



Neighborhood Jobs Program



Employment Development Strategy

Draft
March 10, 2003



Background

Swans Market is an historic landmark located in the center of Oakland. The former supermarket building will be restored and redeveloped to provide 18 affordable rental apartments with a community room open to the public, 20 "Cohousing" condominiums and 40,000 square feet of commercial space. The commercial space will house a mixture of office uses, arts organizations, retail shops, cafes and restaurants. Oakland's Historic Housewives Market, a collection of small fresh foods vendors, will relocate from their current location on an adjacent block.

Job Retention and Creation Targets

The Swans project is projected to result in the retention of 50 permanent jobs and the creation of 70 - 135 new permanent jobs. These jobs will primarily be retained and created by the private firms who lease space in the commercial portion of the development. The numbers in Appendix A represent a conservative estimate of the number of jobs created by each business that will be leasing space at Swans Market.

Target Population

Of the 70 - 135 new jobs 75% (**53**) are targeted for Low-income employees as defined by the Poverty Income Guidelines published by the Department of Health and Human Services each March. (See Appendix B.) In 1998, a family of four earning less than \$16,450 would qualify under this guideline. We will attempt to place CalWORKS participants in as many of these positions as possible and will track the number of CalWORKS program participants as well as the number of Low-Income employees hired at Swans. While these employees can live anywhere in the region, we will make special outreach efforts in three target areas; West Oakland, Chinatown/Central and San Antonio. These are the three areas of concentration of EBALDC's Community Development programs. The project is located in the Chinatown/Central district and the other neighborhoods are each adjacent to project area.

Target:

53 low-income employees will be hired into new jobs created at Swans.

Program Design

As property manager of the building, EBALDC has an interest in the success of each business. No business at Swans will be required to hire employees that they are not confident will succeed. The program is being designed to provide a range of incentives to businesses to hire low-income employees. At a minimum all businesses will be required to participate in developing the program and to report hiring information. In order to make it easier for businesses to hire targeted employees, EBALDC will develop a referral network. Tax Credit Assistance and a subsidized work experience program will provide more direct financial incentives to businesses that hire certain categories of workers. For larger employers, a custom training program can be developed.

Notification and Reporting

Leases at Swans Market will require each commercial tenant to notify EBALDC of job openings as soon as they become available, to report certain demographic information about their employees and to participate in evaluating the Neighborhood Jobs Program.

Employee Referral Network

While EBALDC does not provide job placement and retention services directly, we are able to partner with other organizations to provide these services to Swans' Tenants. EBALDC will manage an Employee Referral Network that will consist of a selected set of Employment Development Service Providers each of whom operates a job readiness or training program and can provide work ready employment candidates from the target population prescreened to meet the specific needs of the employer. Each of the service partners would provide some level of post employment support services to the employee and would participate in EBALDC's data collection and evaluation process. EBALDC's coordination of this program is provided at no charge to the businesses.

EBALDC will employ a Program Coordinator for the first three years of the project who will work with each tenant to develop screening and selection criteria for each new position created or replacement employee hired at Swans. The Program Coordinator will work with the Employment Development Service Providers to identify potential employees who have been prescreened and determined to be job ready. The Coordinator will insure that a minimum of 3 qualified candidates are referred for interviews with the employer within 3 working days of any job posting. The Coordinator will track the results of employees referred by each of the service providers and evaluate the success of each. This evaluation will help insure that referrals are only coming from agencies that are adequately preparing employees to succeed.

Target:

The program will insure that 3 qualified candidates are referred to the employer for interviews within 3 working days of a job posting.

Tax Credit Assistance

There are a number of tax credits available to businesses that hire certain targeted employees. For example the Federal Welfare to Work Tax Credit program will reimburse employers for 35-50% of an employees wages for the first 2 years of employment. Swans Market is located in a California Empowerment Zone which entitles employers to claim a credit of up to 50% of first year wages declining to 10% of wages in the fifth year. These and other programs are summarized in Appendix D. EBALDC will contract with a qualified expert to offer training to Swans Tenants on the requirements for claiming these various credits. These trainings will be open to either the business owner or their tax preparer, or both. As candidates for employment are referred, our Program Coordinator will make every effort to notify potential employers of the tax credits which might be available relative to each specific employee. Of course, each of the tax credits have complex rules and we will not be able to guarantee that any business will be able to claim any specific credit for hiring any specific employee. We can however make sure that employers are aware of the availability and rules for relevant tax credit programs and assist them in obtaining the appropriate tax forms.

Work Experience Program

Beyond this simple linkage to existing resources, we have developed a partnership with the Jobs Consortium to fund a work experience program that would subsidize wages for welfare-to-work

clients hired by Swan's tenants. These jobs are an important first step for welfare recipients in obtaining sustainable jobs and offer small employers an easy way to learn if these employees can meet their specific needs without all the risk and paperwork of direct employment.

The Work Experience Program will provide qualified employees to employers on a trial basis. A private Temporary agency, RelyAble Choices, will be the employer of record for these employees and they will be placed on a temporary basis with employers located within Swans. The Employer will pay an hourly fee of \$4.50 per employee and RelyAble will cover the remaining costs of wages, benefits and insurance. After 3 months the employer will have the option of hiring the employee on a permanent basis or continuing the temporary placement for an additional 3 months with the employer being billed the full cost of wages, benefits and insurance. It is expected that the business would hire the employee permanently after 6 months.

Customized Training Options

Through our Employment Development partners, EBALDC can help create customized training programs for specific employers. These training can be developed to complement on-the-job training programs offered on site. EBALDC will seek funding from the Employment Training Panel to cover the costs of this type of custom training program.

Monitoring and Evaluation

Data Collection

Each employer located at Swans will be asked to complete an employee information form at the time of move in and on a regular basis. For the initial 3 years of the project, these forms will be completed twice annually so that progress toward hiring goals can be measured. After the initial period the forms will be completed annually. In addition employers will be asked to supply copies of their DE-6 Payroll Tax Reports on a regular basis.

Analysis

The program coordinator will analyze the completed forms and produce a brief progress report. The report will identify the number and occupation of jobs created and the previous incomes of employees hired to fill those jobs. The Report should also identify the referral source for employees hired through the Swans Neighborhood Jobs Program.

In order to evaluate the geographic impact of the jobs created at Swans, we will collect employee data and produce an annual map indicating (generally) where employees at Swans live.

Staffing

The Swans Neighborhood Jobs Program will be operated by EBALDC's Neighborhood and Economic Development Department. The program will be administered by a Neighborhood Jobs Program Coordinator. The job description for this position is attached as Appendix E. The Coordinator will be hired as a full time position within EBALDC but will be assigned to work half time with Swans employers and half time with the Lower San Antonio Welfare to Work Partnership. During the initial move in phase of Swans Market, it is understood that more than half of the Coordinator's time will need to be dedicated to Swans.

Appendix A: Estimated Number of Jobs Retained and Created by Tenant

<u>Company Name& Product</u>	<u>Estimated Jobs Saved</u>	<u>Estimated New Jobs</u>	<u>Lease Up Status</u>
Café Metropolis	0	15	Committed
A.J. Clothing	0	6	Negotiations
Suruki	0	6	Negotiations
Anpu Gifts	0	2	Committed
Grimshaw Posters	2	1	Committed
Asian Health Services	?	?	Negotiations
Neighborhood Reinvestment	?	?	Negotiations
Community Economics Inc.	8	1	Committed
Museum of Children's Art	27	2	Committed
Olivera's (Art Gallery)	0	2	Committed
Chi (Art Studio)	0	1	Negotiations
Elegant Touch Florist & Gift	0	1	Committed
Property Management	0	3.5	Committed
Sam Liquor	2	0	Committed
Taylor's Sausage (handmade sausages)	3	0	Committed
Allan's Ham & Bacon (Deli)	4	2	Committed
Cervantes Produce	3	0	Committed
Moura's Fish	4	1	Committed
Grocery	2	0	Committed
Jack's Meat	4	1	Committed
Total Estimated Employment	59	44.5	

Appendix B: Estimated Number of Jobs Retained and Created by Tenant

<u>Company Name</u>	<u>Position title</u>	<u>Number of Jobs</u>
Café Metropolis	Clerk	13
	Dish washer	1
	Assistant Manager	1
A.J. Clothing	Sales person	3
	Hair Stylist	3
Suruki	Waiters	4
	Dish Washer	1
	Cashier	1
Anpu Gifts	Sales Person	2
Grimshaw Posters	Sales Person	1
Museum of Children's Art	Exhibition Coordinator	1
	Program Coordinator	1
Olivera's (Art Gallery)	Sales Person	2
Chi (Art Studio)	Sales Person	1
Elegant Touch Florist & Gift	Floral Designer	1
Allan's Ham & Bacon (Deli)	Cook	1
	Clerk	1
Moura's Fish	Butcher	1
Jack's Meats	Butcher	1
Property Management	Janitor	1
	Manager	1
	Maintenance Person	1
	Security Guard (Part-time)	.5
Community Economics Inc.	Analyst	1
Total Estimated Employment		44.5

Appendix C: Vacant Spaces

Location	Square Footage
Washington Street	3,900
9 th Street	1,100
9 th Street	400
Office Space	9,000
Total	14,400

Appendix D: 1998 Income Guidelines

1998 POVERTY INCOME GUIDELINES FOR THE 48 CONTIGUOUS STATES AND
THE DISTRICT OF COLUMBIA

Size of Family Unit	Poverty Guidelines
1.....	\$ 8,050
2.....	10,850
3.....	13,650
4.....	16,450
5.....	19,250
6.....	22,050
7.....	24,850
8.....	27,650

For family units with more than 8 members, add \$2,800 for each additional member. (The same increment applies to smaller family sizes also, as can be seen in the figures above.)