



ECONOMIC EQUITY

• **WHITE PAPER** • **APRIL 2019**

ADVANCING RACIAL EQUITY IN THE CITY OF OAKLAND'S SMALL BUSINESS ECOSYSTEM

RECOMMENDATIONS FROM THE GREENLINING INSTITUTE'S SMALL BUSINESS ADVISORY GROUP

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I. EXECUTIVE SUMMARY

- For small business owners of color, entrepreneurship remains a critical wealth-building tool providing a pathway to self-determination and the middle class. In Oakland and nationally, entrepreneurs of color face significant barriers in starting and scaling their business due to the racial wealth gap, among other barriers.
- The city of Oakland knows the unique barriers its residents and entrepreneurs of color face. It released a 2018-2020 Economic Development Strategy with a racial equity lens, and a notable goal is to shrink the racial wealth gap through asset building in local communities of color.
- For context, Oakland recently received a Citywide Equity Score of 33.5 out of 100 on the Oakland Equity Indicators report.¹ The report defines equity as the idea that, race, ethnicity, gender, age, disability, sexual orientation or gender expression do not have any effect on the fairness of the distribution of resources, opportunities and outcomes for city residents. For business development the City was rated 33.7, meaning Oakland has significant work to do.
- To support the city's 2018-2020 Economic Development Strategy, The Greenlining Institute assembled a Small Business Advisory Group comprised of local small business leaders committed to advancing the needs of Oakland's entrepreneurs of color. With this white paper, the SBAG provides the city a menu of recommendations to achieve the ambitious racial equity and small business goals included in its 2018-2020 Economic Development Strategy.
- Specific recommendations for the city to foster a healthy and more inclusive small business ecosystem that allows entrepreneurs of color to thrive include:
 - **Prioritize the creation of a thriving economy by investing in the Economic and Workforce Development Department and Business Assistance Center.** By ensuring adequate staffing and robust small business supports, the city will advance economic equity by providing entrepreneurs critical resources to succeed.
 - **Re-envision the Business Assistance Center** into a great resource for Oakland's small business owners. This includes adequate staffing to ensure robust support; making hours of operation more accessible to entrepreneurs, specifically including hours outside of 9 a.m.– 5 p.m. weekdays, and availability on weekends; revamping its online website; deploying simple data collection practices to track customers, visitors, and their feedback on service delivery; and establishing satellite BAC hubs across Oakland to ensure equitable access to information.
 - **Collect data on the rate of commercial displacement** across Oakland. While various institutions have collected data on residential displacement, no comprehensive data set on commercial displacement exists for Oakland that identifies the number of small businesses

¹<http://www2.oaklandnet.com/oakca1/groups/cityadministrator/documents/report/oak071073.pdf>

at risk of being displaced, the number of small businesses of color that have closed, nor the reasons why.

- **Explore the implementation of commercial tenant protections.**
- **Utilize data collection platforms to track the state of Oakland's small business community.** The city would benefit from investing in technological infrastructure to understand the state of local small businesses, and from having an information database that belongs to the city.
- In line with the vision of the 2018-2020 Economic Development Strategy and the Race & Equity Ordinance, **align all city plans so they all contain a racial equity lens.**
- **Support worker-owned cooperatives** by: conducting a needs assessment of worker cooperatives to identify their challenges; establishing a local worker cooperative revolving loan fund to remove barriers to finance; leveraging the city's spending power by adopting a preferential procurement policy that prioritizes local worker cooperatives; developing expertise and resources for worker cooperatives within the Economic and Workforce Development Department and the Business Assistance Center; and reviving Oakland's Worker-Owned Cooperative Ordinance, among others.
- **Expand transparency and community engagement** opportunities as the Economic Development Strategy and other strategic plans are implemented.
- **Encourage positive behavior from financial institutions** operating in the city to address the threat of commercial displacement, to which entrepreneurs of color are most vulnerable.

II. INTRODUCTION

Oakland's locally-owned small businesses reflect the best of our city and are vital to our local economy. These neighborhood-serving businesses stimulate economic growth through job creation, local reinvestment and a spirit of entrepreneurial innovation, while showcasing the city's rich diversity and history. Yet as Oakland undergoes rapid change with new development, investments and incoming residents, economic prosperity is not being shared equitably among Oakland's communities. Inequitable economic growth has led to a significant rise in rents for residents,² entrepreneurs and nonprofits,³ fueling the threat of displacement. For Oakland's small business community, the threat of commercial displacement may loom most threateningly for small businesses owned by people of color, which constitute 49.5 percent of the city's total businesses.⁴

Minority entrepreneurs' ability to remain rooted in their community and scale their businesses—or launch new ventures—is impaired by limited wealth holdings and longtime

² <https://www.bizjournals.com/sanfrancisco/news/2019/01/10/bay-area-rental-price-spike-oakland-menlo-park.html>

³ <https://www.eastbaytimes.com/2017/10/05/oakland-seeks-ways-to-help-nonprofits-facing-rising-rents/>

⁴ <https://www.census.gov/quickfacts/oaklandcitycalifornia>

barriers to credit, among other factors. The disparity in wealth holdings across racial groups—known as the racial wealth gap—remains dauntingly large. A recent study by the Institute for Policy Studies found that today’s median Black family owns \$3,600, just two percent of the wealth of the median White family, while the median Latino family owns \$6,600, or just four percent of the median White family’s wealth.⁵ This staggering wealth inequality along racial lines did not happen overnight. It represents the entrenched legacy of redlining, the centuries-long public and private practice of denying financial services and products to people of color.

For small business owners of color, entrepreneurship remains a critical wealth-building tool providing a pathway to self-determination and the middle class. Yet, in the 21st century, discrimination remains alive and well in small business lending,⁶ auto loans,⁷ mortgage lending⁸ and more.

The city of Oakland is attempting to address barriers to entrepreneurship in order to better serve its diverse businesses. For example, the city set racial equity and small business goals for itself in the 2018-2020 Economic Development Strategy.⁹ Notably, Oakland specifically seeks to shrink the racial wealth gap through asset building in local communities of color.

The Greenlining Institute commends Oakland’s use of an explicit racial equity lens in its economic development strategy. For context, Oakland recently received a Citywide Equity Score of 33.5 out of 100 on the Oakland Equity Indicators report.¹⁰ The report defines equity as the idea that race, ethnicity, gender, age, disability, sexual orientation or gender expression do not have any effect on the fairness of the distribution of resources, opportunities and outcomes for city residents. For business development the city was rated 33.7. These scores highlight the need to center racial equity in any corrective action, and underscore Oakland’s significant room for growth.

To support the city’s 2018-2020 Economic Development Strategy, The Greenlining Institute assembled a Small Business Advisory Group comprised of local small business leaders committed to advancing the needs of Oakland’s entrepreneurs of color. Through this white paper, the SBAG seeks to provide the city of Oakland a menu of recommendations to achieve the ambitious racial equity and small business goals included in its 2018-2020 Economic Development Strategy. We hope these recommendations will be useful for Oakland Mayor Libby Schaaf, city councilmembers, the Economic and Workforce Development Department, and Oakland’s small business community.

⁵ <https://ips-dc.org/racial-wealth-divide-2019/>

⁶ <https://nextcity.org/daily/entry/mystery-shopper-experiment-racial-discrimination-small-bussiness-lending>

⁷ https://www.nclc.org/images/pdf/car_sales/ib-auto-dealers-racial_disparities.pdf

⁸ <https://www.revealnews.org/article/for-people-of-color-banks-are-shutting-the-door-to-homeownership/>

⁹ <https://www.oaklandca.gov/projects/economic-development-strategy>

¹⁰ <http://www2.oaklandnet.com/oakca1/groups/cityadministrator/documents/report/oak071073.pdf>

To support the city's Economic and Workforce Development Department, The Greenlining Institute recently secured funding for a new full-time Economic Equity Strategist. The Economic Equity Strategist will help Oakland advance its racial and economic equity goals over the span of two years, the duration of the Economic Development Strategy. The Economic Equity Strategist will also work with the Small Business Advisory Group to determine implementation of the recommendations enclosed.

With the goal of fostering a healthy and more inclusive small business ecosystem that allows entrepreneurs of color to thrive, the Small Business Advisory Group respectfully provides the following recommendations to the city of Oakland and offers its partnership for implementation.

III. SMALL BUSINESS ADVISORY GROUP MEMBERS

- Diana Chavez, Business Development Officer, Working Solutions
- Yassi Eskandari, Policy Director, Sustainable Economies Law Center
- Rani Langer-Croager, Co-Founder, Uptima Business Bootcamp
- Alison Lingane, Co-Founder, Project Equity
- Crystal Matson, President/CEO, Oakland African American Chamber of Commerce
- Nayeli Maxson, Executive Director, Alliance for Community Development
- Joe Partida, Co-Founder, Oakland Latino Chamber of Commerce
- Kevin Stein, Deputy Director, California Reinvestment Coalition
- Jennifer Tran, Executive Director, Oakland Vietnamese Chamber of Commerce
- Sharon Velasquez, Senior Economic Equity Program Manager, The Greenlining Institute

IV. RECOMMENDATIONS

Recommendations from Greenlining's Small Business Advisory Group cover the following areas:

- City Services and Operations
- Data Collection and Business Support
- Partnerships and Community Engagement
- Land Use

Given the interconnected nature of forces shaping Oakland's small business ecosystem, some overlap between recommendations occurs.

City Services and Operations

Review the city budget and funding

Where we put our money speaks to our values and priorities. While Oakland's Economic and Workforce Development Department provides critical support to entrepreneurs, it appears to be severely short on staffing and resources. This department is responsible for ensuring the economic prosperity of local businesses and employers, yet its budget is minute compared to other departments like the Oakland Police Department. By prioritizing the creation of a thriving economy through investment in its Economic and Workforce Development Department, the city will advance economic equity by investing in upward mobility and a better quality of life for communities of color.

Recommendations:

- The city should adequately fund the Economic and Workforce Development Department and expand staffing levels. Oakland should partner with local small business-serving organizations to determine how to expand the department's support offerings and establish adequate budget and staffing.
- As cannabis revenue increases, the city should explore applying cannabis dollars towards general small business development and support.
- Provide transparency around the use and management of Measure KK funds. While these dollars are meant to fix city streets, build affordable housing and finance other renovations, SBAG members are unsure whether an equity lens is used to allocate funds. In fact, one member opined that in the city's eyes, "Some areas may be seen as beyond repair." Measure KK's priorities are also unclear, as is how Oakland's small businesses factor into them. Members request that the following be shared with the public:
 - Oakland's priorities for the allocation of Measure KK funds, and clear lines of authority for how these decisions are made.
 - A formal statement of how local people of color-owned businesses factor into the larger strategy for fund allocation.
 - A city map with proposed areas for investment.

The SBAG also desires a meeting with the manager of Measure KK funds in order to discuss how to align desired outcomes for Measure KK funds with the 2018-2020 Economic Development Strategy.

Re-envision the Business Assistance Center

The Business Assistance Center has the potential to be a great resource for Oakland's small business owners. However, its potential is hampered by limited capacity—having only one full-time city employee—and inaccessible hours of operation. SBAG members also believe that having only one center serving the entire city is inadequate. The following recommendations would help the BAC become a functional resource for Oakland's entrepreneurs.

Recommendations:

- Adequately staff the BAC to ensure more robust support and outreach to the small business community. Work in partnership with local small business-serving organizations to determine the BAC's programmatic priorities, support offerings and specific staffing levels.
- Make hours of operation more accessible to entrepreneurs; this should include hours outside of 9 a.m.–5 p.m. weekday business hours and availability on weekends.
- Contract with local, people of color-led service providers to increase the BAC's support offerings in a culturally competent way. Examples of service providers include ethnic chambers of commerce, local nonprofits and navigators, who help entrepreneurs make sense of critical information and resources.
- In addition to offering technical assistance, establish the BAC as a key hub of information and referrals to financing, business mentorship and trainings.
- Release a public calendar listing BAC trainings and workshops so the small business community knows what content to expect.
- Refer to The Alliance for Community Development's report, *Re-Envisioning Our Local Business Assistance Center*, to determine short and long-term goals for reinvigorating this one-stop shop of services.
- Once BAC enhancement strategies are implemented, deploy simple data collection practices to track customers and visitors, and their feedback on service delivery.
- Establish satellite BAC hubs across Oakland, including west and deep East Oakland, north Oakland, and the Fruitvale area. Survey neighborhoods and trusted organizations to determine the entrepreneurial needs of neighborhoods where hubs will be placed. Adequately equip hubs with staff, either by adding city staff and/or by contracting with trusted community organizations. These satellites would ensure equitable access to information and support and help the city foster relationships and trust with local entrepreneurs.

Update the Oakland Business Assistance Center website

The BAC website serves as the digital equivalent of receiving in-person services and is therefore a critical platform for small business owners trying to engage with this one-stop-shop. However, when we reviewed the website in March 2019 it was badly incomplete, with crucial information and links to resources either outdated or missing entirely.

Recommendation:

- Ensure that someone is tasked with regularly updating the website's information and links, especially contact information for ethnic chambers of commerce and direct service providers. The site needs a thorough review to ensure that information is complete and current.
- Send an annual or biannual survey to local service providers offering an opportunity to update their profile on the BAC website.
- Institutionalize updating the website's resources, such as up-to-date guides and other resources on starting a business in Oakland.

Utilize data collection platforms to track the state of Oakland's small business community

The city would benefit from investing in data collection and technological infrastructure to understand the state of local small businesses. In addition to the efficiency that software platforms provide, the data collected would contribute to a core information database that belongs to the city. Moreover, the data collected can lead to small business success and retention by helping identify both gaps in support causing entrepreneurs to struggle as well as areas with an abundance of resources.

Several platforms could be used for data collection purposes, two of which are being utilized by the Kauffman Foundation: Hello Alice and KC Sourcelink. Hello Alice is an artificial intelligence algorithm and database designed to help identify resources for entrepreneurs at the right time, enabling the tracking of all support-providing institutions by assigning each an ID. KC Sourcelink is a customer relationship management program that tracks data on needs, progress, and outcomes. Although Salesforce is another alternative, some members point out that it is not designed for small business support.

By incorporating existing programs such as the above, Oakland will save time and money in the long-term by not having to reinvent the wheel. Although the price of data collection programs may seem steep, the long-term cost of building an alternative is higher.

Recommendation:

- Invest in technological infrastructure such as Hello Alice, KC Sourcelink or another alternative to designate a common data platform for local small business service providers. Creating consistency with the use of specific platforms will help the city track entrepreneurs' challenges, increase the likelihood of issue resolution and ultimately pay off in terms of increased revenue for the city.

Review the city's fees and business licensing process

Stakeholders believe the size of a business should be a determining factor when Oakland sets small business fees and requirements. Some members objected to the city having the same fees and expectations for both large and small businesses, which can often be cost-prohibitive for small firms.

Recommendations:

- Consider the size of small businesses when determining small business fees and requirements and consider creating a tiered system based on business size.
- Explore using a mobile-friendly application or platform for business licensing.
- Incorporate awareness of worker-owned cooperatives and other employee-ownership options in all aspects of business licensing services. Providing more information will fully empower entrepreneurs to make the best decisions for their business in the short and long term. Educate city staff on employee-ownership models so they are equipped to meet the needs of Oakland's co-op businesses, include such models as options on business license forms, and have city staff provide information on worker cooperatives as they engage with entrepreneurs.

Develop a strategy to engage Oakland's unlicensed small businesses

For a variety of reasons, many entrepreneurs do not have a city business license. Regardless, SBAG members believe unlicensed businesses should still be engaged by the city as the critical neighborhood-serving providers they are.

Recommendations:

- Invest in trust. Develop a non-judgmental engagement strategy to support and engage unlicensed small businesses. This could include rotating open houses across Oakland where city staff can speak to entrepreneurs about the process for getting their permits in order. Stakeholders believe holding these at least once a month or once per quarter

would help more entrepreneurs become licensed. Formal licensing is important as it enables a business to secure financing and to scale, if it wishes.

- In collaboration with community-serving organizations that neighborhoods trust, develop a strategy and survey to determine the number of unlicensed entrepreneurs in Oakland, identify barriers impeding them from obtaining a license, and roll out empathetic solutions that help them overcome barriers to licensing.

Ensure services are accessible to all entrepreneurs

Immigrant-serving members cite an absence of translated small business resources and city interpreters needed to reach Oakland's diverse communities. Resources that are inaccessible due to language barriers include counseling, business education, funding resources and other general services. Without resources and interpreters fluent in languages including Vietnamese, Spanish, Arabic and Cantonese, many entrepreneurs will continue to be left behind by current city efforts to advance equity.

Recommendations:

- Survey small business service providers and ethnic chambers to better understand which Oakland communities experience language barriers in accessing resources and support.
- Translate city resources and programs—correctly—and encourage other small business service providers and government agencies to do so, as well. For instance, one member remarked that paperwork handed out in the bus rapid transit commercial corridor had such poor translation that certain sections were unintelligible to immigrant entrepreneurs. Local ethnic business groups and chambers of commerce could help the city find appropriate translation services.
- Hire bilingual service providers who can serve and build trust with different immigrant communities.

Data Collection & Business Support

Align city plans

The city's Capital Improvement Budget Plan¹¹ needs a similar racial equity lens to that now contained in Oakland's Economic Development Strategy. Most small and people of color-owned businesses are located in Oakland's most neglected neighborhoods. These

¹¹ <https://www.oaklandca.gov/topics/capital-improvement-program>

neighborhoods also have the highest rates of illegal dumping, illicit substance use, robberies, assaults, potholes, etc.—all of which are beyond the control of entrepreneurs. Oakland must make capital and infrastructure improvements in underserved areas a top priority if it truly wishes to foster a healthy ecosystem for small businesses of color.

Recommendation:

- Leads for the city’s various plans should convene with SBAG members and other Oakland stakeholders to determine points of racial equity alignment and priorities for investment.

Determine the rate of commercial displacement across Oakland

The city of Oakland is experiencing significant economic and demographic changes. From 2001 to 2011 alone, Oakland lost 25 percent of its African American population.¹² While various institutions have collected data on residential displacement, no comprehensive data set on commercial displacement exists for Oakland. SBAG members are not aware of a comprehensive database that can speak to the number of small businesses at risk of being displaced, the number of small businesses of color that have closed, nor the reasons why. As Oakland charts its next steps to best support its small business community, data showing where and why small businesses are struggling the most can help target resources efficiently and ensure timely support.

Recommendation:

- Hire a consulting group to analyze and report on the rate of small business displacement over the last decade across Oakland’s neighborhoods.
- While displacement is happening all over the city, Oakland currently has only one business retention program, focused on the bus rapid transit corridor. The city should pilot a broad-based program to assist small businesses at risk of displacement or closure, and with a special focus on entrepreneurs of color. The city of Berkeley has recently deployed such a program.¹³

¹² <https://www.sfgate.com/bayarea/article/25-drop-in-African-American-population-in-Oakland-2471925.php>

¹³ https://www.cityofberkeley.info/Clerk/City_Council/2018/09_Sep/Documents/2018-09-13_Item_06_Contract_Uptima_Business_Bootcamp.aspx

Support Oakland's worker-owned cooperative businesses

In its 2018-2020 Economic Development Strategy, the city of Oakland repeatedly states its commitment to supporting worker-owned cooperatives. Members commend the city's statement, as worker cooperatives are a key economic development tool for building wealth, rooting and retaining local businesses, and multiplying local dollars.

Recommendations:

- Conduct a needs assessment of worker cooperatives in the city to identify their challenges. This study can be conducted with the support of local worker cooperative development organizations and can be broadened to include an assessment of all local small businesses and their retention rates, succession plans and challenges.
- Preserve local businesses and jobs by conducting a study on small business aging profiles and risks of closure, conducting outreach to businesses and highlighting sale to workers as a viable succession planning option, and providing or connecting business owners with succession planning services. In 2018, Berkeley commenced such an effort in partnership with worker cooperative developer and Small Business Advisory Group member, Project Equity.
- Remove barriers to finance by establishing a local worker cooperative revolving loan fund and providing loan guarantees to worker cooperatives that would otherwise remain unserved by banks.
- Leverage the city's spending power by adopting a preferential procurement policy that prioritizes local worker cooperatives. By contracting with worker cooperatives to meet the city's goods and service needs, public dollars will go toward supporting good jobs and homegrown industry.
- Develop expertise and resources for worker cooperatives within the Economic and Workforce Development Department and its Business Assistance Center. Equip BAC with information on employee ownership options and train city staff to understand the cooperative model. Doing so will ensure worker coop development is a central component of the city's programmatic support of small businesses.
- Revive Oakland's Worker-Owned Cooperative Ordinance. Following on the heels of the adoption of the 2015 Resolution in Support of Worker Cooperative Development (Campbell Washington, McElhaney), former Councilmember Annie Campbell Washington and Councilmembers Dan Kalb and Rebecca Kaplan co-sponsored a draft ordinance to support worker cooperative development. Working with the Sustainable Economies Law Center and the broader worker cooperative community, the multi-year process of conversations with councilmembers, community members, and city departments was stalled and eventually abandoned. However, many councilmembers strongly support worker cooperatives and interest in the model continues to grow both

locally and nationally. Dozens of American cities have taken steps to support cooperatives, and the time is right for Oakland to follow their lead and take local action.

Partnership and Community Engagement

The city of Oakland would benefit from a meaningful engagement strategy with entrepreneurs of color, support-providing organizations that are people of color-led, and associations promoting the needs and interests of ethnic business. Members note that due to the limited bandwidth of city staff, consultants are often sent in their stead for relationship-building purposes. Members believe sending third parties is unsuccessful and an inefficient use of resources.

Stakeholders believe trust-building between city staff and entrepreneurs of color must be a cornerstone of the Economic Development Strategy. The following recommendations are meant to inform the city's engagement strategy with its small businesses of color.

Partner with Oakland's ethnic chambers of commerce

Ethnic chambers of commerce feel unacknowledged and disconnected from the city of Oakland. The following recommendations can help build trust with these cornerstone local institutions advancing the interests of entrepreneurs of color.

Recommendations:

- Ethnic chambers have an impression that the city only cares to engage with the Oakland Metropolitan Chamber of Commerce. Oakland can start to remedy this by outreaching to and convening with ethnic chambers to listen to their members' needs and interests.
- Ethnic chambers encourage the city to refer entrepreneurs of color to them for culturally competent assistance and networks.
- To support and highlight the ethnic diversity of its business community, the city can partner with ethnic chambers to develop content that resonates with entrepreneurs of color for events such as Small Business Week, Access to Capital workshops, and general workshop development. These events provide a wealth of resources to all businesses; entrepreneurs of color are more likely to engage if they see that their needs and interests are included.
- In addition to incorporating the interests of entrepreneurs of color in existing events, the city could host cultural events focused on specific small business segments, such as a

Black Small Business Week. This practice would foster a sense of inclusion, as SBAG members shared that some diverse businesses do not feel welcomed in the city's general small business weeks, and so do not attend. A partnership with a network of culturally competent organizations and entrepreneurs of color could launch these events.

Explore new partnerships with new service providers

People of color service providers and service providers that serve entrepreneurs of color too often feel disconnected from the city, perceiving that the city maintains legacy partnerships with certain service providers and hesitates to look past longstanding partners to diversify collaboration. Yet Oakland boasts a surplus of organizations with robust expertise that can be leveraged for the good of local businesses.

Recommendations:

- The city and its Economic and Workforce Development Department should seriously consider partnering with service providers with a track record of success with whom Oakland does not collaborate at this time. For instance, the city of San Francisco has multiple contracts with organizations providing small business development support. Oakland could launch a similar effort by diversifying its partnerships and service contracting.
- Consider partnering with organizations that offer alternative loan structures, and that are designed to support ethnic segments of Oakland's small business community. For example, The Runway Project Oakland specifically works with local Black entrepreneurs by deploying funds and providing technical assistance to support business growth.

Outreach to local entrepreneurs for local and diverse supplier contracting

The city of Oakland has already deployed initiatives like the Local and Small Local Business Enterprise Program, which govern participation of local and small business enterprises in city contracting.¹⁴ SBAG urges the city to also make an intentional effort to contract with not only local, but also diverse suppliers for its own operations. Through these efforts, the city could reinvest in its local and diverse businesses and help build wealth in communities of color.

¹⁴ <http://www2.oaklandnet.com/oakca1/groups/contracting/documents/form/oak029719.pdf>

Recommendations:

- The city of Oakland should contract with local and diverse suppliers as a way of supporting its small businesses and entrepreneurs of color. To facilitate this, the city should calculate its current spending with minority suppliers, make this information publicly available and set annual goals to increase it. As an example, the city of San Francisco tracks and posts this information.
- For transparency and to level the playing field, the city should convene with Oakland's ethnic chambers of commerce and other people of color-serving organizations to explain its contracting process and requirements. Supplier contracting bids should also be shared with these organizations to ensure diverse suppliers are aware and can apply.
- In order to adequately disperse contracting opportunities with potential diverse entrepreneurs, the city should invest in better marketing these opportunities and more aggressively promote them.
- The city should create a database of Minority Business Enterprises (MBEs) for supplier contracting purposes that it can refer to and share with its partners.

Partner to close the digital divide

Broadband access is critical to community development. Unfortunately, low-income people and communities of color are more likely to lack internet access. Despite Oakland's proximity to epicenters of tech such as Silicon Valley and San Francisco, barriers to broadband access, online literacy and hardware remain pernicious. Members felt unclear how the city is leveraging its location and partnerships to close the digital divide for residents and entrepreneurs.

Recommendations:

- Provide an update on the city's campaign to close the digital divide, Get Connected Oakland,¹⁵ and how it could expand to engage the small business community.
- Partner with Oakland's small businesses, stakeholders and incoming tech firms to secure commitments that address the tech needs of Oakland's residents and entrepreneurs.
- Mayor Libby Schaaf voiced her commitment to bring Oakland the broadband infrastructure it needs.¹⁶ Under the Community Reinvestment Act, banks receive credit

¹⁵ <http://www.getconnectedoakland.org/>

¹⁶ <https://nextcenturycities.org/member/oakland-ca/>

for investing in broadband infrastructure.¹⁷ When the city determines where broadband infrastructure is needed, it can partner with The Greenlining Institute in order to secure bank investment for it. Greenlining can leverage its role as a convener and its longstanding partnerships with financial institutions to highlight the need for local broadband investment.

Collect community feedback to create Community Benefit Agreements for incoming tech firms

Square's entry into Oakland presents an opportunity to create a solid template for community benefit agreements for tech companies. As the soon-to-be largest tech company in Oakland, Square is a major tenant, and many believe it is only a matter of time before more firms arrive. In many ways, Square's community benefit commitments will establish a precedent for future tech firms moving to Oakland, who should be encouraged to invest in their new home.

The Greenlining Institute, along with many Oakland partners, envisions a community benefit agreement in which firms: help address the city's affordable housing challenge; contract with local and people of color-owned businesses so dollars are invested locally; lease their space to local and people of color-owned businesses at affordable rates; hire locally and commit to a diverse workforce; provide a livable wage to their workers; support nonprofits, many of which are at risk of displacement; and—if firms are financial service providers—that they commit to extending safe and sound financial products to local entrepreneurs.

Recommendation:

- Partner with Oakland organizations to collectively determine community needs and create a Community Benefit Agreement template.

Land Use

Showcase small, minority-owned businesses

A good step in supporting people of color-owned businesses is to highlight and preserve their presence through the use of space. The city should highlight them in the following ways:

¹⁷ <https://www.dallasfed.org/assets/documents/cd/pubs/digitaldivide.pdf>

Recommendations:

- For property owned by the city, consider commercial space set-asides for small and people of color-owned businesses with affordable rents. Examples of city space that can be leveraged include the city's pop-up space in Downtown Oakland.
- Implement mandatory requirements or incentives for a percentage of new construction to be reserved at affordable rates for local, people of color-owned and mom-and-pop businesses.
- The city could explore hosting pop-up shops and markets for one or more days a year. For example, Detroit hosts an entire pop-up market during the holiday season¹⁸ that—due to its popularity and revenue-raising success—now also operates in the spring.¹⁹
- Create and designate permanent space for people of color-owned businesses to truly have space in the city. Oakland's Black Arts Movement District (BAMBD)²⁰ leverages an economic development strategy founded on culture and arts. An updated strategy could include opportunities for Black-owned businesses to lease space in the BAMBD's corridors. This would create a hub for Black businesses, infuse money into the Black community and contribute to local tourism.
- Make cultural districts like BAMBD visible by explicitly identifying them with signage.
- Explore the creation of more cultural districts in Oakland to reflect the city's rich diversity. Also explore how small businesses of color can be incorporated to contribute to the cultural vibrancy of these arts districts.

Develop strategies around parking

Given Oakland's construction boom, parking availability presents a huge issue for small businesses. Often, when the city permits street beautification for developers, this enhances specific buildings while permanently removing parking for the entire street. This directly impacts foot traffic and sales for small businesses.

Recommendations:

- The city should balance street beautification for new developments with the foot traffic needs of neighboring small businesses. Before significantly altering a street, city officials should convene with nearby small businesses and other neighbors to balance needs.

¹⁸ <https://www.freep.com/story/money/2017/12/22/detroit-pop-up-shop-stores/974586001/>

¹⁹ <https://www.freep.com/story/money/business/michigan/2018/03/07/detroits-downtown-markets-bedrock-applications/403921002/>

²⁰ <https://www.oaklandca.gov/topics/black-arts-movement-district-bamdb>

- If Councilmember-At-Large Rebecca Kaplan's ordinance for a tax on Lyft and Uber, or a similar iteration, advances that revenue could also be utilized to fund strategies around parking access for small business patrons.

Develop strategy to implement commercial tenant protections

California's Costa-Keene-Seymour Commercial Property Investment Act²¹ preempts cities from enacting commercial rent control. Members believe businesses of color are among the most vulnerable to commercial displacement due to their being undercapitalized, among many other barriers. Members urge the city of Oakland to brainstorm with the small business community regarding what safeguards can be implemented to create a fairer leasing environment.

Recommendations:

- The city could explore passing commercial tenant protections as a preventive measure. As an example, in 2018 the New York City Council re-considered the Small Business Jobs Survival Act.²² According to the 23 councilmembers who sponsored it, the bill would “establish conditions and requirements for commercial lease renewal negotiations, including requirements for lease renewal terms, arbitration-triggering conditions, limits on security deposits, and prohibitions on landlord retaliation.” While this bill is not a silver bullet and similar iterations have been considered for three decades, it has forced a substantive discussion around what NYC can legally do on behalf of mom and pop businesses. Oakland should similarly explore what it can feasibly do to protect small commercial tenants.
- Consider contracting with institutions to provide wrap-around supports for small businesses at risk of commercial displacement. For instance, alongside Working Solutions, a community development financial institution, San Francisco launched a one-year pilot program merging loans and free business consulting with lease negotiation when businesses face increases in rent. Moreover, the pilot included a realtor on staff who acted as a liaison with the city, helped negotiate rents and connected entrepreneurs with shared space options.
- Consider developing a legacy business registry, such as San Francisco's.²³ San Francisco's program seeks to save longstanding, community-serving businesses that

²¹<https://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=1327&context=elq>

²² <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3458244&GUID=D10860C6-E6C7-416E-8F05-563B4551EDB7>

²³ <https://sfosb.org/legacy-business>

serve as cultural assets. Oakland's program could initially consist of a simple registry to promote these businesses, and hopefully grow to provide grants in the future.

Address chronically vacant commercial spaces

At this time, Oakland—especially its central business district—has one of the lowest commercial vacancy rates in the Bay Area.²⁴ Despite this, members encourage the city to address commercial spaces that remain chronically vacant. Given the limited supply of space and rising rents, all landlords should be encouraged to lease available space.

Recommendations:

- Hire a consulting firm to identify locations with chronically vacant commercial spaces across the city, the length of vacancy and the reason. The city can then develop a strategy to incentivize landlords to rent shuttered commercial space.
- If the data collected warrant, the city can consider creating a fund by taxing landlords with chronically vacant commercial space. This fund could help cover expenses for small business support, grants, city staff and other programs.

Endorse the Anti-Displacement Code of Conduct

Members commend the city for recently passing an ordinance in support of the Community Reinvestment Act, thereby expressing an expectation that banks provide equitable access to banking for all Oakland residents. While equitable access to credit is critical for local businesses to remain in place, banks should also do their best to not finance serial displacers.

Banks, private equity and Wall Street firms are primary drivers of the displacement crisis. These providers work with speculators and serial evictor landlords who purchase properties with the goal of evicting tenants, homeowners and small businesses. The California Reinvestment Coalition's Anti-Displacement Code of Conduct ²⁵ provides a roadmap for the responsible infusion of capital into low-income neighborhoods and creates an expectation and commitments that lenders can follow to mitigate the impact of displacement in communities. It also outlines policies and practices to be avoided.

For context, the Code's small business recommendations for financial institutions include: offering micro enterprise loans and loan products under \$100,000 for small businesses; offering financing to help small businesses purchase property so they can remain in the community and build assets; providing philanthropic support to legal services so small

²⁴ <https://www.bisnow.com/san-francisco/news/office/oakland-office-vacancy-among-the-lowest-75268>

²⁵ <http://cceda.com/wp-content/uploads/Anti-displacement-best-practices-10.16.18.pdf>

businesses can negotiate leases to avoid eviction; providing financing for non-traditional business models such as worker cooperatives; providing funding for technical assistance, case management and other support to businesses at risk of displacement.

Recently, the Oakland-based Community Bank of the Bay endorsed the Code of Conduct.

Recommendations:

- Pass a resolution publicly endorsing the Anti-Displacement Code of Conduct.
- Require banks contracting with and operating in the city to abide by the Code's recommendations, and to abide by "do no harm" lending and investment practices.
- Consider using the Anti-Displacement Code of Conduct or a similar framework to inform local land use decisions, such as Opportunity Zone and other investment proposals, that can have large impacts on Oakland's small businesses. This framework can help ensure community benefits.

Transparency

Throughout this document, we have consistently noted the need for transparency and active community involvement in the way the city of Oakland makes decisions, in opportunities for offering strategic input, and in identifying priorities and allocation of resources.

Engage stakeholders in the 2018-2020 Economic Development Strategy Roll-Out

The Oakland Small Business Advisory Group hopes to meaningfully partner with the city to achieve its 2018-2020 racial equity and small business goals. The Small Business Advisory Group requests the following to know when and how to provide its collective support and expertise to the city.

Recommendations:

- Share the city's action plan, priorities and a timeline for rolling out the 2018-2020 Economic Development Strategy.
- As the city moves forward with the 2018-2020 Economic Development Strategy and others, schedule community forums with small businesses and stakeholders in order to obtain feedback and to provide report-outs on challenges and successes along the way.

- Create an advisory committee that represents the needs of Oakland’s businesses of color as the recommendations in this document are implemented with specific metrics to gauge impact. This role may be satisfied by the city’s formal small business task force, for which the city has expressed interest in appointing some Small Business Advisory Group members.

 The Greenlining Institute

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