and without any legal effect. In no event shall this Amendment be interpreted in a manner that would permit its operation in conjunction with the non-conflicting provisions of any conflicting Initiative. If this Amendment is approved by the voters but superseded by law in whole or in part by any other conflicting initiative approved by the voters at the same election, and such conflicting initiative is later held invalid, this Amendment shall be self-executing and given full force of law.

Section 1611. Interpretation and Severability.

(a) This Charter Amendment must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Amendment is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Amendment. The voters declare that this Amendment, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Amendment is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Amendment that can be given effect without the invalid application.

(b) If any portion of this Amendment is held by a court of competent jurisdiction to be invalid, we, the people of the City of Oakland, indicate our strong desire that: (i) the City Council use its best efforts to sustain and re-enact that portion, and (ii) the City Council implement this Amendment by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Amendment, including adopting or reenacting any such portion in a manner consistent with the intent of this Amendment.

(c) This Amendment must be broadly construed to achieve the purposes stated above. It is the intent of the voters that the provisions of this Amendment be interpreted or implemented by the City and others in a manner that facilitates the purpose set forth in this Amendment.

Section 1612. Amendment. This Charter Amendment may only be amended by a further vote of the People of Oakland. Extensions of the Act as provided in Section 1609 are not deemed amendments for the purpose of this section.

and be it

FURTHER RESOLVED: That each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

MEASURE _____

Measure __. Shall the measure amending the City of Oakland Charter to set-aside 7% of unrestricted real property, real estate transfer and business tax revenues from the new construction of market rate housing and commercial developments completed on or after January 1, 2019, to fund job training and placement services for 35 years, subject to 15-year extensions by Council or voter approval, and make said funding additional to the City's current spending on said services, be adopted? [FINAL BALLOT QUESTION SUBJECT TO CITY ATTORNEY APPROVAL]	Yes	
	No	

; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") at least 88 days prior to November 6, 2018, to file with the Alameda County Clerk certified copies of this Resolution; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3 of the Oakland Municipal Code, the Government Code and the Elections Code of the State of California; and be it

FURTHER RESOLVED: That in accordance with applicable laws, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and rebuttals, and said date shall be posted in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2018 general municipal election and appropriate all monies necessary for the City Administrator and City Clerk to

prepare and conduct the November 6, 2018 general municipal election in a manner consistent with the laws of the City and the State of California; and be it

FURTHER RESOLVED: That this Resolution shall be effective immediately upon approval by five members of the Council.

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IN COUNCIL, OAKLAND, CALIFORNIA

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, CAMPBELL
WASHINGTON, AND PRESIDENT REID

NOES

ABSENT

ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
Of the City of Oakland, California