



MEMORANDUM

WEST OAKLAND SPECIFIC PLAN EQUITABLE DEVELOPMENT STRATEGY: Existing Conditions & Initial Strategic Directions 6/18/13

INTRODUCTION

Throughout the West Oakland Specific Plan (“WOSP” or “Specific Plan”) process, the WOSP Project Team consistently heard from local residents, businesses and other stakeholders about the need to ensure that existing community members have the opportunity to participate in and benefit from the neighborhood growth resulting from development facilitated by the Specific Plan. As a direct response to the community’s feedback, the City of Oakland sought additional WOSP project funding and retained Strategic Economics and Eisen|Letunic to develop an equitable economic development (EED) strategy to accompany the Specific Plan, funded through a technical assistance grant provided by the MTC/ABAG FOCUS program.¹ The EED strategy will leverage planned economic growth for the benefit of existing residents and business owners, with a focus on business and workforce development. In addition, the City has identified equitable development as one of the primary goals of the Specific Plan and has integrated this concept throughout the Specific Plan document. The City of Oakland is also creating a separate equitable development strategy aimed at addressing concerns around affordable housing and residential displacement.

This memorandum is the first step towards developing that strategy and is organized as follows:

- The *Introduction* discusses EED in the context of the WOSP;
- The *Existing Conditions* section provides an overview of the current demographic, employment and business conditions in West Oakland in order to understand the local context and identify the needs and opportunities in the area;
- *Summary of Community Concerns* highlights primary issues in the neighborhood as identified by local residents and businesses;
- *Emerging Opportunities* in West Oakland identifies the resources that can serve as a foundation for an equitable development strategy;
- *Initial Strategy Direction* provides a basis for further discussion regarding possible strategies; and
- *Next Steps* Identifies subsequent actions towards developing the Equitable Development recommendations.

West Oakland is a dynamic neighborhood characterized by thriving businesses, a lively arts community and many active community-based organizations. In developing the EED, the approaches will include incorporating and building upon the community’s existing resources and assets rather than “reinventing the wheel.” The purpose of this memorandum, therefore, is to better understand the economic landscape in West Oakland, including existing economic resources and emerging

¹ The FOCUS program led by the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) promotes a more compact land use pattern for the Bay Area by linking land use and transportation to encourage more livable communities and the conservation of resource lands; www.bayareavision.org.

opportunities for equitable growth. The memorandum also identifies several potential strategic directions which will lay the groundwork for a series of discussions with community members, the WOSP Steering and Technical Advisory Committees, City officials and the WOSP Project Team members in the coming months. Based on feedback received through this process and additional research, a more detailed and complete set of strategies and recommendations will be developed for inclusion in the draft and final EED Strategy document. As previously stated, the EED Strategy document will be a component of the West Oakland Specific Plan.

To prepare this memo, 39 planning documents from the WOSP and previous city and community-led efforts were reviewed, in order to build upon the vast wealth of existing knowledge about the West Oakland community. Fifteen local business owners and representatives from community-based organizations and City staff members were interviewed in order to better understand the sizable efforts towards achieving equitable development already underway in the study area and the emerging opportunities to leverage future growth. In addition, an original analysis of existing businesses in West Oakland and growth trends from 1992 to 2012 was conducted based on Dun and Bradstreet business data.

What is Equitable Development?

Equitable development is a broad concept that can include many important topics: affordable housing, environmental justice, economic development, food justice, healthcare and education, among others. Due to funding limitations that hamper exploration of all of these topics, this memorandum focuses on equitable economic development, with the goal of empowering existing residents and businesses to participate in and leverage economic growth to benefit long-term stakeholders. The City is additionally preparing a strategy to address concerns around affordable housing and residential displacement.

What is an Equitable Economic Development Strategy?

Equitable economic development efforts have a long history and deep roots in West Oakland. The district is home to a number of community-based organizations (see **Appendix A**) that focus on issues around equity and economic growth, and also benefits from economic development assistance provided by the City of Oakland. At the same time, market momentum is on the rise - fueled by the district's central location and unique building stock - and regional and local developers alike are taking an interest in West Oakland. While the potential for new development raises valid concerns around neighborhood change and displacement, it also presents an opportunity for the development to promote equitable economic growth.

Historically, the Oakland Redevelopment Agency has worked to advocate for equitable benefits from economic growth, through the investment of redevelopment funds. In West Oakland, these funds were distributed by the West Oakland Project Area Committee, an advisory body to City Council and Oakland Redevelopment Agency from 2003 to 2012. Given the elimination of the governmental Redevelopment program, the goal of this strategy is to "pick up the threads" of EED in West Oakland and develop a strategic plan of action which both leverages new development and builds upon existing governmental and community-based EED programs.

Strategies to promote EED in West Oakland can take a variety of forms, falling into two main categories: those which build upon existing assets and those which leverage future development.

a) Building Upon Existing Assets

West Oakland has a wealth of existing assets and resources related to promoting equity and economic development, including a variety of community-based organizations, a burgeoning small business community and a built environment which offers opportunities for both growth

and preservation. Strategies to build upon these assets are typically developed, funded and implemented by community-based organizations or local government and include:

- **Program and policy recommendations**

Equitable economic development strategies include a range of policy and program recommendations, from the adoption of living wage ordinances to the implementation of small business assistance programs. Given that the City of Oakland already has a wide variety of economic development programs and policies in place (**see Appendix A**), the WOSP EED strategy will focus on building and strengthening connections between existing resources, in addition to identifying new opportunities (including funding and financing sources) where appropriate.

- **Land use strategies**

Land use and zoning designations shape the potential for growth within West Oakland, and are therefore critical to guiding and leveraging that growth.

b) Leveraging Future Development

These strategies leverage future development and growth to provide community benefits, ranging from direct financial contributions to local hire policies. Strategies which leverage future development are more effective when created in conjunction with the existing assets described above, and can often provide a much-needed source of funding for those programs and policies. It is important to note that these strategies rely on the private market and are therefore inherently more uncertain; it can be difficult to predict the timing and scale of future development and therefore plan for these funding streams. In addition, these strategies can only be implemented when the market is strong. If implemented during a weak market, they can actually inhibit new development and stall economic growth. These types of strategies include:

- **Project-specific Community Benefits Agreements**

Project-specific Community Benefits Agreements (CBAs) require private developers to provide agreed-upon amenities to the community in exchange for public support and/or subsidy of a specific project. These agreements are typically negotiated between public interests (government and/or community-based organizations) and a private developer, and are generally associated with the development of large-scale projects by a single developer or entity, often involving public money. The CBA associated with the City's development project at the former Oakland Army Base, (described in more detail later in this memo), is a good example of a project-specific CBA. Benefits to the community in this case include local hiring provisions and a job resource center.

- **Area-wide Community Benefits Agreements**

Area-wide CBAs represent a new approach to community benefits, in which developers contribute to an area-wide community benefits program in exchange for expanded development rights. One example of this is the City of San Diego Floor Area Ratio (FAR) Bonus payment program, which allows developers building in the Downtown Community Plan Area additional density in exchange for a per-square-foot monetary contribution to a Downtown Community Plan Area fund. This fund is primarily used in the acquisition and construction of public parks within the Downtown. The successful implementation of this type of CBA requires that the potential profit associated with increased density be greater than the contribution to the community benefits fund

- **City-wide Community Benefits Agreements**

Another new approach to community benefits is the City-wide CBA, in which developers agree to contribute to a citywide set of community benefits in exchange for expanded development rights. The City of Santa Monica, for example, set relatively low allowable densities as part of their recent General Plan update. In order to develop at a higher density (or “tier”), developers are required to contribute to a citywide community benefits program which allocates benefits based on a series of citywide strategic goals. The General Plan allows two tiers of density above the baseline of Tier One; at Tier Two, developers must contribute a pre-defined set of community benefits; for Tier Three projects—the highest level of density allowed in the Specific Plan—community benefits are individually negotiated. This type of CBA is typically applied at the city level, and would require an Oakland-wide change in policy to enable implementation in West Oakland.

- **Financing Mechanisms**

Although financing is not a strategy in and of itself, the implementation of many equitable development programs and policies will require a dedicated funding or financing source. Since the dissolution of redevelopment as a funding mechanism, the identification of alternative potential funding sources is particularly crucial. Funding mechanisms can include assessment districts, linkage and impact fees, developer agreements and the CBAs described above, as well as government and philanthropic funding opportunities.

Equitable development strategies in the West Oakland context will likely take a variety of forms, ranging from programs and policies to land use strategies. Given the lack of large-scale development opportunities (i.e. on the scale of the West Oakland Army Base), any CBA will likely differ from those negotiated for the Army Base redevelopment and other large-scale projects in the City, and a variety of financing mechanisms must be explored to implement whatever EED strategies are pursued.

EXISTING CONDITIONS

This section provides an overview of demographic, employment and business conditions and trends, which are critical to understanding the EED needs and opportunities in West Oakland. Where noted below, demographic and employment findings are summarized from the *West Oakland Specific Plan Market Opportunity Report: Housing, Retail and Arts*, which was completed as part of the WOSP process. The overview of existing businesses is based on original analysis, utilizing Dun and Bradstreet business data for the West Oakland Specific Plan area.

The WOSP Planning Area includes approximately 1,900 acres and is bounded primarily by the major freeways that run along the perimeter of the neighborhood: I-580 serves as the northern boundary, I-880 serves as the eastern boundary, I-980 serves as the western boundary, and the edge of the Port’s jurisdiction borders the southern boundary (**Figure 1**).

Demographics²

West Oakland has approximately 25,000 residents, which represents a 15 percent increase from its population base in 1990 and a more rapid rate of growth than the city as a whole. Despite this growth in population, the number of households actually declined in this time period, signaling a rise

² This section examines West Oakland’s demographic make-up, providing insight into current community composition and how the community has been changing over time. The demographic data comes from the Conley Consulting Group report, which draws from both US Census data and Claritas, a commercial provider of census-based data.

in average household size. In addition, West Oakland's current population represents a significant decline from its peak of 40,000 in 1950, when the area served as home to workers employed at the Port of Oakland, the nearby former Fleet and Industrial Supply Center, and the former Oakland Army Base.

Figure 1: West Oakland Planning Area Map



Source: Conley Consulting Group, JRDV Architects, December 2011.

West Oakland, which has been a primarily African American community since the 1940s/50s, experienced a significant shift in its racial composition after 1990. At the height of its economic vibrancy in the pre-war period (1915-1940's) Oakland had a large Eastern European, Hispanic, Asian, African-American, and Caucasian/European population (Greek and Italian).³ During the WWII period the community became predominantly African American, as returning veterans moved out of the area, furthering the shift in its racial composition. Since 1990, the area has become more diverse with an influx of White, Hispanic and Asian populations. African Americans now represent only a slight

³ Source: City of Oakland

majority (53 percent) of total West Oakland residents, compared to 77 percent in 1990. This demographic shift can be seen in both absolute numbers and as a percentage of the total population.

As a result of this shift, the West Oakland community includes a mix of residents with both short and long-term ties to the neighborhood. West Oakland's historic population is primarily composed of African American residents with long-term ties to the neighborhood, while the more recent arrivals tend to be more affluent and well-educated, with better connections to business support and financing, as well as social networks that stretch beyond Oakland. Household income data highlights these changing demographics: while 66 percent of households in West Oakland have incomes below the poverty level, median income increased 82 percent between 1990 and 2000 and rose another 20 percent by 2011. **While responding to the varied needs and concerns of a diverse community can be a challenge to creating a unified EED strategy, it also represents an opportunity to improve connections between diverse groups to the benefit of all residents.**

Employment and Education⁴

Unemployment and the lack of local employment opportunities present significant challenges to West Oakland residents. While West Oakland's official unemployment rate is 27 percent⁵, in reality it is likely much higher as this does not account for the number of residents eligible for employment who would work if job opportunities were more available. This number represents only those who are actively seeking employment; workers whose unemployment benefits eligibility has expired may not be classified as participating in the labor force despite interest or desire to work. At the same time, employment opportunities in West Oakland have been on the decline, falling 15 percent since 1992 and 10 percent since 2007 (**Figures 2 and 3**). Alameda County as a whole had been experiencing increasing employment during this time until its recent downturn in 2007, compared to West Oakland's consistent decline over the past 20 years. In 2011, the County had a 9.3 percent rate of unemployment, which is considerably lower than that of West Oakland.⁶

The departure of large industrial businesses from West Oakland has contributed significantly to the loss of local employment opportunities. There were half as many people employed in West Oakland by large businesses – those with over 100 employees – in 2012 than in 1992, 20 years earlier (**Figure 4**). This represents both a loss in number of employees and also a shift in employment to smaller businesses. In 1992, large businesses accounted for 28 percent of employment in West Oakland, with small businesses (those with under five employees) accounting for just 13 percent. By 2012, small businesses accounted for a much higher share of employment (22 percent) in West Oakland, while large businesses' share of total employment had dropped to 17 percent.⁷ The shift from larger to smaller businesses as a major source of employment in West Oakland is reflective of national trends such as the off-shoring of large-scale manufacturing production and the retention of smaller, higher value firms in the United States. It may also have been exacerbated by the slow reconstruction of thoroughfares after the Loma Prieta Earthquake.⁸ This trend has had a significant impact on employment opportunities and potential workforce training strategies for local residents.

⁴ This section examines employment and education trends in West Oakland to provide insight into potential strategies to address areas of need. Data comes from census data utilized in the Conley report as well as analysis conducted by Strategic Economics through the use of Dun & Bradstreet business data. The Dunn and Bradstreet business data analyzed is for the West Oakland Specific Plan study area.

⁵ Conley Consulting Group, *West Oakland Specific Plan Market Opportunities: Housing, Retail, and Arts*, December 2011.

⁶ U.S. Bureau of Labor Statistics, March 2013.

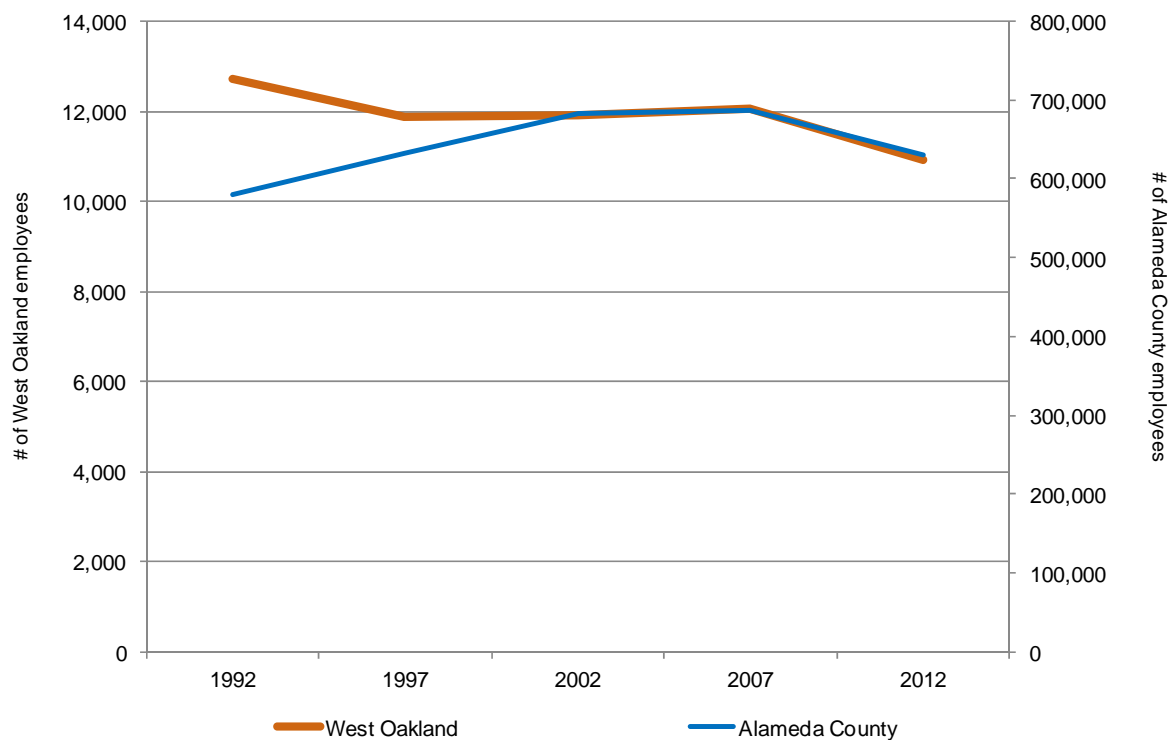
⁷ Dun & Bradstreet, 2012.

⁸ Source: City of Oakland

Available jobs in the West Oakland area are not well-matched to the skills of local residents. Eighty-one percent of employed West Oakland residents commute to jobs outside of Oakland. Similarly, more than three-quarters (76 percent) of workers employed in West Oakland live outside the city of Oakland, leaving only a 25 percent overlap between local jobs and employed residents. Although it is unlikely that a majority of West Oakland residents will work within the study area – most neighborhoods have some share of in and out-commuting – **these figures indicate an opportunity to better connect some West Oakland residents with local employment.**

Compared to the Bay Area as a whole, residents of West Oakland are at an educational disadvantage. Sixty-six percent of West Oakland residents have a high school degree or lower (vs. 84 percent citywide) and only 6 percent have a college or advanced degree (vs. 35 percent citywide).⁹ Lack of education and job training may be contributing to the high rate of unemployment in West Oakland.

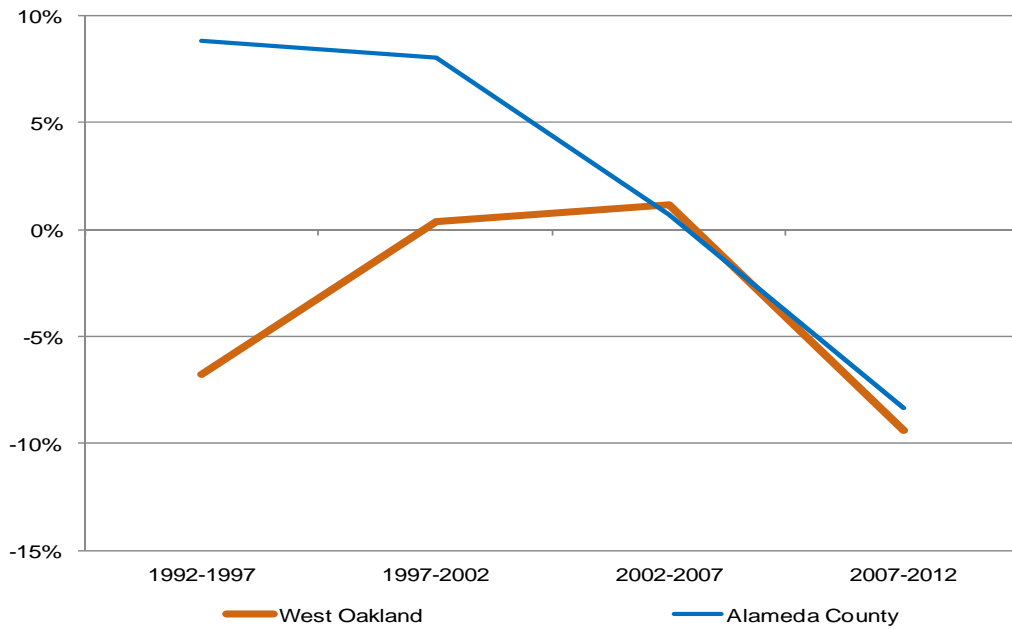
Figure 2: Total Employment, West Oakland and Alameda County, 1992 - 2012



Source: Dun & Bradstreet 2102; Urban Explorer 2013; Strategic Economics 2013.

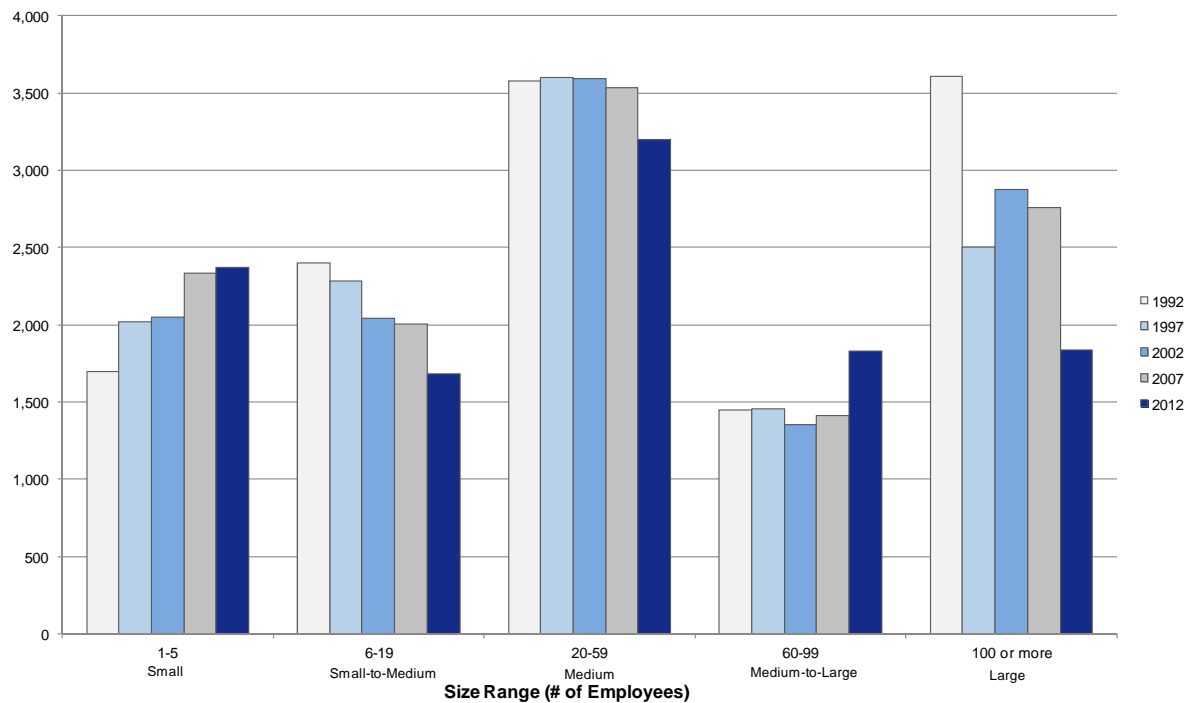
⁹ Ibid.

Figure 3: Five-Year Percentage Employment Change, West Oakland and Alameda County 1992 - 2012



Source: Dun & Bradstreet 2102; Urban Explorer 2013; Strategic Economics 2013.

Figure 4: Employment by Business Size, West Oakland Specific Plan Area, 1992 – 2012



Source: Dun & Bradstreet 2102; Urban Explorer 2013; Strategic Economics 2013.

Overview of Existing Businesses¹⁰

West Oakland has a thriving urban manufacturing sector with a diverse set of businesses, ranging from small-batch food production to fashion manufacturing. Many of these businesses are attracted to West Oakland due to the availability of affordable large-scale industrial work spaces as well as current zoning regulations that allow for ease of production needed for light industrial and manufacturing businesses. A number of these businesses, particularly the food and fashion manufacturers, are located near Adeline Street north of West Grand Avenue. These include Hodo Soy Beanery, a processor and producer of tofu, soy and yuba products recently named as one of the “10 Bay Area Food Artisans You Need to Know” by Zagat; Sciortino Design Group, a graphic designer and apparel manufacturer; and Skylier Wear Collection, a private label design company sold online and in specialty stores, but designed in West Oakland.

West Oakland has a strong concentration of arts-related businesses and is internationally known as a center for the Industrial Arts. Many artists were first drawn to West Oakland by the availability of affordable industrial space as they were priced out of San Francisco neighborhoods. Today, interviewees report that West Oakland is home to a growing arts and entrepreneurial community, anchored by institutions such as the Crucible, a non-profit dedicated to industrial arts education, and American Steel Studios, an affordable art, industry and entrepreneurial space housed in two former warehouses. While there is no reliable data source to determine the number of artists in the area, it is estimated that roughly 1,000 to 1,200 artist residential and live/work units can be found in West Oakland, with many more working, but not living, in West Oakland.¹¹ American Steel Studios, for example, is home to more than 165 working artists. **Most of the artists in American Steel Studio and other locations rent their space and are vulnerable to displacement if rents increase or existing buildings are redeveloped into new uses.**

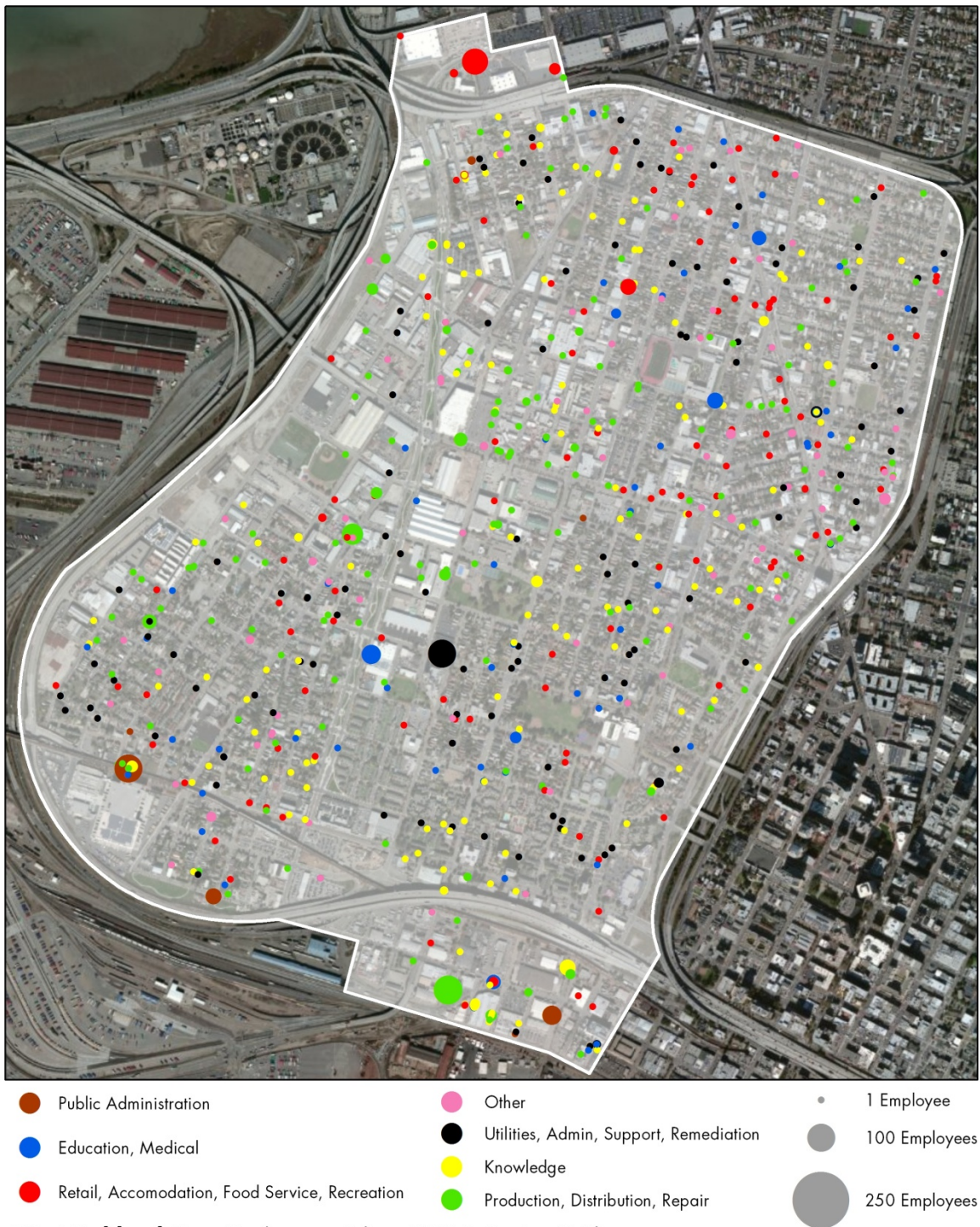
West Oakland is a hotspot for entrepreneurial activity and new business ventures. From 2007 to 2012, 853 new businesses were founded in West Oakland, representing more than half (54 percent) of current businesses in the study area. **The culture of entrepreneurship in West Oakland can inform strategies around small business development and workforce training, as well as attract larger, more established businesses from other parts of the region (Figure 5).**

Over the past 15 years, West Oakland has experienced significant growth in smaller businesses (those with five or fewer employees), whereas the number of small-to-medium sized businesses (6–19 employees) has been shrinking. The number of small businesses has increased 35 percent over the past 15 years, and the number of people employed by small businesses has grown 15 percent (Figure 4). Over the same time period, the number of small-to-medium sized businesses and the number of people employed by such businesses has decreased 30 percent, while the number of employees working at large businesses (100 or more employees) has shrunk by 50 percent. One food manufacturing company reports that many small-sized companies eventually leave West Oakland, due to a lack of available space suitable for growth. This may indicate a need to plan for the retention of small businesses in West Oakland as they grow and mature.

¹⁰ This section reviews the landscape of existing businesses in West Oakland to better understand emerging trends and opportunity areas for business and employment development. The data draws from the Conley report and Dun & Bradstreet data.

¹¹ Ibid.

Figure 5: New Businesses in West Oakland (since 2007)



Sources: Dun & Bradstreet, 2012; Urban Explorer, 2013; Strategic Economics, 2013.

SUMMARY OF COMMUNITY CONCERNS

This section highlights concerns raised by West Oakland residents and business owners about current conditions in the neighborhood and potential issues arising from future development outlined in the draft West Oakland Specific Plan. These concerns were identified through a review of feedback from a series of WOSP Community Workshops held in 2011 and 2012; an analysis of 39 previous plans, documents, and other studies from the past 20 years (see **Appendix B**); and 15 interviews with local business owners, community-based organizations and City staff members. This information guides the development of the EED strategy to ensure that it reflects and directly addresses concerns raised by the West Oakland community. It is also important to note that the concerns summarized below focus on issues surrounding equitable *economic* development and do not reflect a complete inventory of concerns raised by community members during the planning process.

- **Employment opportunities**

Both local residents and businesses have identified unemployment, low education levels, a lack of employment opportunities, and difficulty connecting local jobs and residents as major concerns.

- *Resident concerns*

Potential new development identified in the West Oakland Specific Plan is expected to bring new industries and businesses into the area, along with new employment opportunities. As indicated earlier, many of the existing jobs in West Oakland are not held by local residents, and the community is eager to find ways to allow local residents to qualify and be hired for expected new jobs. They have expressed interest in setting up local hiring practices as well as job development and training opportunities that could make West Oakland residents more competitive for jobs that require certain educational or skill levels, particularly in light of the educational disadvantage of local residents compared to those elsewhere in the region.

- *Business concerns*

West Oakland businesses have also expressed an interest in hiring locally and better connecting to residents, but they have found that local residents are often unaware of job opportunities in the area. There have also been challenges in finding local residents who are eligible for these job openings as many lack training needed to be competitive in a number of specific local industries. Finally, the arrest and prison records of some local residents create an additional barrier to hiring locally.

- **Business development**

The types of businesses located in West Oakland have shifted significantly over the past 20 years with the decline of traditional large-scale manufacturing and the rise of small businesses/entrepreneurial activity and the industrial arts sector. These changes have great potential to both shape West Oakland's future growth and create opportunities for local equitable economic benefits.

- *Industrial arts*

Some community members have identified the industrial arts sector as a strong asset in West Oakland that should be maintained and encouraged. As this sector continues to flourish, there is interest in finding ways that the art community, which is already a driver of social cohesion, could benefit the wider West Oakland community more broadly, e.g., by becoming an economic driver and local employer. There is concern, however, about the viability of the industrial arts sector in West Oakland over the long-term, given potential zoning changes associated with the WOSP that would

allow redevelopment of industrial buildings and potentially price out businesses as rents increase.

- *Small businesses*

As noted earlier, West Oakland has a growing number of small businesses (those with fewer than five employees), which seems to indicate a strong entrepreneurial culture. A number of these existing small businesses, however, have expressed frustration with the City's limited support. Some perceive that the City does not prioritize or encourage efforts to create and grow new business ventures. A lack of funding for small businesses and difficulty obtaining small business loans - exacerbated by the end of Redevelopment, which previously provided commercial façade improvement/tenant improvement funding - contributes to the perception that the City is unfriendly towards businesses of this size.

- *Future development*

There is interest in seeing more tech companies locate in West Oakland, especially in areas such as the Third Street Corridor, where other professional businesses are already located. It is important to note, however, that while many in Oakland see the benefits of such development, they also want to ensure that it happens without residential and business displacement and that it will provide employment opportunities for some local residents.

- **West Oakland BART station**

The location and role of the West Oakland BART station within the neighborhood and the region at-large suggests the potential for this area to become a destination for both West Oakland and the Bay Area.

- *Station area development*

The area around the West Oakland BART station has been identified by the WOSP as a key opportunity area for transformative development for new both housing and commercial space. It is the first stop into and the last stop out of Oakland, and it has been noted that it should be more prominent and vibrant. Given West Oakland's lack of a retail amenities (see discussion below), community members have pointed to this area as a possible location for such services and with the potential to serve as a regional destination. In addition, it provides an opportunity to showcase and leverage West Oakland's industrial arts community, particularly in light of the close proximity of the Crucible to the station. This location could serve to symbolize the tech renaissance in Oakland, by combining art and technology, represented by the "Maker" Movement and the newly formed Oakland Makers initiative.

- *Access*

Community members have also commented on the need for greater access to the West Oakland BART station through improved transit connections or a shuttle service. This could have implications for Oakland as a regional employment destination as it could help facilitate getting West Oakland residents to jobs elsewhere in the region and workers from throughout the region to jobs in West Oakland. These issues will be further explored in the regional Emeryville Berkeley Oakland Transportation Plan, being conducted through a grant obtained by the City of Emeryville from Caltrans (Community Transportation Planning Grant).

- **Quality of life issues**

The community has identified a number of issues relating to quality of life in West Oakland that could hinder its potential growth:

- *Lack of neighborhood-serving retail*
The lack of neighborhood-serving retail has a profound impact on West Oakland's quality of life and is a strong concern within the community. While there is an abundance of liquor stores throughout the neighborhood, residents have expressed interest in a local shopping or commercial destination; greater access to healthy, affordable food; nearby health care facilities; and the presence of financial services. Community members have specifically noted the need for a local grocery store.
- *Blight and crime*
West Oakland suffers from blight, illegal dumping, graffiti, building vacancy – sometimes due to land speculation - and crime, all of which negatively affect community members' quality of life. These issues are widespread problems and are prominent concerns of residents and businesses alike. Business owners have noted that these issues create barriers to expansion, hiring, and potential further investment in certain neighborhoods.
- *Education*
As noted previously, West Oakland residents have lower levels of educational attainment, which may prevent some residents from fully participating in the workforce. Improved access to a range of educational opportunities - from early childhood education to adult technical training programs - could help to ensure better-paying jobs and more positive economic outcomes for West Oakland residents.

EMERGING OPPORTUNITIES

An effective strategy to promote equitable development is to build on existing “hotspots,”– i.e., areas of emerging activity generated by the private market, community-based organizations and local government. These opportunities can be leveraged – and in many cases, already are – to promote equitable economic development. An effective EED strategy must build on and integrate these individual opportunities into a broader, area-wide strategic plan for EED. With that goal in mind, this section provides an overview of several of the key short- and long-term opportunities in West Oakland. See **Appendix A** for an overview of organizations and efforts already underway in the Specific Plan area.

- **Industrial Arts and Urban Manufacturing**

As noted above, West Oakland is home to a growing urban manufacturing sector, with specific concentrations in the industrial arts and small-batch food, construction, metal fabrication, publishing, audio media and fashion manufacturing. This sector is critical to West Oakland's current economic vitality, and has the potential to contribute to short and long-term equitable economic development in several key ways:

- *Support, development, and retention of small businesses*
As noted previously, many of the industrial businesses in West Oakland are small, with most having five or fewer employees. Local business owners report that the current building stock in West Oakland is ideal for their needs: large, affordable industrial buildings zoned to accommodate manufacturing businesses. Business owners cite the preservation of existing industrial buildings and zoning as a critical form of support for their businesses.

- *Local hiring and workforce training*

While the small size of the businesses associated with this industry suggests that any local hiring will be small in scale and incremental in nature, the growing number of small businesses could create a cumulative impact on local employment opportunities. In addition, some business owners reported an interest in hiring West Oakland residents with appropriate skills and training. This may represent an opportunity to better connect West Oakland residents to local jobs through workforce training programs targeted to industrial arts and urban manufacturing businesses. One potential source of training is Mandela Cypress Training Center, which provides training in construction and green technologies installation. Another is the Crucible, a non-profit organization in West Oakland dedicated to industrial arts education. Although the Crucible's current neighborhood outreach efforts are targeted towards local youth, the organization is currently exploring funding options to expand its program to create a training "pipeline" to connect local residents who are initially involved through the youth or adult training programs with more in-depth technical training and employment opportunities (see **Appendix A**) as their skills improve. Further encouragement towards Laney College for advanced accreditation is encouraged. Additional programs already in place include McClymonds High School's "STEM (Science Technology Engineering & Math) Academy and the ATLAS program at the College of Alameda,¹² which provides warehousing and logistics training.
- *Competitive Positioning of West Oakland*

The urban manufacturing and industrial arts sector contributes significantly to the entrepreneurial and artistic atmosphere in West Oakland, which is one of the area's greatest assets in attracting new businesses. Cultivating and maintaining this environment will be critical to attracting the tech and biotech businesses identified as potential growth opportunities in the WOSP. The attraction of these businesses to West Oakland – while continuing to cultivate the area's entrepreneurial and artistic atmosphere and minimizing displacement of small businesses – will expand employment opportunities for local residents and financing opportunities for ongoing equitable development programs.
- **Oakland Army Base Redevelopment**

In 2012, the City of Oakland signed a development agreement for the Oakland Army Base, which closed in 1999. The development, led by CCIG (California Capital and Investment Group), AMB Property Corporation, and ProLogis¹³, will build on the site's proximity to the Port of Oakland to transform the former army base into the Oakland Global Logistics Center, a logistics, warehousing and distribution center to support trade and maritime activities. The redevelopment is expected to directly generate approximately 1,500 temporary "construction" jobs and 850 permanent "operations" positions for city residents.¹⁴ Temporary jobs will be primarily associated with construction and job training, while permanent jobs will be primarily in the fields of logistics, distribution and warehousing. Of these jobs, approximately 150 temporary and 150 full-time positions are expected to go to West Oakland residents.¹⁵

¹² The Alameda Transportation and Logistics Academic Support program offers a comprehensive education, training, and job placement program.

¹³ Owner and developer of worldwide distribution facilities.

¹⁴ Source: IMPLAN OAB Job Creation Projections – Oakland, September 17th, 2010; <http://oaklandglobal.com/oww.php>

¹⁵ Ibid

The Community Benefits Agreement (CBA) negotiated as part of this redevelopment represents a critical EED opportunity for West Oakland residents in both the short and long terms, and includes the following key elements:

- *Community Jobs Policy*

The community jobs policy includes:

- A 50 percent local hire requirement for construction and operations jobs, with a preference to West Oakland and Enterprise Zone¹⁶ residents. It also includes a non-discriminatory policy towards ex-offenders in hiring for these positions.
- 25 percent of construction jobs will be reserved for disadvantaged workers, such as unemployed veterans and the long-term unemployed.

In addition, the community jobs policy will help to funnel Oakland residents into high quality union jobs by requiring that 20 percent of all construction hours be worked by apprentices, who must be Oakland residents.¹⁷

- *West Oakland Job Resource Center*

The Oakland Army Base CBA also includes funding for a West Oakland Job Resource center which will connect West Oakland and other city residents to job training and employment opportunities associated with the Army Base redevelopment. The resource center will be housed at the West Oakland Library, which has already been identified by local residents and community leaders as an important community resource with great potential to serve West Oakland residents. In order to leverage the creation of the West Oakland Job Resource Center, the City of Oakland is exploring opportunities to expand the center to connect residents with a wider array of job training and employment opportunities, including potential partnerships with the City's Workforce Investment Board and CalWorks.

• **Neighborhood-serving Retail and Service Development**

West Oakland is currently underserved by businesses providing access to everyday goods and services, such as a full-service grocery store, pharmacy and financial services institution. Although the private sector is unlikely to provide these businesses in the short term, a local community-based organization – People's Community Market – is working to develop a 12,000 square foot grocery store in West Oakland. This market will significantly improve access to fresh foods for West Oakland residents, and may also include a community health clinic and financial services institution in the longer term. People's Community Market representatives have identified the corner of Market Street and West Grand Avenue as their target location, based on an analysis of local demographic conditions and spending patterns. With the People's Community Market as an anchor, this area has the potential to attract other neighborhood-serving businesses in the longer-term, as West Oakland's residential and employment populations, and resulting potential customer base, grow. In addition, the Community Trust Credit Union, which targets low-income and underserved communities, has a branch in West Oakland and can serve as a financial resource for local residents.

• **Biotechnology, Green Technology and Information Technology Industries**

¹⁶ The Oakland Enterprise Zone is a 27 square mile area which includes Downtown, the Oakland International Airport and the Port of Oakland, among other places. The goal of the zone is to stimulate business and economic growth in these targeted areas by providing tax incentives to businesses located within the zone.

¹⁷ West Oakland Job Resource Center Request for Proposals, City of Oakland, April 2013

The WOSP's *Market Assessment of Potentials for Business Mix/Light Industrial Uses* report identified Life Sciences/Biotechnology, Clean/Green Technology and Digital Media and Information Technology as industries with substantial growth potential both at the regional level and within West Oakland. In order to capture the Life Science/Biotechnology industries in particular, however, the report identifies several key improvements that must be achieved in West Oakland, including updates to streetscape and infrastructure, environmental clean-up of contaminated sites, and improvements to the area's image and perceptions of safety. The potential to leverage these businesses for equitable economic development therefore represents a longer-term opportunity in the study area.

INITIAL STRATEGY DIRECTION

In light of the existing conditions, community concerns and emerging opportunities discussed above, there are several short-term and longer-term strategic directions identified for further discussion with the City and the West Oakland community. Over the coming months, feedback from the WOSP Steering Committee, Technical Advisory Committee and City staff, as well as from the community through a public workshop, will be solicited. In general, these strategic directions do not include specific policies; rather they are intended as a starting point for conversation and analysis to be further refined before developing the Equitable Economic Development Strategy that will be included in the West Oakland Specific Plan.

- **Initial Programs and Policy Direction (short-term)**

The evaluation of existing conditions suggests several initial policy and program directions, summarized below. In light of current resources already in place (see **Appendix A**) and the community-led emerging opportunities identified earlier, these strategies will focus on building connections among existing resources and supporting those with the greatest potential to benefit the neighborhood. These strategies primarily build on the community's existing assets and strengths, and are therefore identified as short-term.

- *Retain and support existing business development*

Given the large and increasing amount of small business activity occurring organically in West Oakland, these businesses represent a significant opportunity for continued economic development. However, some business owners perceive that Oakland is not "friendly" to small businesses and are concerned about being "pushed out" by new development. In addition, some small businesses report that West Oakland cannot accommodate their current growth plans, and they will have to leave the neighborhood in order to grow. Policies to retain, support, and encourage small business growth, including those in the urban manufacturing and industrial arts sectors as well as other entrepreneurial endeavors, could contribute to a stronger local economy by capitalizing on existing local resources.

- *Facilitate connections among local residents and West Oakland businesses*

There is significant potential for West Oakland's small business community to be better connected to local residents, both through local hiring efforts and in operating as "social seams" – i.e. the places where both long-term and newer residents can come together to build relationships and professional networks. Given that the urban manufacturing and Industrial Arts communities currently have the greatest economic momentum in West Oakland, they also represent the greatest opportunity to leverage economic development in an equitable manner. Organizations like the Crucible and American Steel Studios can play a crucial role in establishing these connections. For

example, both organizations have youth programs that are already building relationships with local community members. As noted previously, the Crucible is also exploring funding sources to outreach more to the adult community and expand their youth training program to connect local high school students with more in-depth technical training programs. And finally, both organizations host regular events attended by both newer and longer-term residents of West Oakland, which can act as “social seams” within the neighborhood. The ongoing support and expansion of these outreach efforts represents a significant opportunity for equitable growth.

- *Better connect West Oakland residents to jobs throughout the region*
Although it would be ideal to increase the opportunities for local residents to work in West Oakland, it is unrealistic to expect that West Oakland businesses can employ a majority of local residents. West Oakland residents must therefore also be better connected to employment opportunities throughout the region, through job training and referral services, as well as improved transportation connections.
- *Expand West Oakland Job Resource Center*
While the West Oakland Job Resource Center is targeting employment opportunities in the construction and logistics trade associated with the Army Base redevelopment, there is also potential to connect West Oakland residents with jobs beyond this site and these sectors. This potential is widely recognized, and City staff report that they are currently exploring the potential to co-locate a broader Career Resource center at the West Oakland branch library. Although the scope of the broader Career Resource center has not yet been defined, there is potential to better connect West Oakland to employment training and opportunity throughout the region, as well as within the neighborhood. West Oakland’s growing urban manufacturing and industrial arts sector businesses represent an important opportunity for the expansion of job training and referral services within the community.
- *Support the People’s Community Market*
Access to healthy, affordable food is a prominent issue in West Oakland. The proposed grocery store would address both social and economic problems in the neighborhood and could positively contribute to quality of life issues discussed earlier, and would provide much-needed local jobs. It also presents the potential to attract additional neighborhood-serving businesses in the longer-term, such as a health clinic, pharmacy, hardware store or bank, by serving as an anchor for further retail development.
- **Land-use strategy (short-term)**
Land use and zoning designations have the potential to shape future growth within West Oakland, and are therefore critical in the support and expansion of economic opportunities.
 - *Support a retail node around West Grand Avenue and Market Street*
With the People’s Community Market serving as an anchor, the area around Market and West Grand Avenue has potential to attract additional neighborhood-serving retail businesses and significantly improve quality of life for West Oakland residents. Currently, this vision of the area is consistent with the preferred scenario of the draft WOSP.
 - *Maintain the American Steel Studios artist community*

The American Steel Studios building located on Mandela Parkway and 20th Street is home to over 165 artists and small businesses and also serves as a center for community engagement. This site is the cornerstone of the industrial arts in West Oakland, and is critical to the support and retention of many of its small businesses. As noted above, these businesses also have the potential to contribute to the economic health of the wider West Oakland community. Currently, the draft WOSP requires that any additional development on the site be incremental, on vacant land or incorporated into parts of the original structures. While this requirement will certainly slow new construction and shape any new development to be more consistent with the character of the surrounding neighborhood, it will not defer development indefinitely, particularly if West Oakland lease rates grow to the point of making development on that site and adjacent sites feasible.

- *Consider options to ensure affordable industrial space in West Oakland*
Given the intensification planned for West Oakland, it is likely that property values will rise, rents will increase and many of today's small manufacturing businesses and artists will be displaced. One way to mitigate this problem would be through the acquisition of an existing industrial space to be preserved at an affordable lease rate for industrial artists and small manufacturing businesses. In the absence of a City Redevelopment Agency, however, the funding and implementer for this solution are unclear. Strategic Economics recommends additional research and case studies to examine alternative financing and implementation options.

- **Community Benefits/Developer Agreements (longer-term)**

The arrival of new industries into West Oakland over the long-term, such as the Biotech and Information Technology sectors, will present new opportunities for equitable development. A community benefits agreement could be considered further in the future once the West Oakland market is strong enough to support such measures. The short-term priority should focus on attracting new employment, development, and business to West Oakland. Since community benefit mechanisms require delicate negotiations, West Oakland should first draw industry investment before trying to manipulate development through such an agreement, which could potentially discourage interest. As new industries come online, the City could explore opportunities to negotiate community benefits for residents in exchange for certain development rights. Additional financial analysis may be necessary to determine the "threshold" at which the market is strong enough to support community benefits or a developer agreement. Some possible tools include a linkage fees, individual developer agreements, or an assessment district, although the appropriate mechanism should be developed and negotiated at the time development is proposed. Similarly, community benefits might include affordable housing, workforce training programs, small business support, or infrastructure improvement, among others, but should also be identified and prioritized at the time of each agreement.

NEXT STEPS

The next steps in this process include a discussion with the WOSP Steering Committee and Technical Advisory Committee, and collecting feedback from the West Oakland community at a subsequent community workshop. Case studies which could serve as potential models for West Oakland's equitable economic development strategy will be identified and analyzed. Based on this input, an Equitable Development Strategy chapter will be prepared and integrated into the West Oakland Specific Plan.

APPENDIX A: EXISTING RESOURCES

West Oakland benefits from a large pool of resources addressing a number of issues outlined in this report, including job training, education, network building, social justice, and quality of life. This Appendix lists a number of active organizations already at work in the community whose efforts and impacts have been highlighted throughout the research of the report. These organizations represent the public sector, non-profit entities, and business organizations.

Community Organizations

Attitudinal Healing Center

Offers art and literacy programs for children and adults and teacher training programs. They also provide a Leadership Institute in partnership with Oakland Housing Authority: a 12 week structured curriculum that offers college credit.

<http://ahc-oakland.org/>

City Slicker Farms

Organizes low-income children, youth and adults in West Oakland to grow, distribute and eat more organic produce through training, raising awareness, and Transforms empty lots into productive market farms.

<http://www.cityslickerfarms.org/>

Cyprus Mandela Training Center

Community based organization dedicated to improving the lives of the people it serves by providing pre-apprentice construction and life skills training along with employment assistance. This includes a 16-week pre-apprenticeship program for Bay Area men and women over 18 years old. Training is both hands-on and in the classroom and prepares students for skilled trades jobs that are relevant to today's construction industry.

<http://www.cypressmandela.org/>

Hope Collaborative

HOPE Collaborative (Health for Oakland's People and Environment) is a community collaborative working towards policy and systems change to promote the health and well-being of families and youth in the most vulnerable communities of East and West Oakland.

<http://www.hopecollaborative.net/>

Laney College (part of Peralta Community College District)

<http://www.laney.edu>

Lincoln Child Center

The Lincoln Child Center is a provider of children's services with a continuum of programs to serve challenged children and families throughout the Bay Area. Our community-based services include early intervention programs in the Oakland and Pittsburg School Districts aimed at stopping the cycle of violence, abuse and mental health problems for at-risk children and families.

<http://lincolnchildcenter.org/>

Mandela MarketPlace

Works in partnership with local residents, family farmers, and community-based businesses to improve health, create wealth, and build assets through cooperative food enterprises in low income communities.

<http://www.mandelamarketplace.org/>

Oakland Unified School District (STEM Program at McClymonds)

The Science, Technology, Engineering, and Mathematics (STEM) Education Coalition offers a new computer lab and curriculum at McClymonds High School.

<http://www.ousd.k12.ca.us/mcclymonds>

OaklandWORKS

A West Oakland based, citywide focused Advocacy Alliance to advocate for Oakland's underrepresented communities and the traditionally underserved in the areas of economics, social, and environmental justice.

Unable to locate contact information

People United for a Better Life in Oakland (PUEBLO)

Advocate for the needs of low-income residents of Oakland, most of them people of color, by grassroots organizing, offering leadership training and initiating policy reform.

<http://www.peopleunited.org/>

People's Grocery

<http://www.peoplesgrocery.org/>

Prescott-Joseph Center for Community Enhancement

Organize and promote community activities that facilitate economic and community development in West Oakland.

<http://www.prescottjoseph.org/>

Rock Scissors Paper Collective

A volunteer-run organization that fosters creativity and collaboration in order to strengthen local communities and encourage sustainable practices and alternative models through classes and partnerships with local community organizations to provide relevant arts education that promotes do-it-yourself self-reliant principles and entrepreneurship.

<http://rpscollective.org/>

Urban Strategies Council

Partners with community-based organizations, low-income residents, public agencies and the private sector to help low and moderate income residents use income support programs and build and protect assets.

<http://www.urbanstrategies.org/>

West Oakland Environmental Indicators Project

A resident led, community-based environmental justice organization dedicated to achieving healthy homes, healthy jobs and healthy neighborhoods for all who live, work, learn and play in West Oakland.

<http://www.woeip.org/>

West Oakland Commerce Association (WOCA)

A non-profit, volunteer organization that develops, attracts, and retains business in West Oakland and also promotes the overall health and vitality of West Oakland and the surrounding area through promotion of business and the free enterprise system.

<http://www.woca.biz/>

West Oakland Works

Supports projects which are dedicated to fostering and informing commercial and cultural enterprises in West Oakland.

<http://westoaklandworks.com/>

City of Oakland Resources

City of Oakland, Office of Economic & Workforce Development

Ensures that the City's economic development priority has adequate resources and is focused on business relations, retention, attraction, and development.

<http://www2.oaklandnet.com/Government/o/CityAdministration/d/EconomicDevelopment/index.htm>

City of Oakland Public Library (West Oakland Library)

<http://www.oaklandlibrary.org/locations/west-oakland-branch>

City of Oakland, Workforce Investment Board (WIB)

Oversees the federally-funded employment and training programs and services in Oakland. These programs and services help job seekers gain employment and connect businesses with a qualified workforce.

<http://www2.oaklandnet.com/Government/o/CityAdministration/d/EconomicDevelopment/o/WorkforceDevelopment/index.htm>

City of Oakland Economic Development Policies¹⁸

- Support city-wide retail development through strong business improvement districts, merchant associations and retailer recruitment
- Focus on key Traded Sectors: Clean Tech, Specialty Food, International Trade & Logistics, Creative Arts and Media & Tech industries
- Collaborate with the Port of Oakland to develop the Oakland Global Trade & Logistics Center, a modern logistics and warehouse complex, creating significant jobs and business opportunities
- Identify land and build the infrastructure to attract larger-scale tech and life sciences facilities
- Support the growth of existing businesses

¹⁸ City of Oakland, Economic & Workforce Development,
<http://www2.oaklandnet.com/Government/o/CityAdministration/d/EconomicDevelopment/index.htm>

APPENDIX B: LIST OF REFERENCES

Planning Documents and Studies

- West Oakland Specific Plan Detailed Outline (October 2012)
- Context of Land Use and Business Activity in West Oakland Opportunity Areas, Hausrath Economics Group (October 2011)
- Background on Industrial Land Use Policy, Hausrath Economics Group, (October 2011)
- West Oakland Specific Plan Market Opportunities: Housing, Retail, and Arts, Conley Consulting Group (December 2011)
- Market Assessment of Potentials for Business Mix/Light Industrial Uses, Hausrath Economics Group (December 2011)
- Industrial District Strategy Report/Public Infrastructure Report: Mandela Parkway/3rd Street Corridor Commercial/Industrial Zones, BFK Engineers (March 2011)
- Pathways to Community Health: Evaluating the Healthfulness of Affordable Housing Opportunity Sites Along the San Pablo Avenue (August 2009)
- Village Bottoms Cultural District Conceptual Plan (2009)
- Macarthur Transit Village Project (May 2008)
- West Oakland Redevelopment Project Five-Year Implementation Plan (2008-2013)
- Retaining Manufacturing in Oakland: Exploring Land Use Policies and Other Strategies for Equitable Development (2007)
- West Oakland Mandela Grand Development Plan, Hannum Associates (March 2007)
- San Pablo Corridor Market Study: A Market Analysis for West Oakland, Northern Real Estate, LLC (February 2006)
- West Oakland Community Based Transportation Plan (May 2006)
- Oakland Army Base Redevelopment Plan (Amended 2005)
- Seventh Street Concept and Urban Design Plan (October 2004)
- Redevelopment Plan for the West Oakland Redevelopment Project (November 2003)
- 7th Street McClymonds Corridor Neighborhood Improvement Initiative (December 2003)
- Mandela Gateway Mixed-Use Project Transportation Study (May 2002)
- West Oakland BART Access Plan (August 2002)
- Neighborhood Knowledge for Change: West Oakland Environmental Indicators Project (January 2002)
- West Oakland Transit Village Action Report (2001)
- West Oakland 2000: Transportation and Economic Development Study (August 1998)
- Envision Oakland: City of Oakland General Plan (Land Use and Transportation Element) (March 1998)
- Mandela Village Project Feasibility Study (December 1998)
- Mandela Parkway Corridor Plan: Landscape Guidelines for the Former Cyprus Freeway Corridor (February 1998)
- Mandela Parkway Corridor Plan: A Vision and Strategy Plan for the Former Cyprus Freeway Corridor (April 1997)
- West Oakland Visions and Strategies: Coalition for West Oakland Revitalization (May 1994)
- Seventh Street Neighborhood Commercial Revitalization Plan (December 1989)
- Seventh Street Revitalization Study Master Plan (1989)
- Seventh Street Revitalization Study (December 1989)
- West Oakland Redevelopment Plan Draft Environmental Impact Report

West Oakland Specific Plan Community Workshops

- Community Workshop #5 (June 2012)
- Community Workshop #3 Presentation 3 (January 2012)
- Community Workshop #3 Meeting Notes (January 2012)

- Community Workshop #2 Meeting Notes (November 2011)
- Community Workshop #1 (September 2011)
- Public Workshop #1 Notes (September 2011)
- West Oakland Specific Plan Equity Strategies Presentation