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Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER LOREN TAYLOR

RESOLUTION DIRECTING THE CITY ADMINISTRATOR TO DEVELOP RECOMMENDATIONS FOR LEVERAGING AVAILABLE INCENTIVES AND CITY RESOURCES TO ENCOURAGE RESPONSIBLE INVESTMENT RESULTING IN THE IMPROVEMENT OF THE QUALITY OF LIFE FOR OAKLAND RESIDENTS LIVING IN THE COMMUNITIES IN AND AROUND OPPORTUNITY ZONES AND TO REPORT BACK TO CITY COUNCIL BY SEPTEMBER 9, 2019

WHEREAS, racial and socio-economic disparities persist in the City of Oakland, as evidenced by well-documented inequities of income, educational opportunities, economic mobility, healthcare outcomes, and access to basic services; and

WHEREAS, those disparities which are a direct result of redlining and other practices of institutionalized racial discrimination are most prominent in the Flatlands of East and West Oakland, which are geographically segregated from more affluent and rapidly developing areas of the City; and

WHEREAS, the Oakland City Council acknowledges that unfettered development in our City leads to greater displacement of vulnerable communities, and the importance of guiding investment in a way that ensures maximum community benefits concerning jobs, locally-owned businesses, affordable housing, preservation of arts and culture, improvement of public health and safety, and accessibility to local services and amenities; and

WHEREAS, The Federal Tax Cuts and Jobs Act of 2017 created Qualified Opportunity Funds as a tool to reinvest capital gains in designated Opportunity Zones, which are census tracts nominated by the governor of each state, as a flexible tool to encourage investment in low-income communities (census tracts) where the median family income is 80% of the median family income for the area in which the census tract is located, and that have a poverty rate of at least 20%; and

WHEREAS, Governor Jerry Brown designated 30 census tracts in Oakland as Opportunity Zones with the majority of designated tracts in Districts 3, 5, 6, and 7; and

WHEREAS, the Spirit of East Oakland community engagement initiative was designed to assess the needs of East Oakland residents who have historically been underrepresented and live in lower-income communities, and the lack of access to grocery stores was repeatedly raised by members of these communities throughout these engagement opportunities; and

WHEREAS, the City of Oakland's 2017 Community Survey shows that residents of Council Districts where Opportunity Zones are located are more likely to report dissatisfaction with their access to high-quality and affordable food options; and

WHEREAS, the City has committed to supporting complete communities that provide easy-to-access, nearby amenities to improve residents' quality of life through the Imagine Oakland Comprehensive Plan and the Strategic Direction 2023; and

WHEREAS, the City has committed to encouraging responsive and responsible private sector investment, as shown by the City Council's approval of new Chapter 380 economic incentive agreements to encourage responsible development that benefits all Oakland residents; and

WHEREAS, the City of Oakland requested that the Internal Revenue Service provide expanded guidance on investments in Qualified Opportunity Funds, the qualifying and appropriate investments that can be made with these funds, the role of state and local governments in guiding such investment, and the use of state and local incentives in conjunction with these funds to encourage development that is appropriate and responsible for each community. Similar requests have come from other jurisdictions, community financial organizations, and investment groups; this additional regulatory guidance remains in progress; now, therefore, be it

RESOLVED: That the City directs the City Administrator to develop recommendations for leveraging available incentives and City resources to encourage responsible investment resulting in the improvement of the quality of life for Oakland residents living in the communities in and around Opportunity Zones. Such guidance shall include recommendations pertaining to and shall take into consideration:

- The development of a program to encourage and oversee responsible development in Opportunity Zones located in Oakland;
- The development of an investment prospectus for attracting investors who are committed to strengthening our communities, supporting long-time residents, in parallel with seeking an attractive return on their investment;
- The expressed needs of Oakland residents in and around Opportunity Zones that can be addressed through private investment in their communities, including and particularly the need for accessible and affordable high-quality grocery store options;

- Any additional engagement strategies needed to understand residents' needs throughout the life of the Qualified Opportunity Fund investments;
- Existing and proposed economic incentive programs or tax credits available to investors in Oakland that can be used in conjunction with Opportunity Fund investments;
- Approaches considered and enacted by other local jurisdictions and states;
- Analysis of the capacity of financial institutions serving the Oakland area to establish and certify Qualified Opportunity Funds;
- Incorporation of any additional guidance that may come from relevant regulatory agencies or legislation;
- Identification of the need for additional regulatory guidance from the federal or state government to ensure the effective use of Qualified Opportunity Funds to fulfil the needs of Oakland residents; and
- Evaluation of the potential for creation of a City of Oakland CFDI.

and be it

FURTHER RESOLVED: That the City of Oakland will continue engaging with state and federal lawmakers and regulatory agencies to communicate the need for cooperation with and guidance from these jurisdictions; and be it

FURTHER RESOLVED: That the City Administrator is requested to report back to the City Council on recommendations and proposed programs to leverage incentives and resources by September 9, 2019.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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