

# ACHIEVING COMMUNITY TRANSFORMATION:

*Intentional Investment in  
People & Place*

An aerial photograph of a city, likely Castlemont, showing a dense residential area with many houses and trees. In the foreground, there is a large green field and a red track. The city extends to the horizon, with mountains visible in the distance under a clear blue sky.

**The Castlemont  
Advantage**

**Written in Partnership With...**

Alameda County Health Care  
Services Agency

Alameda County Probation Department

Alameda County Social Services Agency

Oakland Unified School District

Urban Strategies Council

# Our Vision

We envision a healthy and economically vibrant neighborhood where wealth building rather than service delivery is the focus of public and private dollars. We envision a fundamental shift from spending to investment that ensures individual and collective growth and financial security through quality education, housing, community assets, and sustainable career opportunities. We envision an equitable community that addresses social determinants of health by ensuring that residents have access to:

- High achieving schools
- Diverse range of economic opportunities
- Safe public space
- Quality affordable housing
- Developmental child care
- Reliable public transport
- Fresh nutritional food
- Community-serving financial institutions
- Quality culturally competent health care



# Our Community

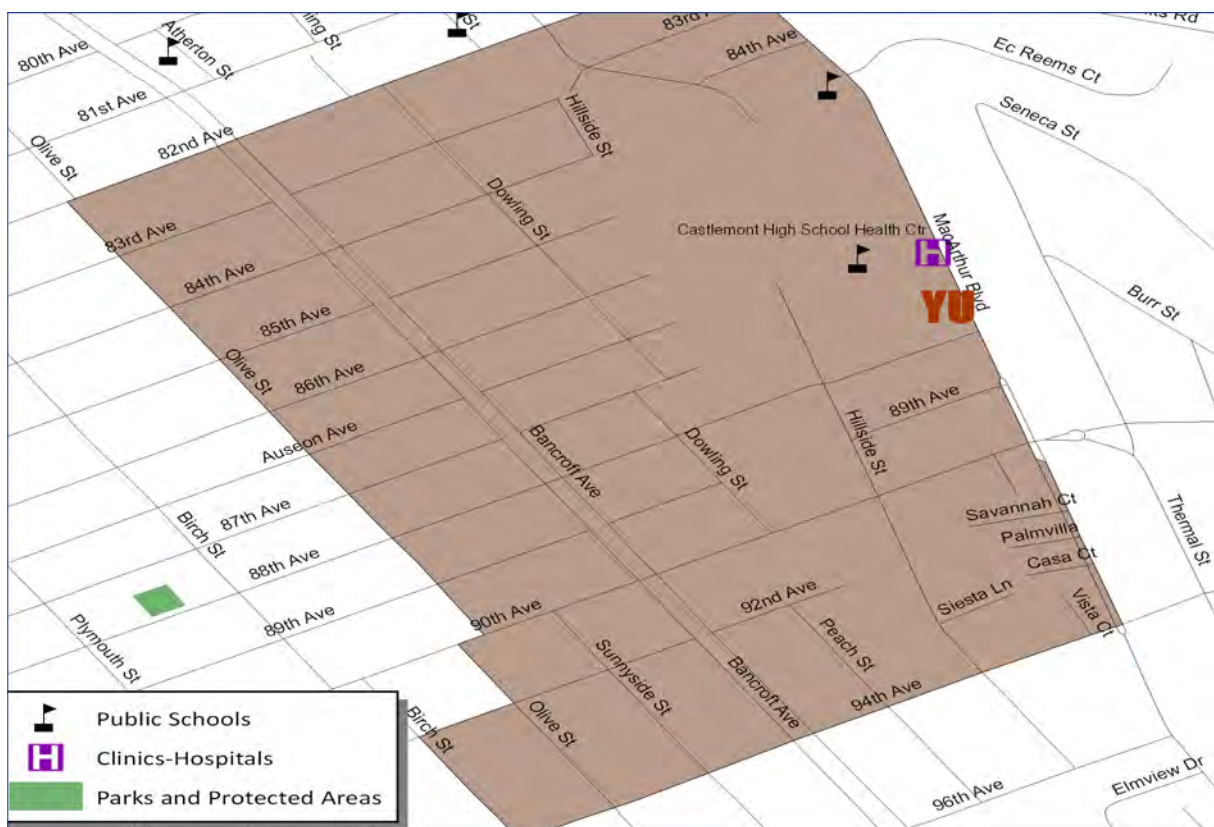
## *Building on our Strengthens*

Generations of private sector retrenchment and uncoordinated government programs focused on “services” have yielded increasingly diminishing returns for East Oakland. Despite spending more than \$13 million annually in Social Services, Health, OUSD and Probation for the Castlemont Community, startling statistics persist in all major social indicators including—homicide as the leading cause of death among young people and life expectancy for residents in Castlemont is 10 years shorter than that of people living just 1.3 miles away in the Oakland Hills (see data addendum).

For almost seven years, YU has been evolving as a model that holds personal transformation, systems change, and community economic development as the path to community transformation. We believe services alone will not move a community out of poverty. Intentional efforts to develop the local economy are necessary to yield significant tangible results.

In partnership with the strong leadership in each of the key systems, all committed to equity and place-based work, we believe the timing is ideal to launch a coordinated community economic development strategy for census tract 4097 in recognition that:

1. An individual’s quality of life is determined by their sustainable wage employment and financial resources;
2. And, a community’s health is determined by its capacity to circulate a sufficient amount of capital within its economic eco-system;
3. The most important determinants of resident and community well-being is its connection to the local economic engine.



# Our Recommendations

We use the term “community economic development” to communicate our intent that all programmatic, policy and financial activities will focus on ensuring job training, labor market attachment, business ownership and housing opportunities for existing residents. To this end, we recommend the following:

**1. Use the goal of community economic development as the guiding principle for all investments and services.**

**2. Develop a comprehensive investment place-based approach that prioritizes community economic development and sustainable wealth building strategies.**

- Adopt and utilize procurement and employment policies to increase community capital and as a vehicle to create jobs for residents
- Identify land use, tax policy, private financing and funding opportunities that support and promote business development and job creation
- Leverage the place-based policy frame to address social determinants of health by enticing community-focused financial institutions, grocery outlets
- Support and promote affordable home ownership in the face of foreclosures

**3. Align education with market trends**

- Leverage training and educational pipelines that meet the private sector’s workforce needs
- Develop curriculum that leverages market dynamics, especially the East Bay comparative advantages in STEM, and positions students and young adults to compete in the workforce
- Establish experiential learning centers that provide supportive work environments

**4. Coordinate public services to facilitate community, family and individual development and well-being**

- Maximize the use of workforce supports to stabilize families and individuals, e.g. Child Care, Housing Subsidies, CalFresh, CalWORKs, Dislocated Worker Training, Medi-Cal and other insurance options
- Engage public safety officials and the community to create strategies to decrease crime, making the neighborhood secure for people and businesses
- Ensure public transportation serves the needs of the residents and the business community by providing reliable transport to local job markets

# Our Opportunity

## *Why Now?*

- 1. Strong local public & private leadership**
- 2. Collaborative relationships among key stakeholders**
- 3. Shared commitment to equity by public and private sector partners**
- 4. Emerging realization that a robust local economy is critical to the health of neighborhoods and families**
- 5. Diminished local resources necessitates collaborations**

## *Why East Oakland?*

- 1. Availability of land for new development and opportunities for revitalizing existing residential and retail properties at below replacement cost**
- 2. Proximity to strong economy with venture capital investment, professional/technical and manufacturing jobs in south Alameda County**
- 3. Youth UpRising as high capacity anchor**
  - Connection to and support of the Community
- 4. High levels of existing investments**
  - Youth UpRising
  - East Bay Asian Local Development Corporation
  - The California Endowment - East Oakland Building Healthy Communities
  - The James Irvine Foundation - Education-to-Career Pipeline
  - Land Trust to stabilize housing
- 5. Strong base to build on**
  - Oakland Unified School District Commitment to Transform Castlemont
  - Existing ownership of property by private banks and public partners
  - SSA Commitment to Education + Employment Model
  - Probation Partnership on on improving public safety
  - Health commitment to health/wealth and place-based strategies
  - Coliseum and Airport Redevelopment
- 6. Opportunity to capture \$338 million retail bleed**

# Our Opportunity

## *What We Know*

### Market Opportunities

- Over **9.3%** of the jobs in the East Bay, approximately **80,000**, are Professional, Scientific and Technical Services (PSTS) or Manufacturing, with annual average projected growth at about **2%**
- Manufacturing is linked to PSTS, making it a source of mid-skill sustainable wage employment
- Manufacturing occurs in South Alameda County, adjacent to East Oakland
- High levels of Venture Capital investment occur in Alameda County (**\$1.1B annually**)
- Nationally Alameda County ranks 2nd to only Santa Clara County in three industries: Industrial Energy, Semiconductors and Electronics Instrumentation (**\$580M annually**)
- Service industries such as health care, education and retail comprise **38% (n=305,180)** of the East Bay labor market

### Infrastructure & Land Use

- Major development has not occurred in East Oakland in **35+ years**, with the last significant investments prior to 1979
- Since 1980, Southern Alameda County's non-retail commercial development has outpaced Central Alameda County at a rate of approximately **7 to 1**
- South and Central Alameda County share concentrations in manufacturing and wholesale trade indicating workforce compatibility and economic development/agglomeration opportunities for East Oakland

### Workforce Demands

- 7 out of 10 jobs in the East Bay in the next 10-years will be the result of replacements for retired workers
- Through 2018, professional, manufacturing and service industries will account for roughly **47%** of those jobs (**n=11,970**)
- Rigorous course work in the science, technology, engineering and math (STEM) fields, as well as linked Learning and Career Advancement Academies, are identified as necessary to close the skill gap between labor market demands and job seekers

# Our Objectives

*Setting Obtainable Priorities*

- 1. Direct the flow of private and public capital towards creating community assets and wealth**
- 2. Increase long-term labor force attachment by building education, workforce and job creation strategies that align with market trends**





# Our Objectives

## Setting Obtainable Priorities

	Early Childhood Development	Education	Government Agencies	Transportation	Community Partners	Community Development Finance Institutions	Foundations	Private Banks	Venture Capitalists
<b>Flow of Capital:</b> Private, Public, Built Environment and Community Level Work	Financing Baby College	Procurement Policies  After School Funding  School Support Services	Procurement Policies  Title IV-E  Land Use, i.e. Zoning, Use of City-Owned Land  CDBG and Small Business  Housing Subsidies	Procurement Policies	Land Trust  Direct Services  Merchants Associations  Consumer Groups	Procurement  Investments in property acquisition and rehabilitation  Financing for small businesses and social enterprises  Financing for mixed use development real estate	Investments in property acquisition and rehabilitation  Financing for small businesses and social enterprises	Procurement  Investments in property acquisition and rehabilitation  Financing for small businesses and social enterprises  Financing for mixed use development real estate	Procurement  Investments in property acquisition and rehabilitation  Financing for small businesses and social enterprises  Financing for mixed use development real estate
<b>Agent of Designation</b>									
<b>Labor Market Attachment:</b> Private, Public, Individual Level Work	Developmental Child Care for Children  Jobs in Child Care Parental/Family Access to Work Support (i.e. childcare)	Alignment of Curriculum to Market Trends  Across Elementary, Middle, and High Schools	Independent Living Skills Program  WIB Employment  Labor Market Supports  Summer Employment  Coliseum Redevelopment  Construction (MacArthur Parcels)	Summer Employment	Summer Employment  Youth Supportive Job Program	Labor market support	Funding education, internship and hiring programs that build a high quality labor force	Small & commercial business development	Small & commercial business development

# Our Next Steps

## *Aligning Our Work with the Objectives*

	Build Shared Vision of Success	Data Analysis	Clarify Needs, Gaps & Resources	Develop Jointly Held Solutions	Establish & Track Indicators	Align Resources	Shift from Spending to Investment	Build Accountability Structure	Assess & Re-tool
<b>Flow of Capital:</b> Private, Public, Built Environment and Community Level Work	Identify types of capital required to build an infrastructure to attract and hold economic development at a tipping point scale	Use local and regional trends to inform strategy, including market, land use, foreclosure, blight and other factors that impact the built environment	Assess unmet market and community needs to identify opportunities to increase the circulation of capital within the tract.	Prioritize and sequence projects with an emphasis on opportunities to leverage cross-system and public private partnerships	Ensure accountability, identify metrics for success in terms of attracting and circulating capital	Fund, in partnership, priority projects in ways that maximize funding streams and re-captures savings to attract and retain capital	Explore how money spent procuring goods and services can be invested in growing enterprises within the tract and/or that employ people residing in the tract	Establish leadership, management groups, which include industry leaders, responsible for advancing the work and reporting publicly	Develop a schedule for assessing output and re-tooling strategies to ensure consistent movement toward goals
<b>Labor Market Attachment:</b> Private, Public, Individual Level Work	Identify types of education and hard/soft-skill training required to build a workforce to attract and hold employment, social enterprises and worker co-ops at a tipping point scale	Use local and regional trends to inform strategy, including labor market and business development needed to impact the levels of employment	Assess unmet market and community needs to identify opportunities to increase the employment and job readiness within the tract.	Prioritize and sequence projects with an emphasis on opportunities to leverage cross-system and public private partnerships	Ensure accountability, identify metrics for success in terms of labor market attachment	Fund, in partnership, priority projects in ways that maximize funding streams and re-captures savings to retain, expand and create sustainable wage jobs	Explore how money spent procuring goods and services can be invested in growing enterprises within the tract and/or that employ people residing in the tract	Establish leadership, management groups, which include industry leaders, responsible for advancing the work and reporting publicly	Develop a schedule for assessing output and re-tooling strategies to ensure consistent movement toward goals

# Addendum A:

*Baseline Data*



# Baseline Data

## *East Oakland's History*

East Oakland has a long, proud history of activism and has served as an incubator of political and social movements. The conflating forces of social and economic exclusion, however, have consigned this once thriving middle-class community into a case study of system failure.

In the 1940s Oakland was one of the fastest growing industrial cities on the West Coast. In the decades following World War II, global economic trends and technological advances eliminated domestic industrial/manufacturing jobs creating massive disinvestment and employment losses in industrial-based cities.

Oakland has not escaped unscathed and East Oakland, the seat of much of Oakland's industry, was particularly impacted. The transition from a manufacturing-based to a service-based economy and regional planning that incentivized suburban growth debased the economic foundation of the community.

The mass exodus of national manufacturers—including Granny Goose, Mothers Cookies, Gerber, and General Motors—the resultant loss of thousands of high-wage, low-skilled jobs ravaged East Oakland's working class families. The exodus of these manufacturers, as well as major retailers, was exacerbated by the onslaught of the crack cocaine epidemic in the 1980s, and the community experienced rapid economic and social decline. Where banks, grocery stores, and restaurants once lined the streets, now liquor stores, check-cashing businesses, and fast food establishments have taken up residence.

Limited, to no access, to neighborhood resources, such as financial institutions and grocery stores, affects the ability of residents to lead healthy and productive lives. The resultant inequity accumulates and conspires to diminish the quality and length of life for individuals. This inequity translates into an average difference of 10 years in life expectancy for someone living in the flatlands of East Oakland, compared to someone living just 1.3 miles away in the Oakland Hills.

East Oakland residents spend \$338 million outside of East Oakland each year. The lack of local retailers diminishes the community's ability to support neighborhood jobs and commercial growth, and perpetuates misperceptions about the community's purchasing power. The resultant disinvestment and consumer leakage perpetuates poverty through the lack of both economic and social opportunity; blight continues and capital and commercial investment into the community remains close to nonexistent.

# Economic Realities of Castlemont

**Castlemont is one of the most distressed communities in Oakland and is home to a large number of children who live in poverty.**

In July of 2011, the unemployment rate in East Oakland was **27.9%**, far exceeding the rate for the City of Oakland (**16.5%**) and almost three times that of Alameda County (**11%**)

**26%** of Castlemont census tract residents live in poverty

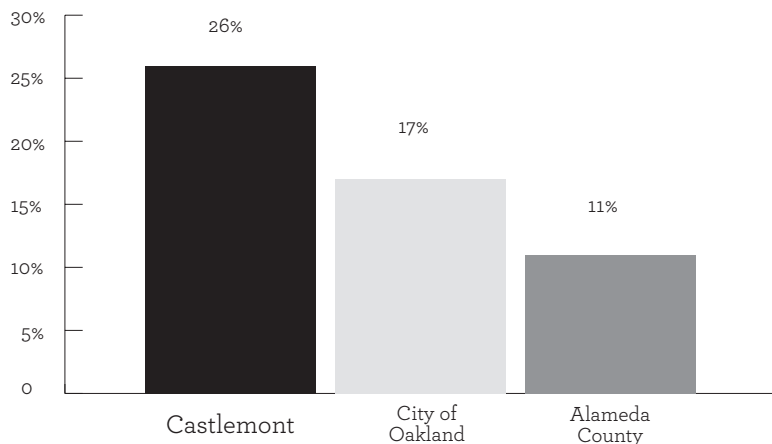
Of the youth served by Youth UpRising, **84%** live in poverty

At Castlemont High, **81%** of students are eligible for free/reduced lunch

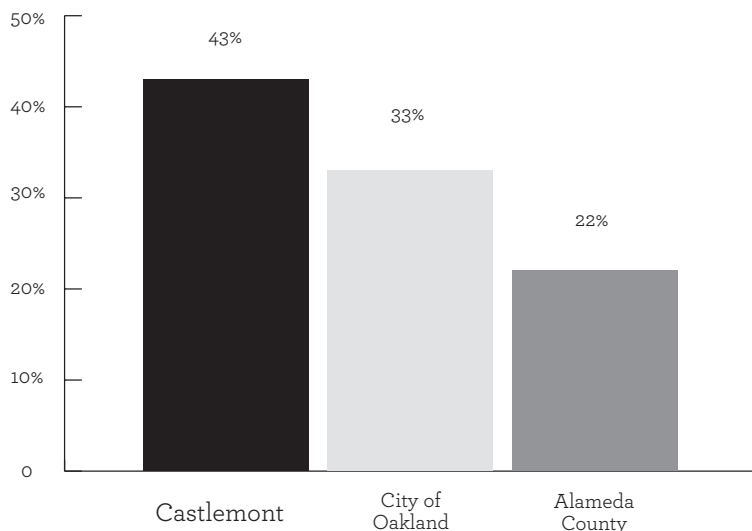
Only **30%** of the housing stock is occupied by the owner

*Source: American Community Survey, 2005-2009 5-Year Estimates, Youth UpRising Intake Assessment, Oakland Unified School District*

## **1 in 4 Castlemont neighborhood residents live in poverty**



## **43% of Castlemont households earn less than \$30,000**

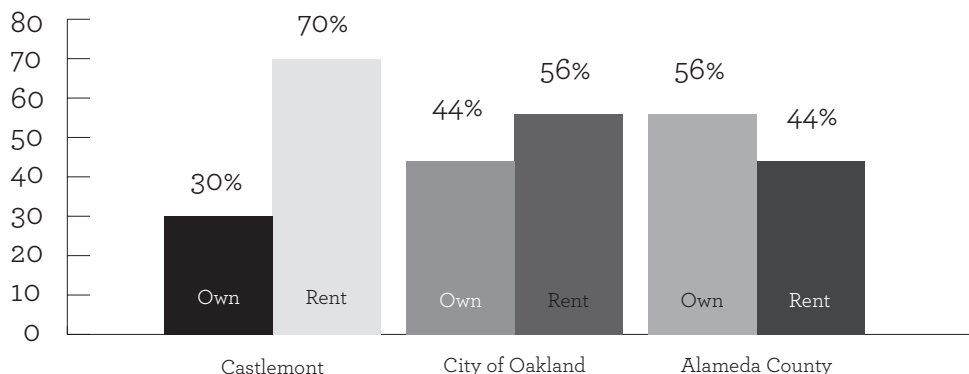


# Housing and Affordability

In 2008, the Castlemont community was designated as a “high foreclosure risk” area by the U.S. Department of Housing and Urban Development.

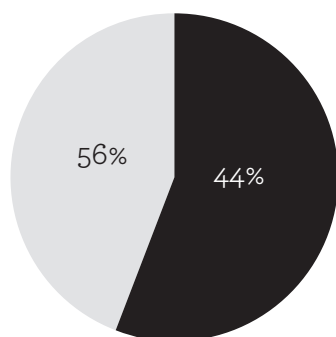
In 2008, **17.5%** of mortgages in the Castlemont community were estimated to start the foreclosure process or be seriously delinquent – among the highest rates in Alameda County.

## Less than one-third of Castlemont residents own the home they live in



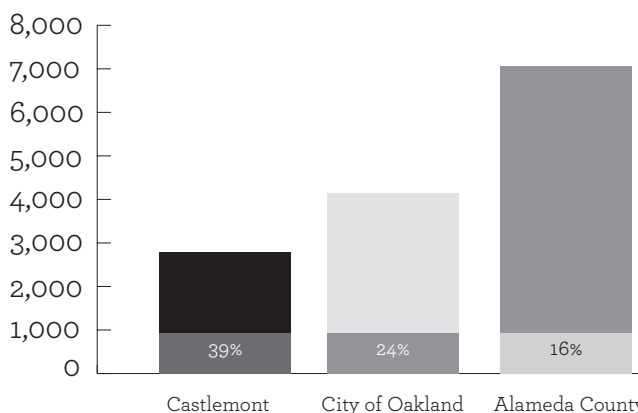
Source: American Community Survey, 2005-2009 5-Year Estimates

## 56% of residents spend at least 35% of their income on rent

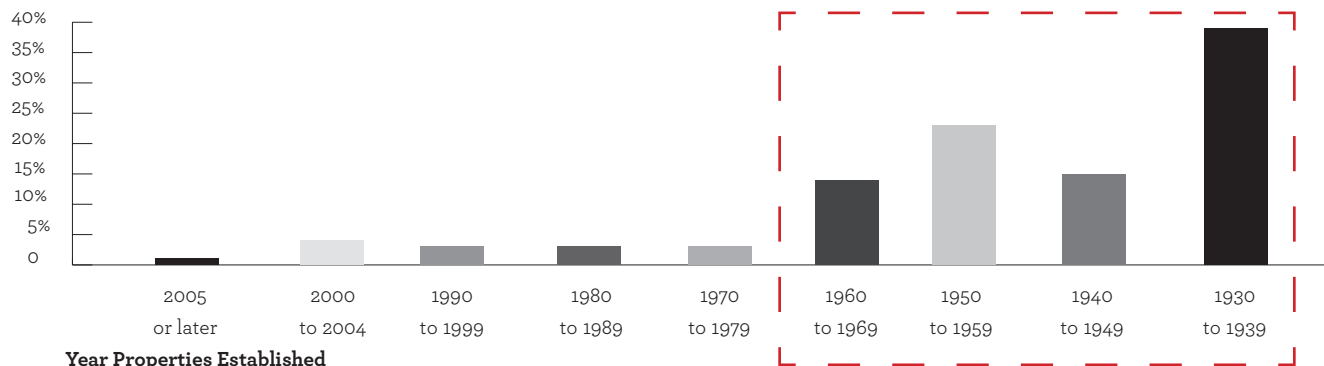


Source: American Community Survey, 2005-2009 5-Year Estimates

Monthly Rent as a % of Monthly HH Income



## 87% of the housing stock is at least 50 years old



Source: American Community Survey, 2005-2009 5-Year Estimates

# Community at a Glance

## Population

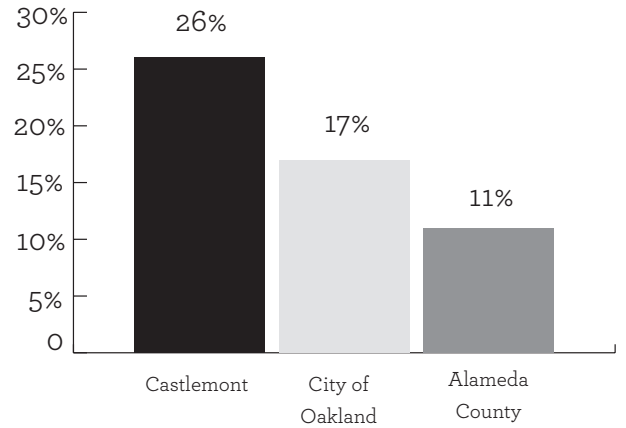
**4,696** people lived in the Castlemont neighborhood in 2010

Source: U.S. Census, 2010

## Poverty

**1 in 4** Castlemont neighborhood residents live in poverty

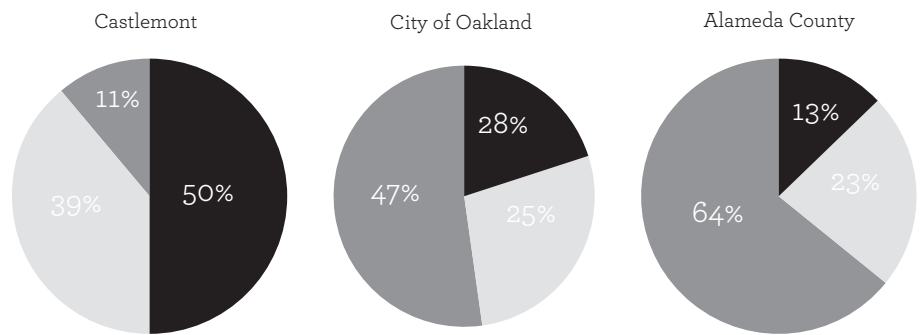
Source: American Community Survey, 2005-2009 5-Year Estimates



## Race / Ethnicity

There is a larger proportion of Black and Latino residents in the Castlemont neighborhood than Oakland and Alameda County

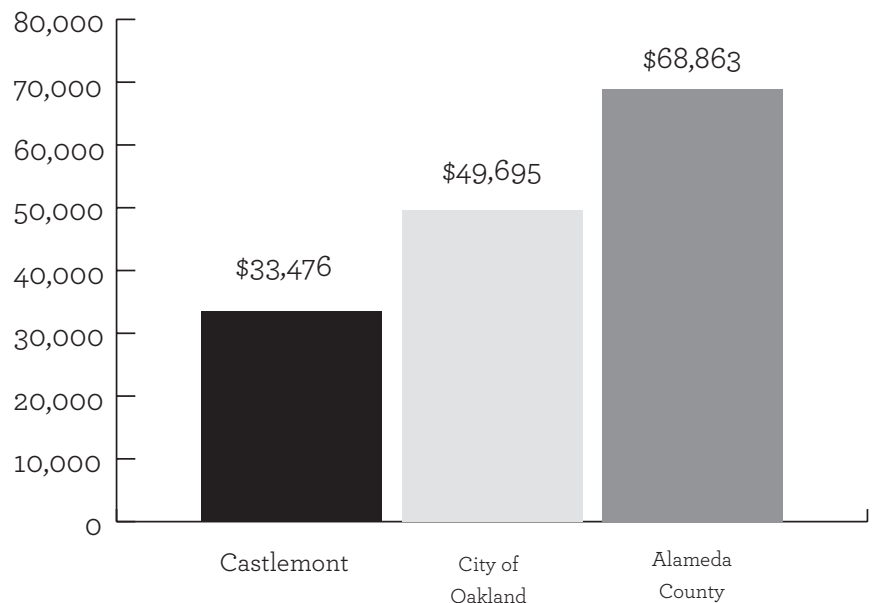
- Black
- Latino
- Other



Source: U.S. Census, 2010

## Income

The average annual income of a Castlemont household is **\$33,476**



Source: American Community Survey, 2005-2009 5-Year Estimates

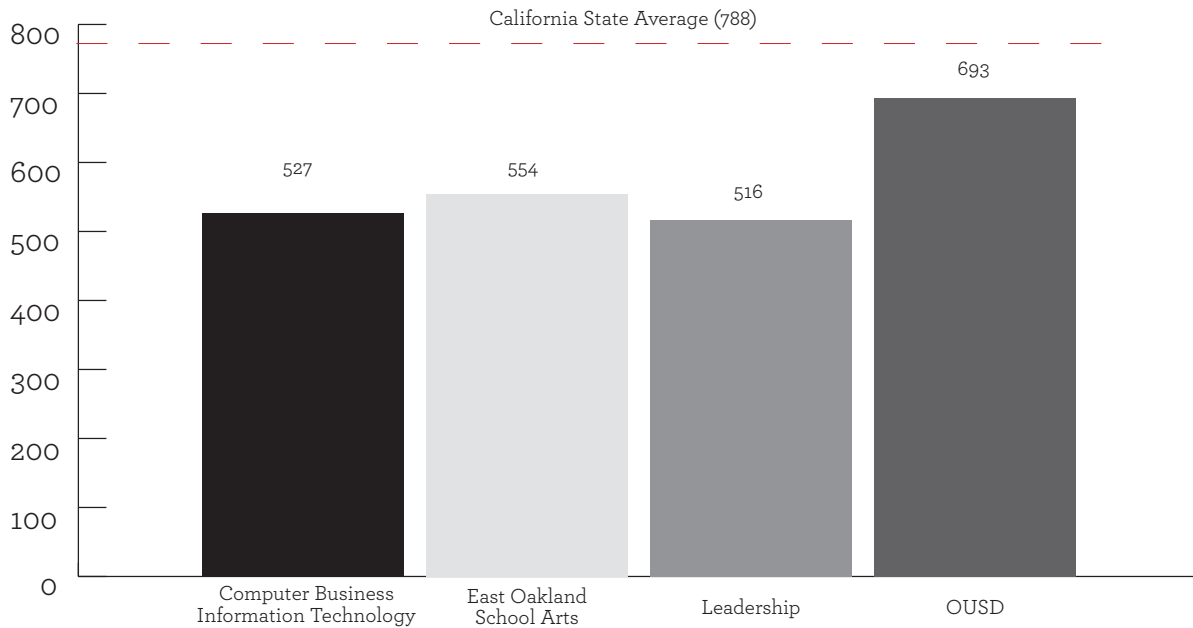
# Castlemont's Education Crisis

Young people living in the Castlemont neighborhood must cope with many stressors in their lives, so it is not surprising that many students in Castlemont do not succeed academically, as evidenced in the following statistics:

- In 2010, Castlemont High had a graduation rate of **40%**, compared to **53%** for OUSD
- **80.2%** of Castlemont students scored below proficient in English Language Arts on the California State standardized test (STAR) and **96.4%** scored below proficient in Math
- In 2010, almost 1 in 5 students at Castlemont High received out-of-school suspensions

Source: Oakland Unified School District

## Academic Performance Index - 2010\*



<b>Average Daily Attendance**</b>	90%	90%	84%	94%
<b>Chronically Absent***</b>	24%	27%	42%	14%
<b>Suspension Rate</b>	17%	22%	12%	8%

Source: Oakland Unified School District

\* The Academic Performance Index (API) is a measurement of academic performance of individual schools in California. A numeric API score ranges from 200 to a high of 1,000.

\*\*The Average Daily Attendance (ADA) is a statistic representing total number of days of attendance for all students divided by the number of schools days in a given period.

\*\*\*Chronic absence is defined as missing 10% or more of an academic year for any reason.



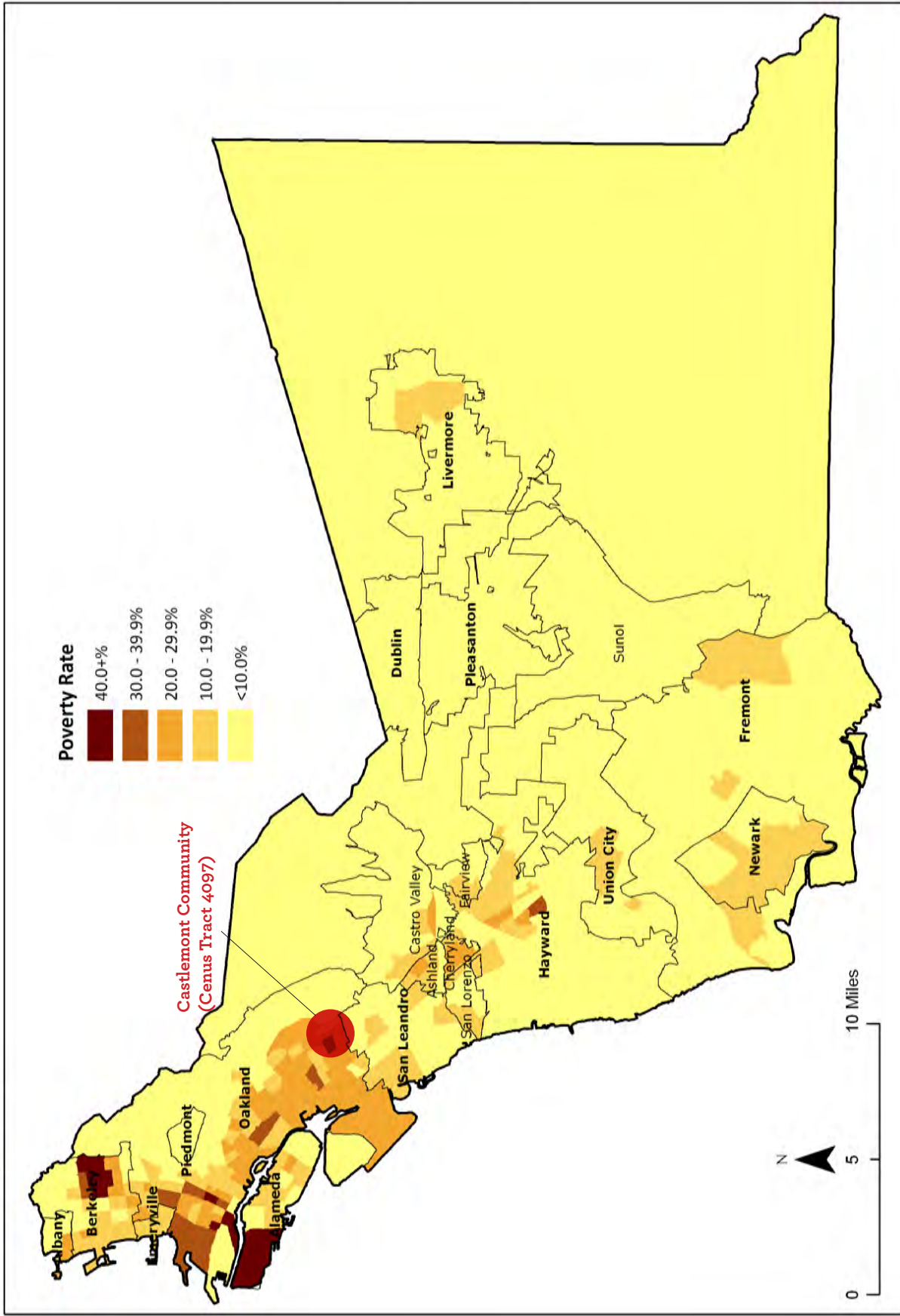
# Addendum B:

*Baseline Maps*



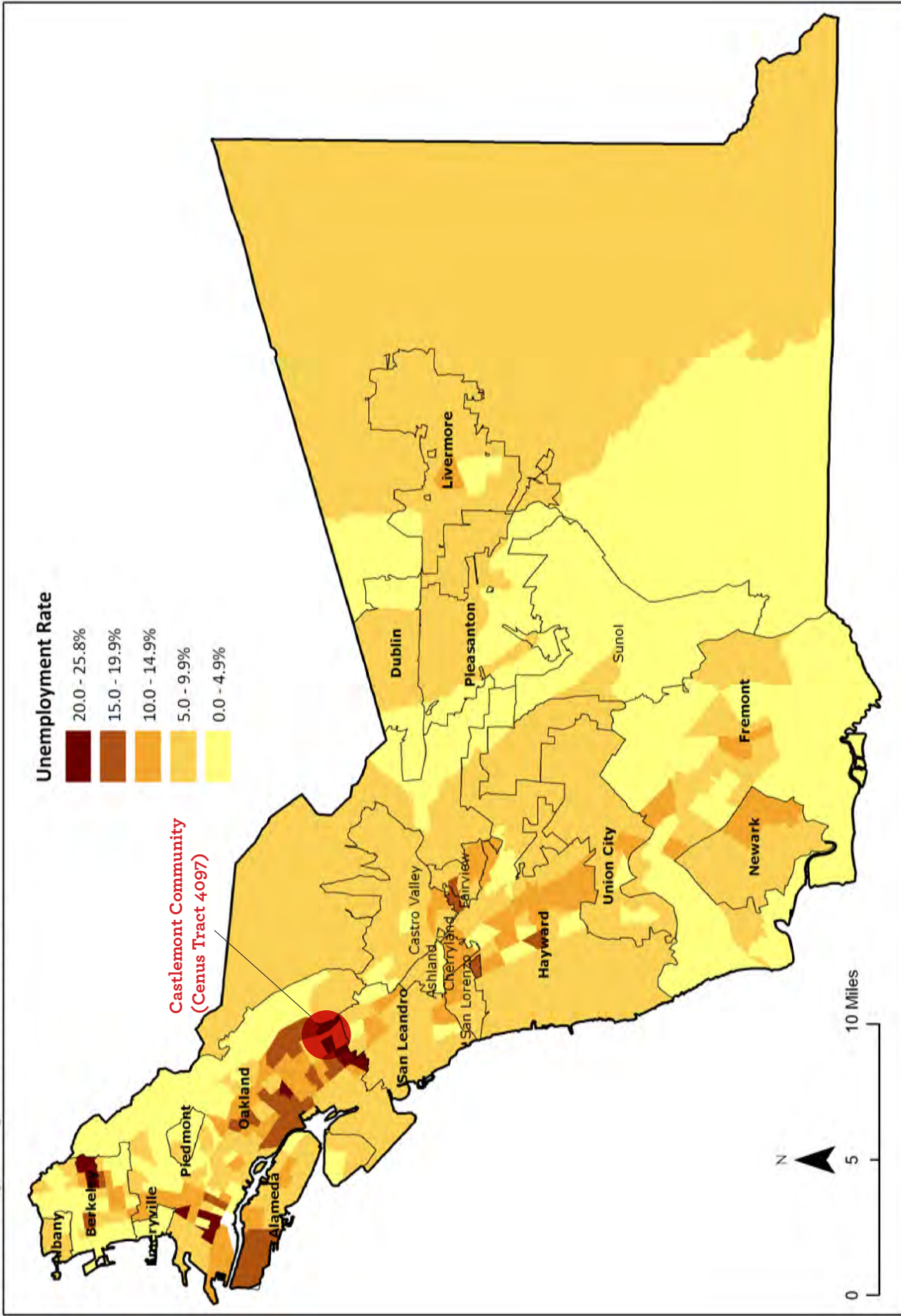
PRIVATE ENTRANCE  
MAIN LOBBY ON OTHER  
SIDE OF BUILDING

# Poverty Rate



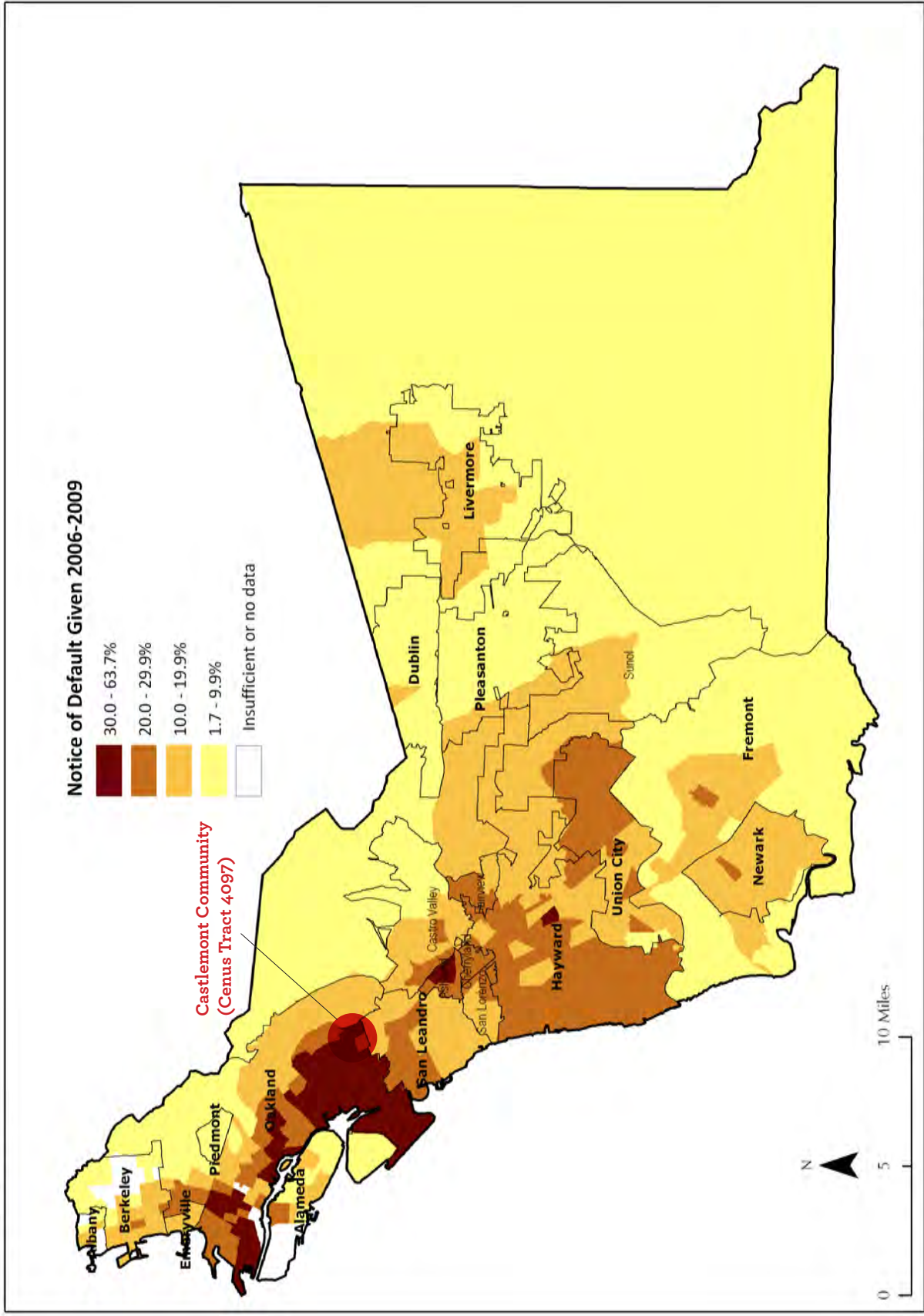
Source: CAPE, with data from American Community Survey 2005-2009.

# Unemployment Rate



Source: CAPE, with data from American Community Survey 2005-2009.

# Foreclosure

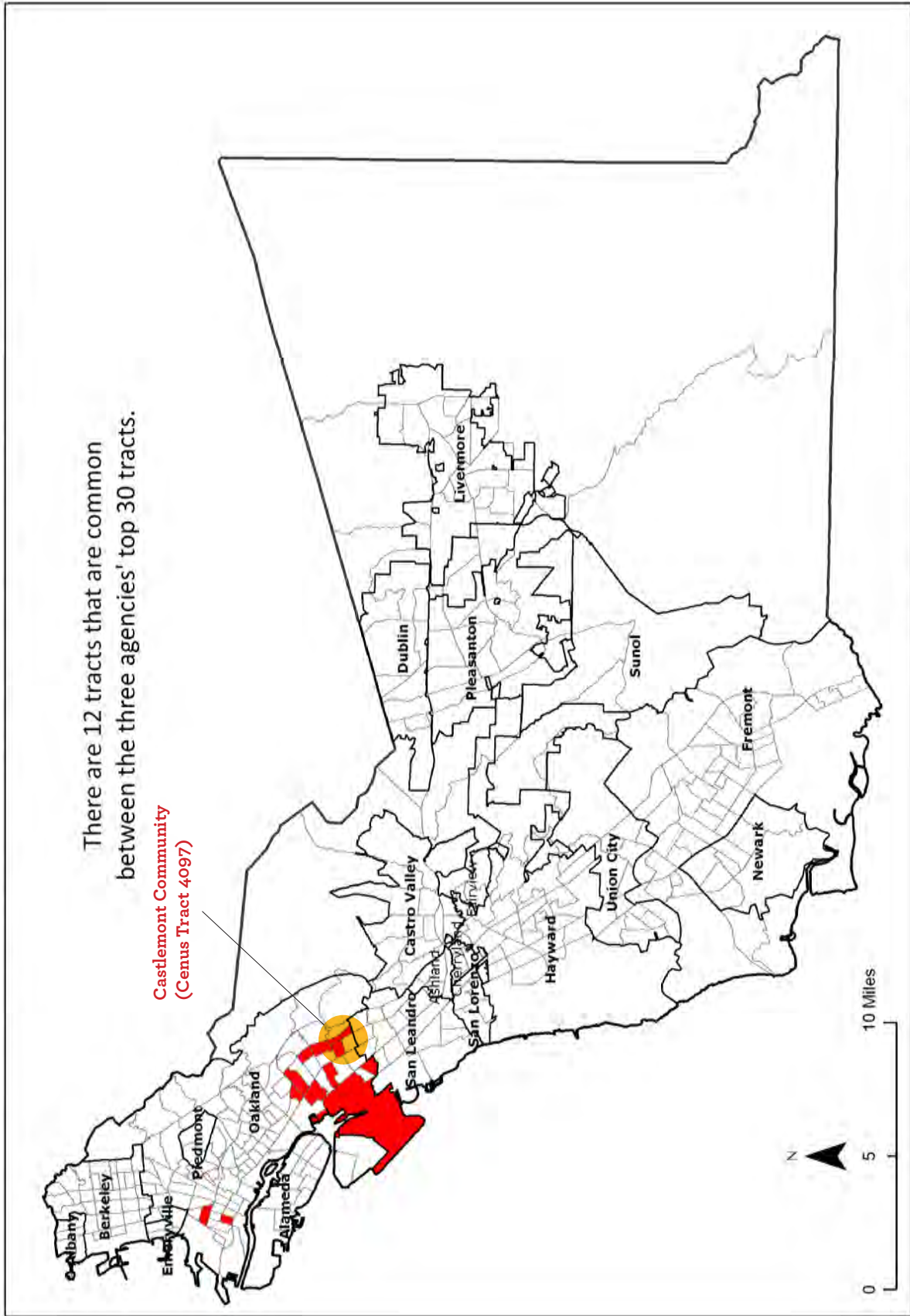


Source: CAPE, with data from ABAG, HUD, and Urban Strategies Council.

# Service Intensity FY0910: Three Agencies—12 Top Tracts

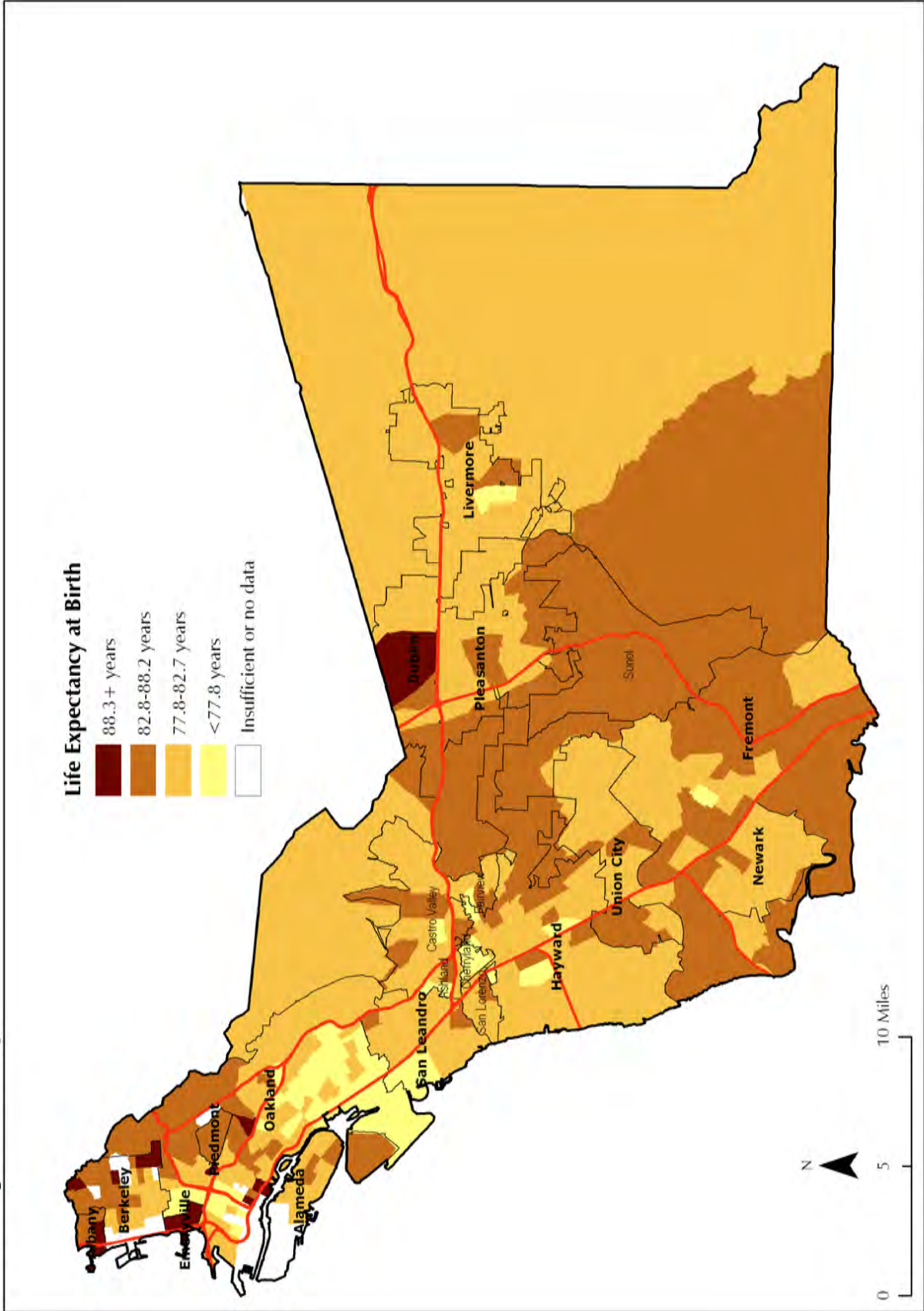
There are 12 tracts that are common between the three agencies' top 30 tracts.

Castlemont Community  
(Census Tract 4097)



Source: CAPE, with data from Alameda County HCSA, Probation, and SSA and Census 2010.

# Life Expectancy



# Addendum C:

## *YU's Social Enterprise Hub*



YU is committed to creating jobs for young people, providing opportunities for on-the-job training, and generating local revenue and wealth building to drive transformation in a community that has experienced decades of divestment. Our social enterprise hub is comprised of four thriving enterprises:

**YU Eat** is an Internet café, and catering service offering eco-friendly, healthy and artistically presented menus for the local community as well as private events and meetings

**YU Count** is a start-up business offering high quality IT, data input, enrichment, and analysis services to businesses and non-profits at competitive rates that provide a compelling reason to keep outsourcing in the region or country

**YU Create** is a growing media production company for digital media, music, design, events, and marketing. The youth-run enterprise is staffed by a team of highly talented young artists, teachers, and professionals

**YU Work** is an early stage green cleaning business that provides janitorial services and facade and neighborhood improvement for individual businesses, nonprofit organizations and merchant groups

Our social enterprises are an employment strategy that not only push young people into jobs, but have pulled them into entrepreneurial endeavors that generate self-sustaining revenue, that provide livable wage employment opportunities and that offer a career pipeline.



Join Youth UpRising's growing online following:



Over **4,000** Facebook friends

Over **3,000** active followers on Twitter

More than **1.6** million views on our YouTube channel

**PERSONAL** TRANSFORMATION + **SYSTEMS** CHANGE + **COMMUNITY** DEVELOPMENT = **COMMUNITY** TRANSFORMATION