


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER LOREN TAYLOR

RESOLUTION ACCEPTING AND APPROPRIATING EIGHT MILLION DOLLARS (\$8,000,000) AWARDED TO THE CITY OF OAKLAND BY THE STATE OF CALIFORNIA FOR THE SPECIFIC PURPOSE OF FUNDING THE ESO VENTURES CAPITAL IN THE COMMUNITY ACT AND AWARDING A GRANT TO ESO VENTURES IN AN AMOUNT NOT TO EXCEED EIGHT MILLION DOLLARS (\$8,000,000).

WHEREAS, ESO Ventures (<https://www.eso-ventures.com>) is an initiative created by District 6 Councilmember Loren Taylor and Merritt College to offer underserved communities the opportunity to benefit from the power of business ownership creating civic pride, engagement and investment; and

WHEREAS, ESO Ventures' goal is to create communities where their residents want to live, work and shop by creating a sustainable business every day for the next 10 years that generates over \$3 billion in revenue and 60,000 new jobs in underinvested communities; and

WHEREAS, ESO Ventures is an entrepreneurial support organization focused on providing the confidence, competence and capital for any Black and Brown person to become an entrepreneur; and

WHEREAS, ESO Ventures' programmatic structure is centered on its 3C model:

Confidence: underserved communities have higher failure rates at early stage entrepreneurship without the ability to bounce back. While they have an entrepreneurial spirit and mindset; they lack the network, role-models and support system. ESO builds confidence by connecting aspiring entrepreneurs, building authentic relationships and encouraging genuine support of each other; and

Competence: entrepreneurs must know the fundamentals of building a great business. It is well documented that underserved communities house a broken education system that results in a school to prison or factory/service jobs pipeline. ESO teaches anyone how to establish and run a successful business. Strategic partnerships with community colleges allow entrepreneurs to receive vertical training to round out their competence; and

Capital: makes the opportunity real. Underserved communities do not have access to friends and family money as household income is 1/15th the value and home values are undervalued by a \$48,000 national average when compared to other communities. ESO provides qualifying entrepreneurs access to a revolving loan fund to start their businesses; and

WHEREAS, to deliver its 3C model, ESO runs a 10-week incubator that has attracted over 150 applicants since the Fall of 2020. After running two successful incubators, ESO Co-Founders: Martha Hernandez, Ben Wanzo, and Alfredo Mathew III incorporated ESO to become a recognized B-Corp; and

WHEREAS, California State Senator Nancy Skinner, Chair of the Senate Budget Committee, was instrumental in securing the funding allocations in the Budget Act of 2021 to address capital access for entrepreneurs of color to help them launch and scale their businesses; and

WHEREAS, California Senate Bill No. 170, which amended Section 19.56 of the Budget Act of 2021, appropriated Eight Million Dollars (\$8,000,000) to the City of Oakland for the specific purpose of funding the ESO Ventures California Capital in the Community Act; and

WHEREAS, pursuant to Section 19.56 of the Budget Act of 2021, as amended by Senate Bill No. 170, the City of Oakland shall determine the best method for allocation to ensure the funds are used for the specified purposes; and

WHEREAS, the vision outlined by the California Capital in the Community Act answers the call for building diversified and resilient regional economies by implementing inclusive approaches to economic development; and

WHEREAS, currently, less than 2% of venture capital is invested in Black, Latino and women entrepreneurs and the average Black owned business in Oakland is valued at \$66,431 compared to White owned businesses at \$378,606; and

WHEREAS, the California Capital in the Community Act aims to address the racial wealth gap and make the dream of entrepreneurship more accessible and real for more Californians; and

WHEREAS, ESO Ventures started their first “cohort” of 20 entrepreneurs in September of 2020 through an innovative partnership with the City of Oakland and Merritt College, and plans to expand their programming and partnerships with this investment from the State of California; now, therefore, be it

RESOLVED: That the City Council hereby accepts and appropriates the Eight Million Dollars (\$8,000,000) awarded to the City of Oakland by the State of California for the specific purpose of funding the ESO Ventures California Capital in the Community Act; and be it

FURTHER RESOLVED: That the Eight Million Dollars (\$8,000,00) is appropriated to State of California Fund (2159), Admin: Economic and Workforce Development (85111), Project (TBD), State Grant Miscellaneous (46229); and be it

FURTHER RESOLVED: That a grant in an amount not to exceed Eight Million Dollars (\$8,000,000) is awarded to ESO Ventures; and be it

FURTHER RESOLVED: That City Administrator or designee shall, in consultation with the City Attorney's Office, determine the best method for disbursement of these funds to ensure the funds are used for the specified purposes as required by Senate Bill No. 170; and be it

FURTHER RESOLVED: That the City Administrator is authorized to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, payment requests, and related actions that are necessary to carry out the basic purpose of this resolution; and be it

FURTHER RESOLVED: That the ESO Ventures grant agreement shall be approved as to form and legality by the Office of the City Attorney and a fully executed copy of the agreement shall be placed on file in the Office of the City Clerk.

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IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

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

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California