



CITY OF
OAKLAND



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 baseline numeric achievements on metrics and targets for Year 1. Through narratives, the second section illuminates the partnerships and projects that advanced equitable economic growth.

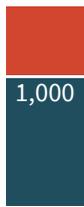
We recognize that many City departments play key roles in sustaining a local environment to foster equitable economic growth. With gratitude, we acknowledge the following internal partners for their unwavering support and ongoing participation to reach our shared citywide goals, targets and metrics:

- 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

ACHIEVEMENTS AT A GLANCE



Support Oakland Businesses



1,400+ Oakland Businesses Assisted

400 more than Target

Oakland Businesses Assisted

555 were within low-income areas

1,071 were small businesses

364 small businesses were started



\$560K+

KIVA loans Funded in the Oakland Area



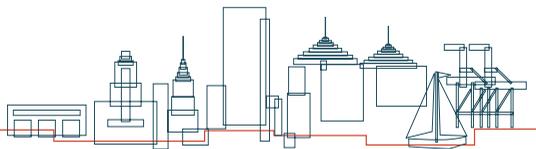
Tech Entrepreneurs Supported

132



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 2018, the most recent data available, to Q1 2017



Invest in Transportation

\$14.5 million
in transportation infrastructure



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



Infographics highlight Year 1 achievements and establish baseline data for succeeding years.



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 Cooffers°



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

Infographics highlight Year 1 achievements and establish baseline data for succeeding years.

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.

Left: LMC’s 17TH & Broadway, 447 17th St.

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

Top: Class A office towers steps from Lake Merritt's recreational amenities



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.

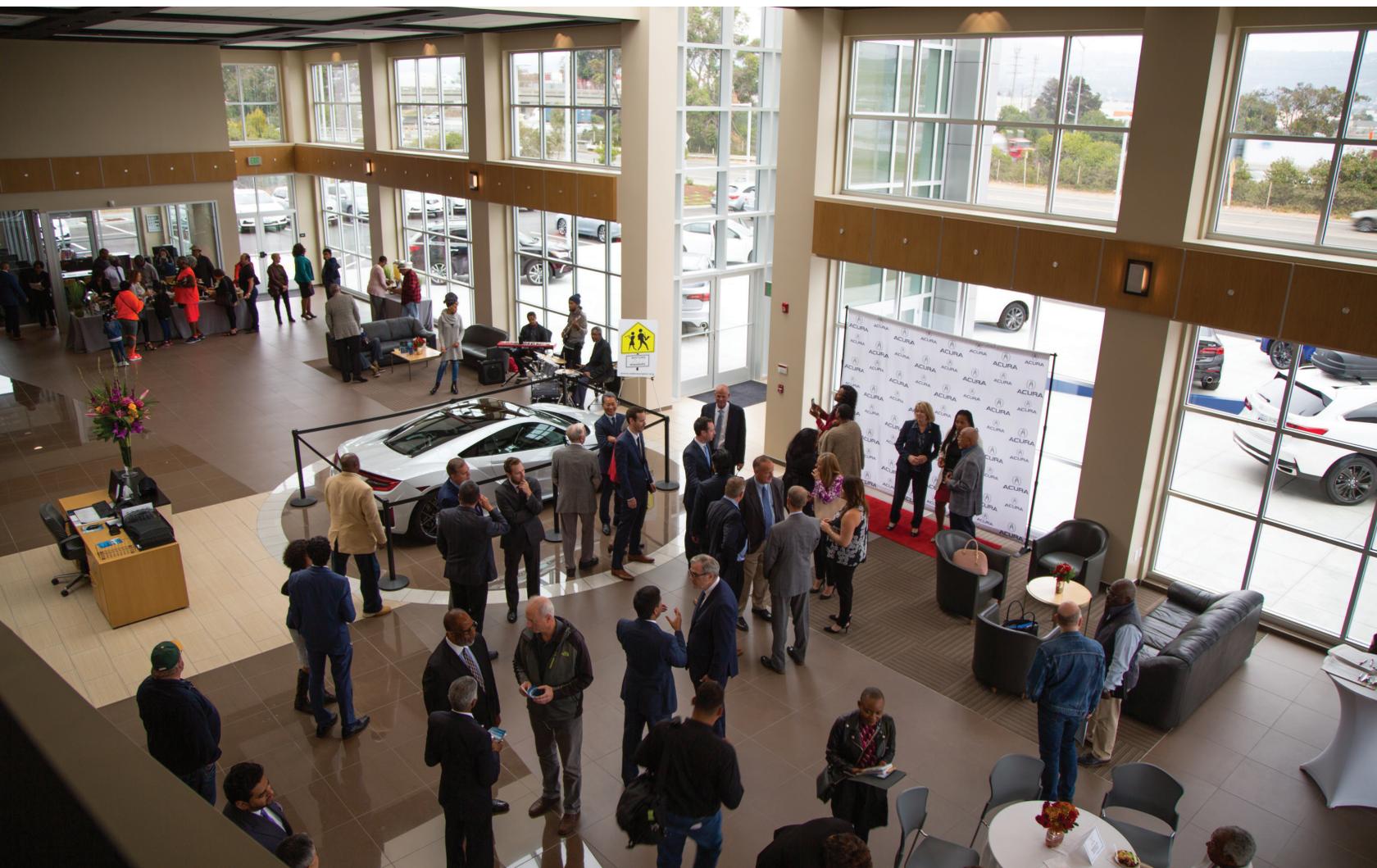
Together with our technical assistance partner the Northern California Community Loan Fund, we **identified and aided nonprofits feeling the space squeeze** due to rising rents and real estate costs through a short survey. This work helps retain the nonprofits that provide vital services to Oaklanders. 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.



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Grants to
Assist Arts Nonprofits





Assist Businesses

We assisted highly acclaimed tofu and soy products maker Hodo Foods (pictured above) by clarifying zoning issues as their growing operation required the leasing of 16,000 additional square feet of space – increasing their footprint by a third. Now employing about 164 employees, up from 125 in 2017, the company distributes its products nationally and continues to thrive. To accommodate anticipated growth and reduce impacts on the nearby residential neighborhood, we are working with our partners in the Department of Transportation to establish a main loading zone on the company’s growing Adeline Street frontage.



Hodo Foods
2018 Runner up
Food Category

In addition, staff nominated Hodo Foods as the runner up in the Food category of the 2018 East Bay Innovation Awards, and the company also represented Oakland in the Bay Area-wide “Manufacturing the Dream” campaign, which is detailed later in the workforce section.

*Top: Popularity of Hodo Foods’ products spurs expansion, 2923 Adeline St
Left: Oakland Acura’s Grand Opening in September 2018, 6701 Oakport St.*

Bandcamp is a “fair trade” music site that lets artists sell directly to fans where artists and labels upload music to Bandcamp and control how they sell it, including setting their own prices. Their staff were working remotely and at Impact Hub Oakland and the company sought a site that allowed for co-location of staff and room for growth. They identified a commercial space on Broadway, where the City’s **Zoning regulations required retail frontage**. We brought one of Bandcamp’s founders and their architect in for a meeting with Zoning staff to come up with a creative solution. From this meeting, the **space concept evolved** with their corporate offices in the rear, retail space in front that sells records and merchandise and a small performance venue that will be managed by local producers.

In February, we received a referral from Main Street Launch, one of our SBA loan partners. Their client **Sequoia CrossFit** was having challenges obtaining required documentation for a loan application. Following our introduction, colleagues in the Planning & Building Department were able to assist the gym’s owner to secure a key approval that resulted in him securing the needed documentation. The 6,500-square-foot fitness facility opened in March on International Boulevard in the Fruitvale neighborhood.

We supported the renewal of three Business Improvement Districts (BIDs), which provide **expanded services, security and/or marketing** through self-imposed assessments. Oakland’s 11 BIDs represent approximately 4,600 merchants and property owners and contribute about \$84 million in funding towards enhanced services in various commercial corridors. We are assisting merchants in three additional areas as they consider BID formation.

AC Transit’s **\$216 million Bus Rapid Transit (BRT) project** will bring the frequency, safety and reliability of light rail to bus riders along a **9.5-mile corridor** from downtown Oakland to the San Leandro BART station. BRT’s Business Sustainability Program helps businesses before, during and after construction.

Since the Business Sustainability Program began, more than **1,000 businesses have received assistance** provided by the City’s Technical Assistance partners, Mason Tillman Associates and a partnership of five nonprofits spearheaded by AnewAmerica Community Corporation. In one case, an impacted business received a grant from the Business Assistance Fund that allowed him to purchase a building and relocate his appliance business.

Other business retention, expansion and retention support included helping new and existing businesses with site location assistance, guidance through business and building permitting processes, referrals to financing options, zoning clarifications, tenancing support and more.



9.5
Mile
Bus Rapid
Transit Corridor



1,000
Businesses
Assisted

Improve City Services

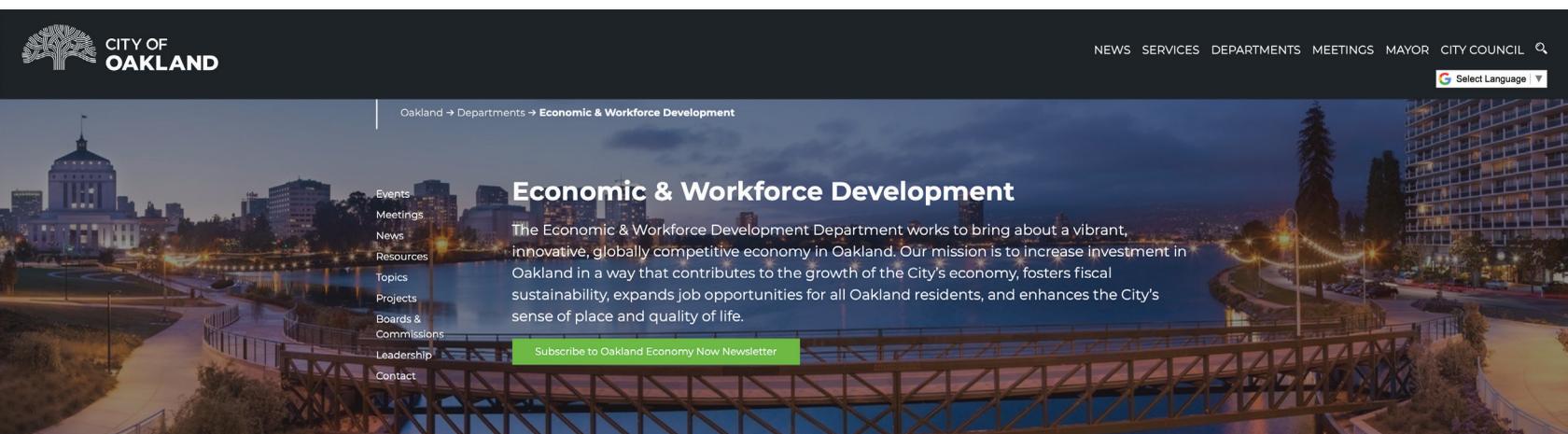
Two **free online tools to simplify the process of opening a business** were launched in January 2018. Through a series of easy-to-answer questions, these apps quickly inform you whether your business venture is allowable at a particular location, what types of City licenses and permits are required 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, 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.

Top: Mural by EastSide Arts Alliance and Civic Design Studio at the SOL Building, 1236 23rd Ave.



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.

Top: Seminary Point brought much-needed neighborhood-serving retail to Seminary Ave./Foothill Blvd.

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.**

Top: McMullen moved to Oakland's Uptown from Piedmont, 2257 Broadway

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.**



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.



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.



**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 Negrito'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.



Left: Rendering of The Key at 12th, 1100 Broadway



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.

Top: A complete renovation by Lane Partners is transforming 2150 Webster St.

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.

Top: SunCal broke ground on the mixed-use Oak Knoll development in September 2018, 8750 Mountain Blvd.

Left: Coliseum Connections is Oakland's largest modular housing development, 805 N. 71st Ave.

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

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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.*



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