



Economic Indicators

City of Oakland

PREPARED BY: THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

CITY OF OAKLAND

SEPT 2013

Executive Summary

These economic indicators are intended to provide Oakland's city leaders and decision makers with benchmarks for economic development and a baseline against which to measure progress toward economic goals. This report outlines a few leading indicators that help articulate the factors that contribute to Oakland's economy and how those factors shape the city's economic well-being. Oakland is regaining strength after the economic depression and is poised to continue in this trend. This brief executive summary shares some highlights of the data presented in more detail on the following pages.

Oakland's Businesses

The number of businesses operating in Oakland has increased steadily over 2011-2013. This is evident in the increase in business licenses. 46% of the businesses are made up of the Professional sector with Leisure / Entertainment and Retail comprising 15%.

The growth of Oakland's businesses has occurred uniformly across all sectors over this timeframe.

Revenue

Sales tax has gradually increased since the Great Depression but has not yet reached the 2007 peak. Autos and Transportation as well as Fuel and Service Stations are the highest contributors to sales tax, each at 17%.

Employment

The unemployment rate has decreased dramatically this year. With a 13.7% unemployment rate in January 2013; Oakland has now reached 11.9% in July. The July figure is somewhat higher than the previous month due to the number of graduates who entered the labor pool.

Similarly, employment in the City of Oakland has increased since 2010. The FIRE (Finance, Insurance and Real Estate) sector still provides the highest number of jobs. However, the number employed in this sector remains profoundly depressed when compared with the number in 2008.

Real Estate

Commercial properties vacancy rates and rentals continue to fluctuate marginally. Industrial vacancy rates, earlier this year, reached an all time low.

Single family home sales and sale prices marginally increased between 2011-2012.

Most recently the City has taken an interest in increasing multi-family housing options. Collaboration between the private and public sector is required in order to realize the required critical mass.

An Economic Dashboard

Economic indicators allow city leaders and citizens who live, work, and invest in Oakland to track the economic health of their city. Indicators can also provide a way for city leaders and decision makers to measure progress against goals and benchmarks set in future strategic plans. This report outlines a few leading indicators that help articulate the factors that contribute to Oakland's economy and how those factors activities shape the city's economic well-being.

The September 2013 report is a snapshot of how Oakland's businesses and residents are faring in the aftermath of the Great Depression. Going forward, this dashboard will be updated on a quarterly basis; with a major revision annually, as new data becomes available, to track the effectiveness of policies and the state of the city's recovery.

Covered in this report:

City Revenues

- Business Tax Revenue
- Establishments by Sector
- Sales Tax Revenues
- Top Sales Tax Generators
- Transient Occupancy
- Property Transfers

Employment

- Jobs by Sector
- Top Employers
- Income
- Unemployment Rates

Sector Spotlight

Real Estate

- Commercial Leasing
- Vacancy Rates
- Building Permits
- Residential Sales

Multi-family Units

Comparing 2010 to 2012: Stabilizing and Gaining Strength

As the **Indicators at a Glance** table shows, Oakland's economy is recovering well after the rollercoaster of the past decade. The unemployment rate is decreasing significantly and businesses continue to pick up steam, as reflected in the increase in jobs and business licenses. The residential real estate market has also regained its equilibrium. Each of these indicators will be explained and explored more fully in the following pages.

Note: The number of business licenses issued includes 'property rentals' (i.e. homes with lodgers etc.) whereas the number of businesses excludes private 'property rentals'.

Oakland Indicators at a Glance

	2010	2011	2012	% Change 2011-12
Employment				
Number of jobs	170,300	172,800	177,800	9.8%
Unemployment rate	16.9%	15.6%	13.7%	-12.1%
Businesses				
Number of businesses	25,179	24,298	25,316	4.2%
Number of business licenses	42,024	42,841	43,773	2.2%
Sales tax revenue	\$37,646,826	\$40,503,572	-	7.6%
Real Estate				
Single family home sales	3,164	3,338	3,802	13.9%
Median sale price	\$245,000	\$225,000	\$242,000	8%

City Revenues

The City's annual budget across all funds is just under \$1 billion for the FY 2013-2014 budget. About 58% of those funds are restricted for specific purposes such as infrastructure, housing development, and bond-funded programs such as the Measure DD improvements at Lake Merritt. Restricted funds come from grants, fees, bonds or revenues that are collected for a specific purpose.

The remaining 41 % of the City's total budget is the General Fund which pays for basic programs and services such as police and fire protection, libraries, senior centers and recreation programs. The largest source of revenue to the General Fund comes from property tax.

Business Tax Revenue

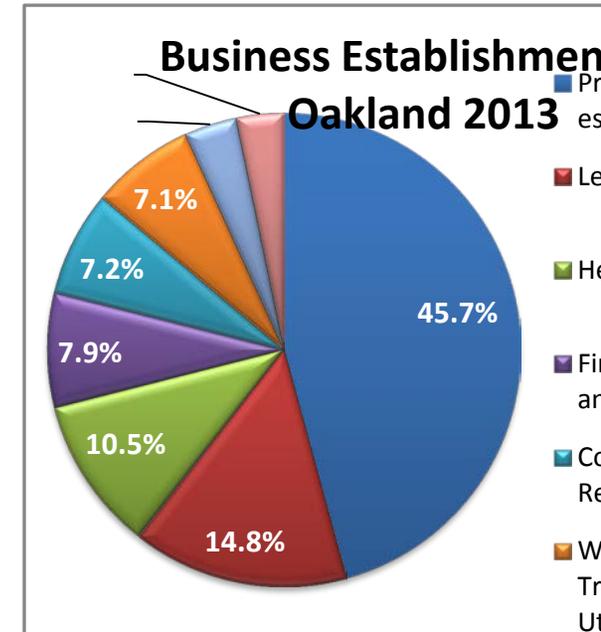
Citywide business license estimates are based on the total number of businesses that have paid license fees within a given year. This number includes businesses headquartered in other cities, doing business in Oakland. In fiscal 2012, Oakland issued 932 more business licenses than in fiscal 2011, an increase of 2.18%. Collectively, these businesses generated \$47,704,712.44 in business tax revenue for the city in 2012.

Although the number of business licenses increased, the total business tax revenues decreased as the business tax is dependent upon the sales tax generated by businesses in a fiscal year. In 2012, license taxes paid by businesses in the Professional/ Semi-Professional Service sector generated 24% of tax revenue for the city, while businesses in the Residential and Commercial Rental Property sector generated 21% and 19% of tax revenue respectively.

Oakland Business Licenses	2011	2012	2013
Total Business Licenses Issued	42,024	42,841	43,773
Total Business Tax Revenues	\$48,862,301.78	\$47,704,712.44	-

SOURCE: OAKLAND BUDGET & REVENUE DEPT

* The revenue figures do not include audit revenues and may therefore differ from other reporting sources.



SOURCE: ECONOVUE (JAN 2013)

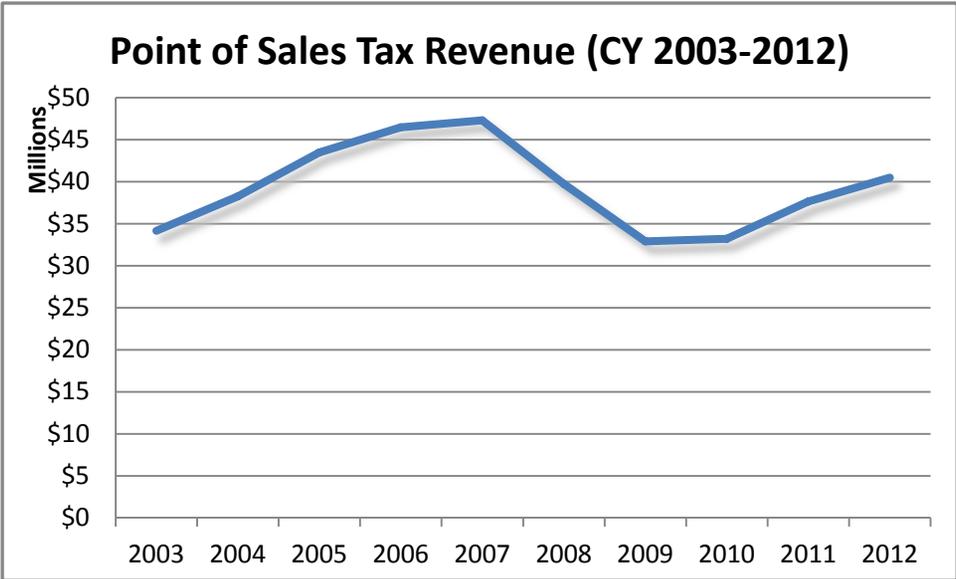
Establishments by Sector

In 2012, EconoVue reported that 24,689 establishments were located in the City of Oakland. This is a minor decrease from the 24,725 reported in 2011. The Professional/Business/Other Services sector represents 45.8% of businesses in Oakland. This broad category includes personal services; professional, scientific and technical services; management of companies and enterprises; and administrative, support, waste management and remediation services. The Leisure/Entertainment/Retail industry holds 14.8% of business establishments. Health Care represented 10.5% of businesses located in Oakland.

There has been little to no change in the sector distribution of business establishments between 2011 and 2012. This indicates that all sectors are performing equally against one another.

Sales Tax Revenues

Revenue from sales tax is an important source of income for Oakland. Sales tax revenue decreased during the great recession, after rising over the 5 prior years. Sales tax has risen steadily over the past two years. Oakland’s rebound has been bolstered by high fuel costs. Combined Fuel and Service Stations and Auto sales make up the largest source of sales tax revenue, contributing \$15 million of Oakland’s revenue, in 2012. Oakland still requires a growth in Point of Sales tax revenues in order to reach what they once were in 2007.



SOURCE: HDL – 2013 SPECIAL DATA REQUEST

Both Oakland and Alameda County have steadily increased in Sales tax over the past two years by 7.6% and 8% respectively.

Top 25 Sales Tax Producers (Alphabetically)	
Audi Mazda of Oakland	Honda of Oakland
Best Buy	Mercedes Benz of Oakland
Broadway Volkswagen	Oakland Coliseum
Chevron	One Toyota of Oakland
Coliseum Lexus	Onesource Supply Solutions
Downtown Saab-Subaru-Toyota	Rainin Instrument
East Bay Restaurant Supply	Safeway
Economy Lumber	Shell/Texaco
Enterprise Commercial Truck	Southwest Jet Fuel
Give Something Back	Target
Harvey Clars Estate	Walgreens
Home Depot	Walmart
	Westside Building Material

Source: HdL – City of Oakland Sales Tax Update Q1 2013

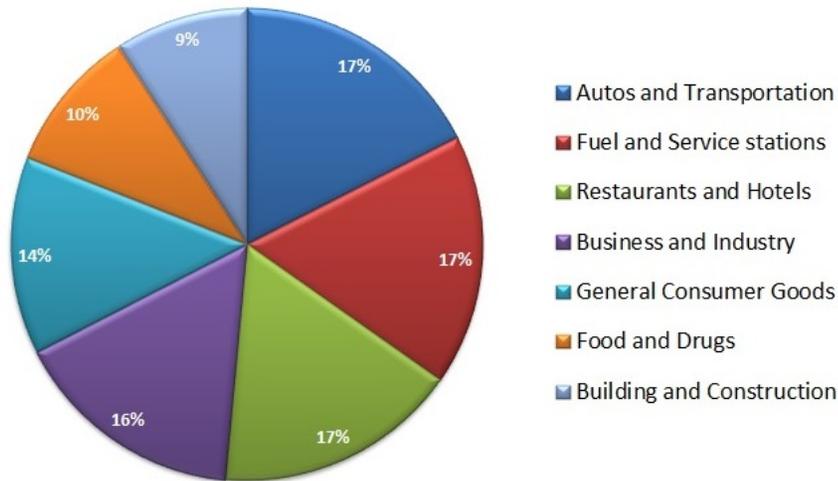
Total Annual Sales Tax Revenues (calendar year)	2011	2012	% Change
Oakland	\$ 37,646,826	\$ 40,503,572	7.6%
Alameda County	\$ 203,944,161	\$ 217,941,167	8%

SOURCE: HDL – 2013 SPECIAL DATA REQUEST

Top Sales Tax Generators

Of all the sectors Autos and Transportation and Restaurants and Hotels continue to steadily grow sales tax incomes. Fuel and Service Stations, followed closely by Autos and Transportation are still the greatest contributors to the sales tax by major business group.

Contribution to total Point of Sales Tax 1Q13



Source: HdL. Oakland Sales Tax 1Q13 Report

Transient Occupancy

Hotel Occupancy in the Oakland/East Bay region increased marginally for the summer month of June between 2012 and 2013; by 0.4%. The average daily rate increased by 5.18% between these periods as well. As a result; the revenue per available room increased by 5.57%.

Oakland/East Bay Hotel Business Trends (month of June)			
	2012	2013	% Change
Average Daily Room Rate	\$103.03	\$108.37	5.18%
Occupancy Percent	81.7%	82.00%	0.37%
Revenue per Available Room	\$84.20	\$88.89	5.57%

Source: PFK CONSULTING JUN 2013 REPORT

Sales tax - Major Industry Group	1Q 2013	1Q 2012	% Change
Autos and Transportation	\$1,716,394	\$1,630,308	5.3%
Fuel and Service stations	\$1,686,594	\$1,707,351	-1.2%
Restaurants and Hotels	\$1,639,619	\$1,482,908	10.6%
Business and Industry	\$1,565,554	\$1,470,271	6.5%
General Consumer Goods	\$1,325,533	\$1,321,150	0.3%
Food and Drugs	\$964,630	\$925,264	4.3%
Building and Construction	\$897,377	\$875,632	2.5%
TOTAL	9,795,701	9,412,884	4.1%

SOURCE: HDL. OAKLAND SALES TAX 1Q13 REPORT

Total Sales Tax revenue received *increased by 4.1%, from Q1 2012 to Q1 2013. The Autos and Transportation and Restaurants and Hotels continue to increase, quarter to quarter, in sales tax generation.*

Property Transfers

2012 saw a decrease in the average number of property transfers from the previous year. Despite this the value of the transfers and consequently the related tax collected increased.

	CY2011	CY2012
No. Transactions	714	707
Tax Collected	\$ 29,721,396	\$ 38,587,344
Value Transferred	\$ 1,981,426,428.67	\$ 2,572,489,571.33

Source: City of Oakland Budget and Revenue

Employment

Jobs by Sector

In Oakland, jobs in Business and Other Services experienced the greatest decline, while other sectors remained relatively steady. The FIRE sector has shown the strongest growth in 2012, with a total of 2,481 new jobs created, an increase of 25%. Although this is a significant increase, this sector has a long road to recover the 30,500 jobs it offered before the Great Recession. The Health Care sector has also recovered by adding 1,957 jobs to the economy.

Much of the private sector growth experienced is supported by Oakland's professional services sector and finance. It is therefore critical that this sector is restored. Manufacturing and the public sector are all steadily increasing job markets, year on year.

In Oakland, jobs in many sectors are continuing to recover, but professional jobs, particularly in finance, insurance and real estate remain profoundly depressed compared to the number of jobs offered before the Great Recession.

Changes in jobs by sector in Oakland, 2007-2012 (calendar year)

Sector	2008	2009	2010	2011	2012
Construction and Resources	11,700	9,686	9,411	10,018	9,653
Manufacturing	14,374	10,399	12,746	12,647	13,726
Wholesale, Transportation and Utilities	19,536	15,347	13,930	14,674	15,256
Health Care	28,445	20,844	19,642	20,654	22,611
Public Administration and Education	35,936	28,937	28,394	38,266	40,154
Leisure, Entertainment and Retail	27,909	23,792	21,343	22,338	22,576
Leisure and Entertainment	13,276	11,637	9,417	9,850	9,664
Retail	14,633	12,155	11,926	12,488	12,912
FIRE, Professional Services and Information	83,996	60,816	50,846	54,826	56,335
Finance, Insurance and Real Estate	30,534	14,319	8,939	9,605	12,086
Professional Services	20,506	17,322	15,373	17,052	16,846
Information and Digital Media	6,900	4,977	3,992	4,321	4,481
Business and Other Services	26,056	24,198	22,542	23,848	22,922
Total	221,896	169,821	156,312	173,423	180,311

SOURCE: ECONOVUE – JAN 13

* The data source for the Public Admin & Education figures was improved in the year 2011. The job numbers pre-2011 are therefore deflated and the increase in the number of jobs between 2010 and 2011, is misleading.

Oakland Employers

Oakland is a strong government center which is consequently a major source of employment. The other top employers are in a variety of business types. Many of Oakland's businesses are within the employee ranges of 5-200 employees.

Top 20 Employers in Oakland	Oakland Employees	Business Type
Kaiser Permanente	10,914	Health Care
Oakland Unified School District	7,664	School district
State of California	7,480	Government
Alameda County	6,218	Government
City of Oakland	5,082	Government
Alta Bates Summit Medical Center	3,623	Health Care
Children's Hospital & Research Center	2,600	Health Care
Internal Revenue Service	2,500	Government
Southwest Airlines	2,100	Airline
Peralta Community College District	1,420	Education
FedEx	1,300	Logistics
Bay Area Rapid Transit	1,158	Public Transit
California Department of Transportation	1,190	Transportation
Clorox Co.	1,004	Consumer Goods
Alameda Contra-Costa Transit District	1,000	Public Transit
AT & T	880	Tele-communications
Wells Fargo Bank	667	Financial Services
East Bay Municipal Utility District	680	Utilities
US Postal Service	646	Mailing & Shipping
Safeway Inc.	596	Retail/Grocery

Income

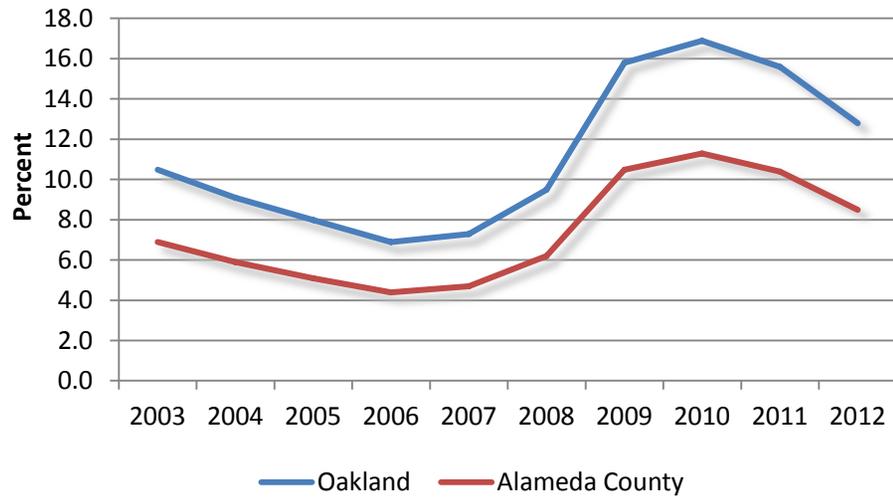
When adjusted for inflation, incomes across the East Bay fell between 2000 and 2011. In Oakland, the median household income fell less dramatically than in the rest of Alameda County. Although, there is a 1.6% increase in household incomes in Oakland from 2010 to 2011 which is a greater increase than the county household salary increases; the increase in household incomes should reflect a greater % change between 2000 and 2011.

Median Household Income	2000	2011	% Change
Oakland	\$50,721	\$50,500	-0.4%
Alameda County	\$83,507	\$67,558	-19.1%

Median Household Income	2010	2011	% Change
Oakland	\$49,721	\$50,500	1.6%
Alameda County	\$67,169	\$67,558	0.6%

Source: US Census Bureau, American Communities Survey. (\$1901)
All amounts are in 2011 dollars.

Oakland & Alameda Unemployment rate



Source: State of California Employment Development Department (EDD)

Oakland's Annual Unemployment Rate has come down from 15.6% to 13.7%, between 2011 and 2012.

Unemployment

In July 2013, the city of Oakland had a labor force of 205,800 and an unemployment rate of 11.9%. This is still significantly higher than the Alameda county average of 7.9%, a total of 4.0 percentage points lower than Oakland's unemployment rate; however the gap has consistently over the past year continue to close. While it's important to bear in mind that unemployment figures do not account for the long-term unemployed and those who have stopped looking for work, the number of individuals in the labor force for Oakland, as well as in Alameda County, has been steadily increasing.

The unemployment rate fell dramatically from 13.7% in January 2013 to 11.9% in July.

Labor Force	2011	2012	% Change
Oakland	204,800	206,000	0.6%
Alameda County	760,900	773,800	1.7%

Source: State of California Employment Development Department (EDD)

Sector Spotlight: Retail

Despite challenges associated with the recession, retail has been on the upswing in Oakland since then, evidenced by a variety of retail types from pioneering independent stores to Target, from multiple supermarkets and shopping centers being overhauled, to an intensely successful and robust downtown restaurant scene.

Why is Retail an Economic Development Objective?

Oakland is likely the nation's largest underserved trade area for comparison goods. Oakland stores do not adequately serve the demand of its residents. Despite the presence of many fine merchants, Oakland lacks a critical mass of comparison goods retailers, which encourages residents to shop outside of town.

A mix of national, regional and local retailers in a variety of formats; commercial districts, small shopping centers, large shopping centers, would be the best approach for Oakland. This mix will allow the city to maintain its unique sense of place and draw, while also allowing the City to reduce its sales tax leakage.

In the years 2011-2013, more than 77 individual retail businesses—including stores, restaurants, bars, entertainment places, banks—have opened in Oakland, garnering over \$1 million in sales tax revenue and generating more than 248 new jobs:

Calendar Year	New Retailers	Estimated Square Feet	Est Oakland Sales Tax Revenue	Est. Jobs
2011	10	13,000	\$95,000	26
2012	58	102,000	\$783,000	204
2013	9	9,000	\$205,000	18
Total	77	124,000	\$1,083,000	248

* These figures do not include the 2011 opening of Target or the upcoming (2013) reopening of Foothill Square

Much of Oakland's recent retail success is due to the surge in new restaurants and bars. These businesses play an important role in revitalizing underperforming commercial districts.

Construction, redevelopment or pre-development of seven new or existing large scale shopping centers is underway across the City, which will bring over 700,000 sf gross leasable area (GLA) retail space to the market, including a significant uptick in comparison goods offerings, and up to 600,000 sf of retail will be gained with three retail or mixed use developments now in the pipeline.

Development Stage	New Shopping Centers	Total GLA to be Built
Underway (under construction or pursuing entitlements)	7	713,197
Pipeline (planned, initial planning discussions)	3	600,000
Total	10	1,313,197

Despite still being undeserved by comparison retailers, Oakland's retail market has made steady improvements over the last several years and currently has a lot of momentum.

Sales Tax Summary

Oakland’s retail base contributes significant sales tax revenue (\$40m) to the City’s General Fund. As of the 2012 calendar year, Oakland’s sales tax revenue had recovered and modestly surpassed 2008 levels in almost all categories. Oakland’s portion of sales tax charged to the customer is just under 1% of the taxable sales amount.

	Growth Rate 2008 to 2012	CY 2012 % of Total Oakland Sales Tax Revenue					
		CY 2012	CY 2011	CY 2010	CY 2009	CY 2008	
General Consumer Goods (Comparison)	7%	14%	\$ 5,512,299	\$ 5,285,524	\$ 4,678,543	\$ 4,750,370	\$ 5,155,847
Food & Drugs (Convenience)	13%	10%	\$ 3,906,441	\$ 3,642,066	\$ 3,561,318	\$ 3,368,256	\$ 3,462,753
Restaurants & Hotels	23%	16%	\$ 6,403,933	\$ 5,769,640	\$ 5,475,686	\$ 5,086,228	\$ 5,212,044
Autos & Transportation	-1%	18%	\$ 7,155,699	\$ 6,435,030	\$ 6,188,334	\$ 5,887,263	\$ 7,210,918
Grand Totals for All Types (incl other industry groups)	3%		\$ 40,503,572	\$ 37,646,826	\$ 33,234,672	\$ 32,585,503	\$ 39,513,388

Source: HdL Companies

As a portion of total sales tax revenue, Oakland outperforms the county and state in Autos & Transportation, Food & Drugs, Fuel & Service Stations, and Restaurant & Hotels sales tax revenue. However, Oakland underperforms in Business & Industry and General Consumer Goods. In 2012, General Consumer Goods generated 14% of Oakland’s sales compared to nearly 23% other cities in Alameda County.

Retail Projects

Completed

- Target; East Bay Bridge Shopping Center
- CVS
- Multiple Downtown Restaurants and Bars & stores
- Old Oakland/popuphood.
- Temescal retail district and Temescal Alley
- 1800 San Pablo
- MacArthur BART Transit Village
- North Broadway Corridor

Underway

- Foothill Square
- 3 Safeway locations: Claremont & College. Rockridge Shopping Center & Lincoln Square
- The Hive
- Shops at Broadway
- Seminary Point

In addition to providing the necessities of life, retail plays an important role in creating a desirable place to live, work and play as well as a sense of place. In fact, the more successful a shopping center or commercial district is—at any price point—the safer it is and the bigger role it plays in enhancing shoppers’ and visitors’ positive impression of a city. For example, the national media now regularly reports on Oakland’s renewed vitality and renaissance due in large part to the thriving dining, entertainment and retail scene in Downtown Oakland.

Real Estate

Commercial properties for lease

Office market rental rates in the East Bay increased overall with Oakland's rates increasing from \$18.95 to \$19.89, from Q1 2013 to Q2 2013. The Retail market rentals have continued to decrease from \$20.21 to \$19.67 over this same time period. Oakland is priced competitively by comparison to its San Francisco neighbor, by offering significantly lower rental rates per square foot. Oakland's industrial market rates have also continued to increase. This may be attributed to the low vacancy rates.

Vacancy Rates

Vacancy rates increased Q1 2013 to Q2 2013 in the industrial and retail markets. The office market maintained its 11.9% vacancy from the previous quarter. As the relatively low vacancy rates attest (for instance 5.1% in Oakland for industrial space compared to 8.9% for the East Bay as a whole), supply of high quality, move-in ready commercial real estate is a barrier for entry for businesses wishing to enter Oakland.

Commercial Real Estate Market, 2nd quarter 2013

	Existing Inventory		Vacant area (SF)	Vacancy rate	Under Construction (SF)	Annual Average Quoted Rates (\$/SF/pa)
	Buildings	Rentable Area (SF)				
Office Market						
Oakland	1,052	27,741,405	3,262,913	11.90%	68,640	\$19.89
Total East Bay	5,682	113,571,086	12,554,187	11.10%	68,640	\$22.59
San Francisco	423	73,654,161	8,431,506	11.4%	3,030,673	\$53.56
Industrial Market						
Oakland	1,644	39,818,995	1,794,854	5.10%	0	\$8.54
Total East Bay	8,581	281,618,918	24,947,875	8.90%	117,200	\$7.67
San Francisco	777	23,615,942	1,111,962	4.71	-	\$12.80
Retail Market						
Oakland	3,215	19,875,525	774,724	4.10%	0	\$19.67
Total East Bay	13,399	126,870,845	6,347,222	5.00%	325,175	\$20.94
San Francisco	238	5,351,856	889,887	17%*	0	\$34.46

SOURCE: CoStar Market Reports 9/03/13

* Much of San Francisco's retail is attached to multi-use and residential buildings and not exclusively retail buildings. It is the exclusively retail properties that the Costar data had audited. The vacancy rate is therefore misleading and is expected to be significantly lower than this.

Oakland's vacancy rates increased across in the industrial and office property markets and have maintained in the office market sector between Q1 2013 to Q2 2013.

Building Permits

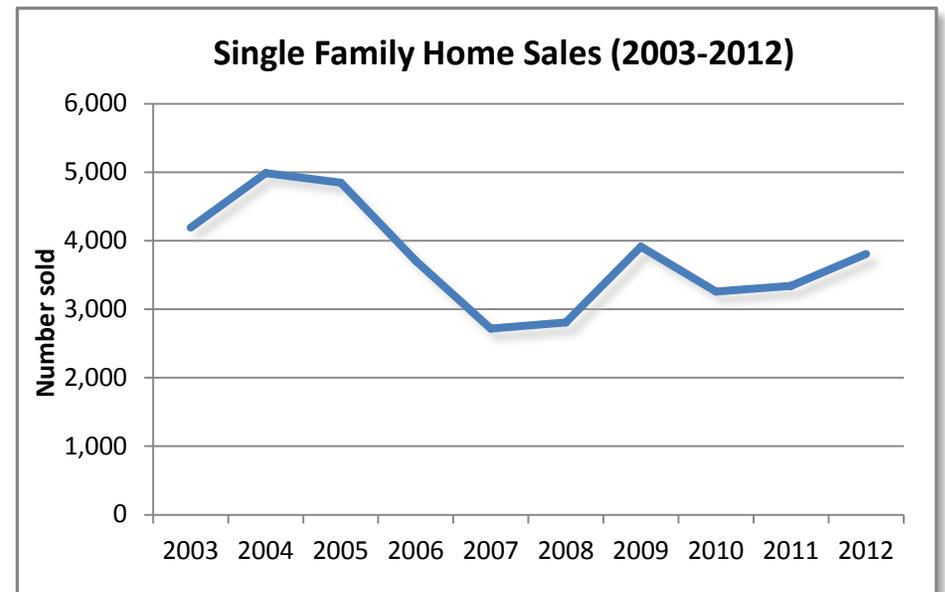
13,028 building permits, representing construction investment of more than \$279.9 million, were issued in 2012.

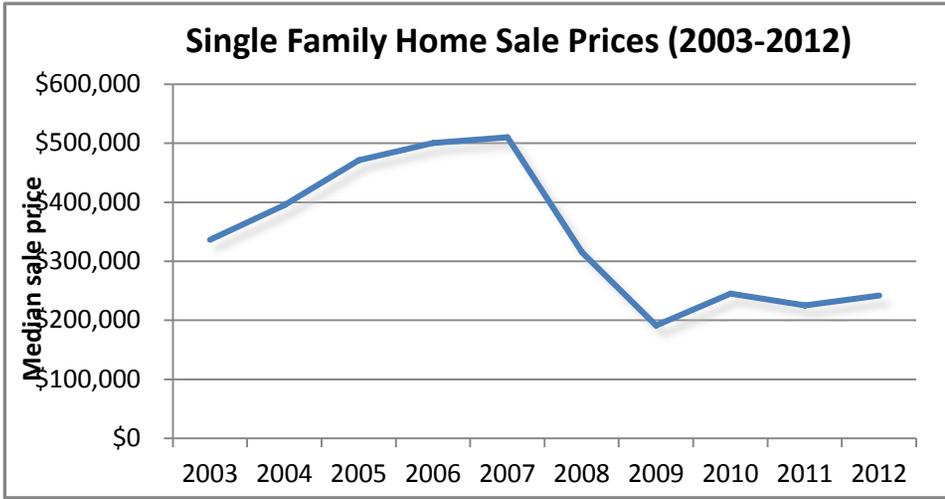
Calendar year	# new Res bldg	Total # Res bldg	Value of new Res	Non-Res	Other Res	# permits	Total Value
2009	112	288	\$57,953,678	\$112,226,843	\$85,638,840	12364	\$255,819,361
2010	161	650	\$103,148,472	\$94,631,345	\$95,394,947	13748	\$293,174,764
2011	48	290	\$45,057,669	\$122,641,998	\$87,845,930	13493	\$255,545,597
2012	59	275	\$58,085,391	\$120,931,317	\$100,893,606	13028	\$279,910,314

SOURCE: HDL PROPERTY DATA, CITY OF OAKLAND PRELIMINARY TAX REPORTS 12-13.

Residential property sales

As in the rest of the country, Oakland's residential market was badly hurt in the economic downturn. After plummeting from 2005 to 2007, the housing market has fluctuated. Single family home sales increased by 13.9% in 2012 with 3,802 houses sold. Meanwhile, the market for rental apartments is very strong, following a trend of increasing demand for rentals across the Bay Area. The rent for a one-bedroom, one-bath apartment in Oakland has risen steadily over the last two years influenced, in part, by young professionals priced out of San Francisco's rental market ("Rental competition fierce in SF's market," *San Francisco Chronicle*, May 8, 2012).





SOURCE: HDL PROPERTY DATA, CITY OF OAKLAND PRELIMINARY TAX REPORTS 12-13.

The median single home sale prices have begun to stabilize after experiencing a peak and plummet from 2007-2009.

SOURCE: HDL PROPERTY DATA, TRANSFER OF OWNERSHIP SURVEY 2008-2012.

Multi-family Housing Market

As rents in San Francisco continue to increase; price-sensitive renters are beginning to consider other options. Oakland is perfectly poised to receive the San Francisco overflow; due to its proximity to the city, rents that are 35% behind the San Francisco market, better climate, and growing entertainment facilities.

Despite the attractive points outlined above, there are multiple local and regional challenges that have stymied both; the uptake in Oakland multi-family residential rentals, and the development of new housing stock. Some of these challenges include:

- Limited late night transportation options between Oakland and San Francisco,
- Branding / social security stigma,
- Underdeveloped social scene,
- Not enough land mass to achieve economies of scale,
- Lack of / inappropriate entitlements,
- Trouble attracting institutional capital. Capital attraction at this point is external investment from outside the region and even country.

The argument that the provision of housing will draw commercial development due to companies wanting to locate closer to their workers, indicates that high density housing is a critical mechanism for economic development. That said, what will attract younger residents with disposable incomes, is the access to entertainment. This is hindered by an underdeveloped, but emerging, entertainment market in Oakland; AND poor after-hours linkages with the entertainment capital of San Francisco. A leakage occurs when residents seek entertainment elsewhere (notably in San Francisco).

Recommendations

The City of Oakland needs to be more 'developer friendly'. Property entitlements are a constant financial and time constraint to developers and

the following could be implemented in order to alleviate this concern. The City of Oakland could:

- Accelerate entitlement applications (?),
- Defer entitlement fees for several years (which could include interest).

A project / list of properties in Oakland which currently have entitlements and what amendments need to be made in order to make them viable for developers.

The City needs to establish where multi-family units are desirable; and at what scale. This will allow developers to establish a sustainable feasibility whilst ensuring they are targeting the right sites and related markets.

Potentially encouraging one late night limited Bart service to the East Bay/Oakland.

Finally, local Oakland development experts believe that **now** is the time to set the ball in motion for the realization of multi-family critical mass. Public and private sector efforts to facilitate this development will promote long term economic development and provide necessary housing for the City and region.