



**AGENDA REPORT**

<b>PROPOSED ACTION: Resolution:</b> Approve and Authorize the Disbursement of up to \$2,000,000 to The Rose Foundation for Communities and the Environment to Administer a Grant Making Program Consistent with the Intent of the West Oakland Community Fund and Authorize the Executive Director to Execute a Memorandum of Understanding with the Rose Foundation to Establish and Grant Funds for the West Oakland Community Fund Memorandum of Understanding. <b>(SRD)</b>	
<b>Submitted By:</b> Amy Tharpe, Director of Social Responsibility; Danny Wan, Executive Director	
<b>Parties Involved:</b> Rose Foundation for Communities and the Environment, Oakland, CA	<b>Amount:</b> \$2,000,000 (Non-Operating Expense)
<b>EXECUTIVE SUMMARY:</b> Port of Oakland (Port) committed to establish a West Oakland Community Fund (Community Fund) under a previous Memorandum of Agreement (MOU) between the City of Oakland (City) and the Port, dated July 8, 2003, and as subsequently amended related to the former Oakland Army Base (OAB) lands. The Port has negotiated with the Rose Foundation for Communities and the Environment (Rose Foundation) to administer the Community Fund and to grant the Rose Foundation \$2,000,000 to be used solely for the establishment of the Community Fund.	

**BACKGROUND AND ANALYSIS**

The establishment of the Community Fund and the Port’s commitment involves over 20 years of work stemming from closure of the OAB and the joint conveyance of that property to the City and Port.

The West Oakland Community Advisory Group (WOCAG) was created in 1996 through the closure and transfer process for the former OAB to advise the Oakland Base Reuse Authority (OBRA) on the redevelopment and environmental remediation of the OAB. OBRA was dissolved in June 2006, and in 2007, the City of Oakland Administrator (Administrator) made WOCAG an advisory body to provide community feedback to the Administrator on OAB matters. While this advising role expired in 2010, WOCAG continues to operate on its own in an informal capacity.

In 2003, the City, OBRA and the Port entered into a memorandum of agreement (City-Port MOA), which, among other things, called for the creation of the Community Fund. The intent of the Community Fund was to provide funding for economic development projects in West Oakland, the neighborhood most directly impacted by closure of the

OAB. In 2006, the City created the Community Fund account pursuant to Resolution No. 2006-0055 C.M.S.. The City-Port MOA, as amended in June 2007, states that the City and Port would each be responsible for contributing \$2 million to the Community Fund.

In 2007, WOCAG developed the following proposed framework for implementing the Community Fund:

- To fund the City's portion of the Community Fund, the City would require developers to pay approximately \$16,000 for each acre of land that it purchased or leased for development at the OAB for an anticipated total of \$2 million.
- The Community Fund would target funding for projects and programs that, among other criteria, would support existing small businesses, help create new businesses in the area, and support new employment opportunities and training for West Oakland residents.

The City incorporated the \$16,000 per acre payment into its development agreements with developers at the OAB that were entered into between 2014 and 2018. To date, the City has received \$1,709,760 in payments from OAB developers and eventually expects to receive up to \$2.4 million in total if and when all contemplated transactions are completed. The City is currently holding this money in a non-interest-bearing liability account since it is intended to be granted to third parties within the West Oakland community. The City now intends to formally establish a process to distribute these funds.

Upon the Community Fund's establishment, the City-Port MOA provided that the Port shall make a matching contribution of up to \$2,000,000. In 2005, SB 674, which transferred ownership of a portion of the former OAB property to the Port, stated that the Port may contribute to a community trust fund "established or funded by the city."

Now that the City is proposing to formalize and provide funding for the Community Fund, the Port is prepared to fulfill its commitment and contribute \$2 million to facilitate the administration of the grant making activities. The Rose Foundation, through separate agreements with the City and Port, would combine these funds to administer a joint Community Fund. This MOU grants the Rose Foundation \$2,000,000 from the Port in support of the West Oakland Community Fund. The grantmaking framework and Agreement between the Port and Rose Foundation is substantially in the form included as [Attachment A](#).

Consistent with the original intent under the City-Port MOA and framework as defined by the WOCAG, the Community Fund's purpose is to provide grants to support equity-centered programs benefiting West Oakland that would facilitate locally based environmental or economic development projects. All grants would be awarded to 501(c)(3) nonprofit organizations, with preference extended towards non-profit organizations located in West Oakland that provide services to West Oakland individuals and families, and/or the local environment in West Oakland.

Grants awarded from funds provided by the Port are subject to Public Trust/Tidelands Trust restrictions as required by the Oakland Army Base Public Trust Exchange Act, S.B. 674, Ch. 644 (Cal. Stat. 2005) (OAB Exchange Act). Port Staff consulted with State Tidelands Commission representatives on the development of the Fund and grantmaking framework.

The term of this MOU shall be for a maximum of eight years commencing on the effective date when signed by the parties. The MOU will automatically terminate once all the funds have been disbursed, the projects funded under the grants are completed, and the final overall report has been produced and submitted to the Port and the California State Lands Commission as required by the OAB Exchange Act.

### **West Oakland Community Fund**

**Grant Making Framework:** The grant making framework was developed in consultation with representatives of the WOCAG.

Funds would be disbursed in an annual grantmaking process over a 4–8-year period. Approximately \$500,000 or more (less administrative costs) would be awarded each year through an annual grant cycle. The size of individual grants awarded would be determined by the funding advisory board. Any remaining funds after eight years would be awarded as a final round of supplemental grants to support grantees who had achieved the greatest impact during the previous years of annual grantmaking.

**Areas of Giving:** Eligible projects must be consistent with Tidelands Trust guidelines, address economic, social and environmental equity issues in West Oakland, and must be focused towards at least one of the following areas:

- Business Development Projects that support local entrepreneurship, small business development and other targeted local economic development in West Oakland including local hiring programs serving West Oakland businesses and residents.
- Workforce Development Projects, including job training programs targeted towards West Oakland residents.
- Educational Projects including but not limited to programs serving West Oakland K-12 students around the fields of science, technology, engineering, arts and math (STEAM); adult skills development and continuing education programs.
- Environmental Projects focused on reducing existing or historical environmental impacts, and/or providing environmental benefits to the West Oakland community.

## **Timeline**

First Year Grant Cycle Deliverables:

- Form Funding Advisory Board.
- Develop and circulate a Request for Proposals.
- Conduct “How to Apply” outreach and respond to prospective applicants.
- Receive and review grant applications, including coordinate review by Funding Advisory Board.
- Submit a list of proposed grantees to the Port and support the Port’s coordination of State Lands Commission approval of the proposed grants.
- Award and administer grants.
- Produce an Annual Report describing the Fund’s activities and grants awarded.

Subsequent Years: To follow substantially the same process until the Community Fund is exhausted, including:

- Manage the process of renewing Funding Advisory Board members’ terms of service and/or recruiting replacement members.
- Consider any needed changes to the Fund’s operations or applicant outreach, and review grants applications and make new funding recommendations.
- Award and administer grants.
- Publish Annual Reports.
- Upon exhaustion of funds, produce a Final Report.

Annual Reports: The Rose Foundation will prepare an Annual Report describing the Community Fund’s activities including applicant outreach and grantmaking. These reports shall include a roster of grantees describing each awardee, the amount of the grant award, and a summary project description. As the Community Fund moves forward, subsequent Annual Reports shall also include a section summarizing key accomplishments of past grantees and the cumulative impacts of the Fund. These reports will be shared with the Board of Port Commissioners (Board) annually.

Final Report: At the close of the Community Fund, the Rose Foundation shall produce an overall report describing all grants awarded and summarizing the Community Fund’s overall impacts and benefits to the West Oakland community. In addition, the expenditures of the Community Fund shall be included in the Rose Foundation’s annual audit. This report will be shared with the Board.

## **Funding Advisory Board Composition**

Grantmaking strategy and grant recommendations would be guided by a Funding Advisory Board. Three board members shall each serve 2-year terms, and members may serve for up to four terms. A five-person Funding Advisory Board would be charged with guiding overall grantmaking strategy, helping ensure robust outreach to the West Oakland

community regarding the funding opportunity, and reviewing grant proposals to advise grantee selection.

The Funding Advisory Board shall consist of the following parties:

- WOCAG Community Seat: To be appointed by the WOCAG co-chairs. Their specific role would be to help ensure that the activities of the Fund provide maximum benefit to West Oakland and its residents.
- Port of Oakland Seat: To be appointed by the Port. Their specific role would be to advise on Tidelands Trust issues and help ensure that all grants awarded from monies supplied by the Port conform to Public Trust/Tidelands Trust requirements.
- District 3 Seat: To be appointed by the Office of the City of Oakland's District 3 Oakland Councilmember. Their role would be to help ensure that the Fund's activities provide maximum benefit to the West Oakland community and the City.
- At-Large Community Seat: To be appointed by mutual agreement of the Rose Foundation and the other Funding Advisory Board representatives. Their role would be to help ensure maximum benefit to West Oakland and its residents for the Community Fund's activities.
- Rotating Technical/Professional Expertise Seat: To be appointed by the mutual agreement of the Rose Foundation and the other Funding Advisory Board representatives. Their specific role would be to provide technical and/or professional expertise related to the four priority goals of the Fund and the Funding Advisory Board's identified grantmaking priorities.

### **Fund Administration**

The Rose Foundation will maintain the funds in an interest-bearing account at an Oakland-based financial institution. To defray its costs of administering the funds, the Rose Foundation shall charge the following fees:

**Annual Fee:** The Rose Foundation charges an annual fee equivalent to one percent (1%) of the gross value of the Fund.

**Grantmaking Fee:** Since the scope of the grantmaking for this Fund is not yet fully determined, it is not yet possible to determine the exact Grantmaking Fee. For comparison, grantmaking fees for other similar mitigation funds typically range between 8% - 15%, with an average of 10%.

**OTHER FINDINGS AND PROVISIONS**

**ENVIRONMENTAL REVIEW**

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes: The creation of this funding mechanism does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Any projects that might be funded would need to undergo CEQA determination.

**BUDGET**

Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR  
 Operating                       Non-Operating                       Capital

Analysis: The \$2,000,000 grant to the Rose Foundation was not included as a budgeted expense item in the Board Adopted FY 2025 Operating/Non-Operating Budget. Port staff expect funding for this unbudgeted expense to come from underspending in other areas of the Port's Operating and Non-Operating Expense Budget.

**STAFFING**

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.  
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).  
Reason:

**MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):**

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

**LIVING WAGE** (City Charter § 728):

Applies?

No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

Additional Notes:

<p>The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.</p>	<p>Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.</p>								
<p><b><u>SUSTAINABLE OPPORTUNITIES:</u></b>  <u>Applies? Choose an item</u><b>Yes.</b>  <b><u>Reason:</u></b> Funding eligibility includes Environmental Projects centering around reducing existing or historical environmental impacts, and/or providing environmental benefits to the West Oakland community.</p>	<p><b><u>GENERAL PLAN</u></b> (City Charter § 727):  <u>Conformity Determination:</u>  No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility or create a new facility.</p>								
<p><b><u>STRATEGIC PLAN.</u></b> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:</p> <table border="0" style="width: 100%;"> <tr> <td><input type="checkbox"/> Grow Net Revenues</td> <td><input type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input checked="" type="checkbox"/> Improve Customer Service</td> <td><input type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input checked="" type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input checked="" type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<input type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure	<input checked="" type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence	<input type="checkbox"/> Strengthen Safety and Security	<input checked="" type="checkbox"/> Serve Our Community	<input checked="" type="checkbox"/> Care for Our Environment	
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