



CITY OF ALAMEDA COVID-19 ECONOMIC RECOVERY PLAN

Prepared for:

City of Alameda
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EXECUTIVE SUMMARY

This report presents the Economic Recovery Plan (Recovery Plan) developed by the City of Alameda's COVID-19 Economic Recovery Task Force (Task Force). The Recovery Plan consists of strategies for the City of Alameda to assist small businesses, nonprofits, workers, and residents who are most affected by the COVID-19 pandemic. The time frame for the Recovery Plan's implementation is 12 to 24 months; the strategies are designed to sustain small businesses, organizations, and workers during the pandemic, and to position Alameda to take advantage of opportunities for equitable economic growth in the future. The Recovery Plan complements the 2018 Economic Development Strategic Plan, a longer-term, ten-year strategy for growing and diversifying Alameda's economy.

The Alameda City Manager appointed a Task Force at the request of the Mayor's Economic Development Advisory Panel (EDAP). The Task Force was composed of ten members representing businesses, labor organizations, and social service providers with knowledge of the challenges facing Alameda's industries, workers, and residents.

Given the urgent need to support businesses and workers during the pandemic, City staff and elected officials immediately implemented many of the Task Force's recommendations during the process of developing the Recovery Plan. For example, the City is already implementing measures such as:

- A "spend local" campaign
- Regular email communication with businesses regarding safe operations and available resources
- Webinars with useful information and resources for businesses and workers
- Creation of a Personal Care Services Coalition
- Development of a process for creating outdoor dining areas
- Limitations on the fees third-party delivery apps charge restaurants
- Deferring and forgiving rents in City-owned buildings

Key Issues and Needs

Discussions in the City of Alameda's Task Force meetings and industry focus groups revealed several widely shared concerns and impacts affecting most of the City's businesses and organizations:

- Uncertainty regarding Alameda County and State of California's public health orders
- Pivoting business model and operations
- Worker mental and physical health and safety
- Reduced revenues and productivity
- Additional overhead costs
- Paying rent and risk of eviction
- Risk of permanent closure
- Accessing internet service
- Accessing functional outdoor space

Recovery Strategies

The Task Force developed strategies in eight categories, paying special attention to the types of efforts that can be led by the City of Alameda. Each strategy responds to specific needs, challenges, or opportunities identified throughout the Task Force process, with an emphasis on small local businesses and supporting the most vulnerable workers. Staff from multiple City of Alameda departments also reviewed the strategies to ensure that they were possible to implement under the existing legal framework and resources available.

Given changing conditions, the Task Force designed the strategies to allow for flexibility in their implementation, and to incorporate ongoing feedback from the business community regarding their needs and priorities. This flexibility responds to uncertainty about when physical distancing and other restrictions will end. Funding availability is also likely to change over time, as federal and state governments approve and adjust funding programs.

LAND USE AND INFRASTRUCTURE STRATEGIES

The land use and infrastructure strategies involve changes to Alameda regulations, processes, and legislation (such as restriping streets for pedestrian space or changing zoning regulations), and investments in infrastructure. The strategies focus on:

- Navigating and simplifying permitting processes
- Dedication of more street space for businesses and pedestrians, and assisting businesses in successfully using that space
- Pursuing quick-build pilot programs when needs are identified
- Attracting tenants to vacant storefront spaces
- Enhancing foot traffic and visits in commercial districts—including Park Street and Webster Street—by locating package pickup destinations such as Amazon Lockers and UPS Access Points
- Exploring ways to expand opportunities for restaurants and bars to operate outdoors (including facilitating the sale of alcoholic beverages in accordance with state and local regulations)
- Improving high-speed data service in key locations to support businesses and workers
- Working with commercial brokers to subdivide large retail spaces into smaller spaces when appropriate

USE OF CITY PROPERTIES

These strategies involve use of City-owned land and facilities. The strategies focus on:

- Encouraging use of City-owned parks and parking lots to support activities of businesses and local organizations
- Providing rent relief for tenants in City-owned buildings

TECHNICAL ASSISTANCE

The technical assistance strategies address referrals to technical assistance organizations and resources, such as business mentoring provided by SCORE East Bay. The strategies focus on:

- Reducing the risk of eviction and excessive rent burdens for businesses in severely impacted industries, and for Alameda residents

- Referring businesses to appropriate technical assistance providers and programs, including assistance in creating online presences
- Exploring opportunities to support child care providers

FINANCIAL OR OTHER RESOURCE ASSISTANCE

The financial and other resource assistance strategies involve direct provision of or referrals to financial and material resources, such as grants, loans, and other programs. Because the availability of funding resources is dynamic, it is important to design programs that are nimble and provide maximum flexibility to grant recipients. The strategies focus on:

- Prioritizing new resources and programs for businesses and workers suffering the most severe impacts from the pandemic
- Developing and deploying new grant and other programs through coordination of philanthropy (e.g. the Alameda Strong and Feed Alameda programs) and through any new local, state and federal funding; examples of potential grant-funded needs include back rent, purchases of personal protective equipment, parklet materials and supplies (including modifications and equipment for rain and cold weather), wi-fi and high speed internet service, and e-commerce and web marketing development services
- Supporting workers and residents through activities related to child care, building health and safety upgrades, and emergency rent relief

OUTREACH AND COORDINATION

The outreach and coordination strategies involve convening and coordination actions related to specific industry sectors and issues, and collaboration with other public agencies. The strategies focus on:

- Tracking changing economic circumstances and needs through ongoing contacts with business and industry groups
- Establishing and regularly convening standing industry groups representing heavily-impacted sectors, including personal care services, restaurants, visitation/attractions/hospitality, and social services
- Sharing feedback on transit service needs with outside partners

INFORMATION SHARING

The information sharing strategies involve direct communication of resources and pertinent or timely news through methods such as webinars, workshops, and manuals. Focus areas include:

- Ensuring the City has robust tools for reaching and communicating with businesses, customers, and households, including communications regarding allowable activities, business resources, best practices, and other guidance
- Sharing desired information through webinars targeted to businesses, workers, and residents who rent their homes (example topics include allowable activities, safe reopening steps, business resources, lease negotiation, mental health support, workforce support services and programs, and assisting residential tenants in understanding their rights and available opportunities and resources to prevent eviction as a result of COVID-19-related hardships)
- Providing critical resources in multiple languages

MARKETING AND PROMOTION

The marketing and promotion strategies involve promotion of public and private actions, assets, and programs. Strategies focus on:

- Supporting spend local/safe campaigns, including direct marketing to nearby East Bay communities
- Publicizing community events

SUPPORTING VULNERABLE WORKERS

The worker-oriented strategies involve worker protections and resources for worker assistance. Strategies supporting workers focus on:

- Training workers how to safely respond to uncooperative customers
- Supporting the rollout of vaccines
- Ensuring businesses are following required worker safety protocols
- Access to technology and resources for navigating job and unemployment benefit applications and accessing available benefits
- Exploring the potential to adopt enhanced worker protections, including a “right to recall” ordinance that ensures workers laid off due to the pandemic have the right of first recall back to their jobs

I. INTRODUCTION

Since the onset of the COVID-19 pandemic in early 2020, businesses and workers have faced significant challenges, including declining consumer spending, modifications of business operations, business closures, reduced worker hours, furloughs, and layoffs. This COVID-19 Economic Recovery Plan (Recovery Plan) describes the impacts of the pandemic on Alameda's economy and recommends strategies for the City of Alameda (City) and its partners to assist with economic resilience and recovery over the next 12 to 24 months. The strategies are designed to sustain small businesses, organizations, and workers during the pandemic, and to position Alameda to take advantage of opportunities for equitable economic growth in the future. This plan complements the 2018 Alameda Economic Development Strategic Plan (EDSP), which serves as the long-term guide to economic development activities over ten years.

The plan was developed with guidance from the Economic Recovery Task Force (Task Force), composed of ten Alameda community members representing businesses, nonprofit organizations, and workers. The Task Force provided guidance on immediate and longer-term strategies to support businesses and workers in response to the economic crisis, some of which the City is already implementing. These preliminary strategies were further refined based on the feasibility of implementation by the City given its authority, financial and staffing resources, best practices from other cities, and the changing nature of public health orders from the state and county.

The conditions resulting from the COVID-19 crisis changed significantly during 2020 and continue to evolve. There has been hopeful progress on developing and distributing a COVID-19 vaccine; however, according to the Alameda County Health Care Services Agency, even with a timely vaccine roll out, physical distancing and other restrictions could potentially extend into 2022. As the COVID-19 crisis unfolds, the City will continue exploring and implementing new policies and programs to support local residents, workers, and businesses.

The remainder of this report:

1. Describes the Task Force process in greater detail,
2. Summarizes background information regarding the types of businesses and workers that have experienced the greatest hardships and are in the greatest need of assistance,
3. Summarizes the City's early response and ongoing efforts to support workers and businesses, and
4. Describes the economic recovery strategies.
5. Appendix A presents an overview of topic-specific research completed by Strategic Economics to inform the Task Force's deliberations, and Appendix B consists of an Economic Analysis and Vulnerability Assessment completed by Beacon Economics to examine the impacts of the pandemic on the City of Alameda.

II. TASK FORCE PROCESS

In May 2020, the Mayor's Economic Development Advisory Panel (EDAP) requested City of Alameda staff to create a COVID-19 Economic Recovery Task Force with the goal of creating a short- to mid-term strategy to address local economic challenges resulting from the COVID-19 crisis. The EDAP provided suggestions for the general composition of the Task Force membership, and the City Manager appointed the Task Force members. The final Task Force roster consisted of ten Alameda residents representing different types of industries and organizations in the City.

Task Force Members

- Economic Development Advisory Panel Representative: Madlen Saddik, President & CEO, Alameda Chamber of Commerce (*Task Force Chair*)
- Child Care Sector Representative: Christine Chilcott, CEO, Girls Inc. (*Task Force Vice Chair*)
- Labor Representative: Doug Bloch, Political Director, Teamsters Joint Council 7
- Commercial Property Owner Representative: Joe Ernst, Principal, srmERNST
- Nonprofit Representative: Cindy Houts, CEO, Alameda Food Bank
- Retail Sector Representative: Ron Mooney, Owner, Daisy's Mercantile
- Hospitality Sector Representative: Sima Patel, CEO, Rigdemont Hospitality
- Financial Sector Representative: Neil Rubenstein, East Bay SCORE
- Restaurant and Bar Sector Representative: Sandy Russell, Owner, The Fireside Lounge
- Business Improvement Area Representative: Kathy Weber, Executive Director, Downtown Alameda Business Association

Task Force Meetings

From July to December 2020, City staff convened a total of 11 Task Force meetings. All Task Force meetings were open to the public and incorporated time to receive comments from participants. The Task Force meetings concentrated on the following sectors and topic areas:

- Retail, Restaurants, and Personal Services
- Child Care and Social Services Nonprofits
- Hospitality and Recreation
- Arts & Culture, and Entertainment
- Workforce Development and Labor
- Office-Based Businesses
- Housing
- Transportation

City staff and Task Force members also participated in 10 focus group meetings with stakeholders representing the above sectors and topics. These meetings centered on understanding COVID-19 impacts, identifying key issues and concerns, and discussing potential ideas for City assistance. Information gathered from the focus groups informed Task Force deliberations.

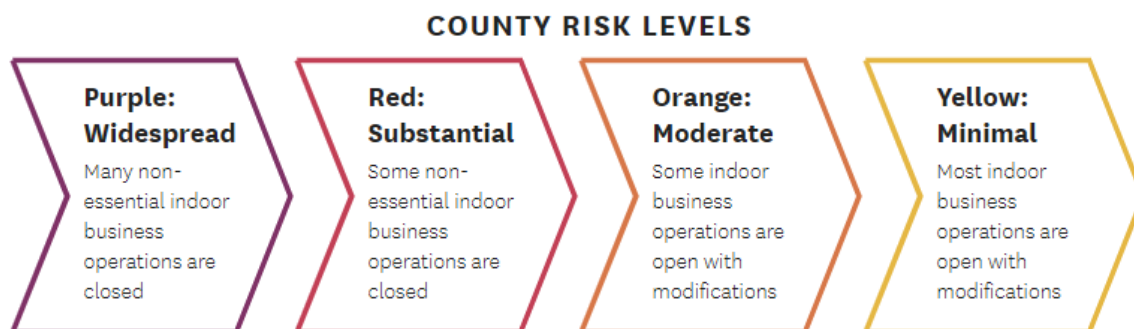
Throughout the Task Force meetings, the Task Force helped create a set of potential recovery strategies. City staff also held meetings with different City departments and City Council members to discuss and refine the strategies.

III. ECONOMIC IMPACTS OF THE COVID-19 PANDEMIC

Since the onset of the COVID-19 pandemic, different industry sectors, workers, and communities have experienced unique challenges with varying degrees of severity. In March 2020, Alameda County first implemented a Shelter-in-Place Order requiring the closure of all “non-essential” businesses.¹ Since then, state and county restrictions on businesses have evolved based on new information about COVID-19 and its spread. Certain types of businesses have been allowed to reopen with restrictions, while some businesses have remained closed. Figure 1 provides an overview of when certain types of businesses can reopen according to the State of California’s *Blueprint for a Safer Economy* plan, which assigns counties to more or less restrictive tiers based on recent COVID-19 metrics.²

Some industries have been better able to adapt and remain productive through business closures and other restrictions. For example, many office-based businesses were able to shift operations to digital platforms with employees working from home. On the other hand, businesses that are unable to perform many of their duties online, require direct customer interaction, or lack the resources or technical support to make a transition to digital platforms have fared considerably worse.

FIGURE 1: STATE OF CALIFORNIA BLUEPRINT FOR A SAFER ECONOMY COUNTY TIER SYSTEM



Source: San Francisco Chronicle, January 8, 2021; Strategic Economics, 2021.

Overview of the Pandemic’s Impacts

Jobs in Alameda declined by over 15 percent from March 2020 to April 2020. The City of Alameda experienced a major drop in employment beginning in March 2020 and reaching its lowest point in April. The City began to recover modest gains in employment beginning around June 2020, similar to state and national trends (Figure 2, below, and Appendix B, Figures 6 and 12).

More than 80 percent of businesses in Alameda are very small, employing fewer than 20 workers. Small businesses are the lifeblood of Alameda’s character and economy; as of 2015, approximately 84 percent of establishments in Alameda had fewer than 20 employees.³ Small businesses are

¹ “Order of the County Health Officer to Shelter in Place” (2020), <https://www.acgov.org/documents/Final-Order-to-Shelter-In-Place.pdf>.

² “California’s Reopening: See What’s Open and What’s Still Shut down by County,” The San Francisco Chronicle, accessed January 8, 2021, <https://www.sfchronicle.com/projects/coronavirus-map/california-reopening>.

³ Based on analysis by Strategic Economics of U.S. Census ZIP Code Business Patterns data for ZIP codes 94501 and 94502. Note that the analysis includes local independent businesses and local locations of larger chains.

especially vulnerable to the pandemic's effects due to their relatively limited options for accessing capital and their dependence on a very limited number of employees to carry out their operations.

Industries that frequently involve direct contact with customers have generally experienced the most severe drops in employment. This impact is demonstrated by the significant job losses in retail, other services, accommodations and dining, and arts and entertainment industries (Figure 3). Many of the jobs in these industries cannot be performed from home. In contrast, a high share of office-based jobs, such as those in finance and insurance, management of companies, professional and technical services, and information, have a higher potential to be performed remotely and have experienced fewer job losses during the pandemic (Figure 4).

Declines in consumer spending and public health restrictions limiting the use of businesses' physical space also disproportionately impact customer-facing industries. Although important to slowing the spread of COVID-19, public health policies that limit the number of people inside businesses or prevent some businesses from reopening can drive job losses in retail, other services, accommodations and dining, and arts and entertainment industries. Shoppers avoiding crowds and close contact with others also result in lower revenues and job losses for many businesses.

The pandemic disproportionately affects Black, Hispanic/Latino, and Pacific Islander workers and residents. State and county data show that Black and Hispanic workers have experienced the greatest job losses among racial and ethnic groups. COVID-19 infection rates have been highest among the Hispanic/Latino population, followed by Pacific Islanders and Black/African Americans. Death rates due to COVID-19 have been highest in the Black/African American population and second-highest in the Hispanic/Latino population.⁴

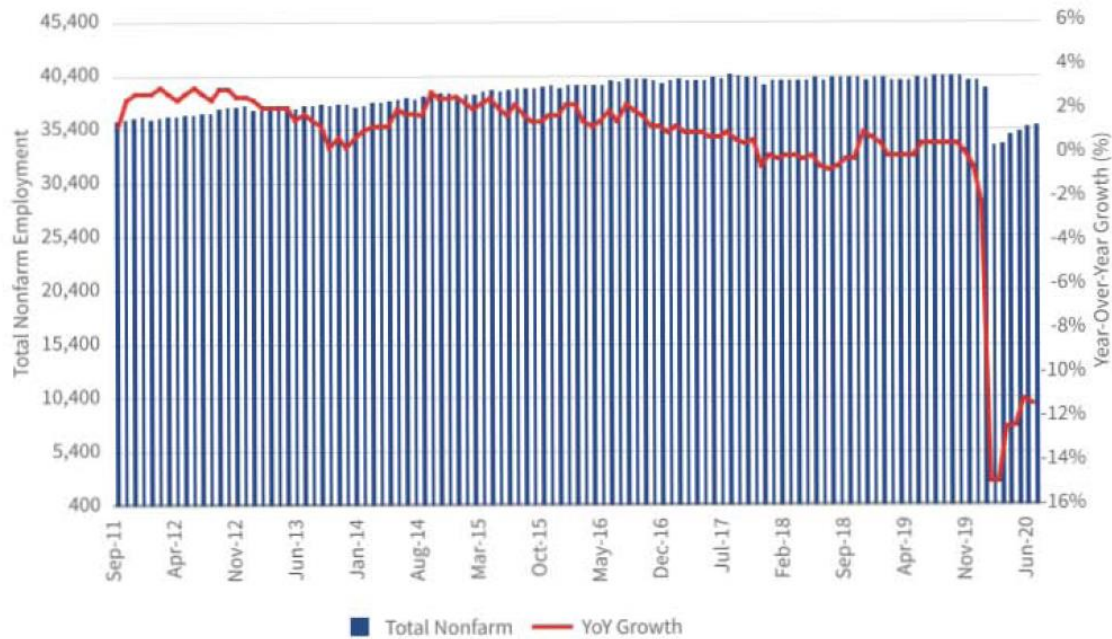
Other disproportionately impacted groups include women, immigrants, workers without a college education, and younger workers. National and regional data demonstrate that a greater share of women than men have lost their jobs during the pandemic. Women are also more likely to have left their jobs during this period due to child care needs. Employment among immigrant workers has decreased more sharply than among U.S.-born workers. Additionally, more workers without a college education have lost their job than workers with a college degree, which is likely because those with a bachelor's degree or higher are much more likely to have the option to work from home. Lastly, young adult workers (ages 16 to 24) have experienced high unemployment relative to other age groups.⁵

Workers in retail, personal care services, accommodations and dining, and arts and entertainment are most vulnerable to infection and job losses from COVID-19. In addition, these workers face more economic insecurity because their jobs generally pay lower wages, have fewer worker protections, and are less likely to be represented by a union (Figure 4).

⁴ "Data COVID-19," Alameda County Public Health, October 2020, <https://covid-19.acgov.org/data.page>; Bryce Liedtke and Sylvia Allegretto, "Workers and the COVID-19 Recession: Trends in UI Claims & Benefits, Jobs, and Unemployment," UC Berkeley Labor Center, August 18, 2020, <https://laborcenter.berkeley.edu/workers-and-the-covid-19-recession-trends-in-ui-claims-benefits-jobs-and-unemployment/>

⁵ Bryce Liedtke and Sylvia Allegretto, "Workers and the COVID-19 Recession: Trends in UI Claims & Benefits, Jobs, and Unemployment," UC Berkeley Labor Center, August 18, 2020, <https://laborcenter.berkeley.edu/workers-and-the-covid-19-recession-trends-in-ui-claims-benefits-jobs-and-unemployment/>.

FIGURE 2: YEAR-OVER-YEAR CHANGE IN NONFARM EMPLOYMENT IN THE CITY OF ALAMEDA, 2011-2020



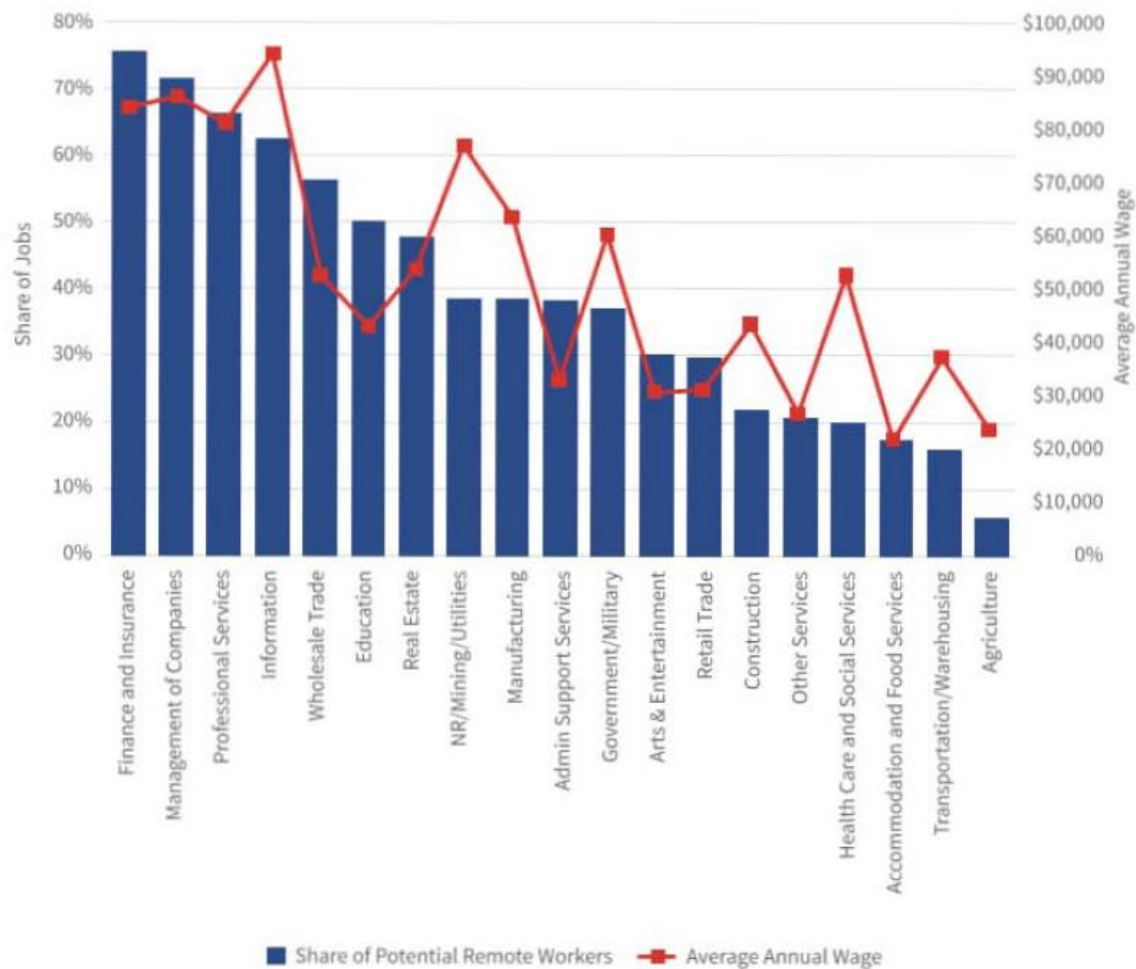
Source: California Employment Development Department; Beacon Economics, 2020.

FIGURE 3: YEAR-OVER-YEAR PERCENTAGE CHANGE IN EMPLOYMENT BY INDUSTRY IN THE EAST BAY, 2019-2020

	Feb	Mar	Apr	May	Jun	July	Aug	Sep
Total Farm	-0.6	-16.5	-15.1	-13.3	-11.3	-16.5	-12.1	-7.8
Total Nonfarm	0.2	-0.5	-15.4	-14.1	-12.2	-12.7	-12.0	-11.5
Arts & Entertainment	4.5	2.0	-49.4	-53.6	-49.7	-45.3	-49.9	-48.9
Accommodation & Food	-1.3	-3.4	-45.2	-41.6	-31.5	-30.4	-30.0	-29.6
Construction	3.8	1.1	-25.5	-17.3	-12.5	-14.3	-14.3	-13.0
Educational Services	-0.3	-0.1	-9.3	-12.8	-12.6	-12.2	-11.4	-14.2
Financial Activities	0.1	0.4	-2.7	-2.2	-1.4	-2.5	-1.9	-2.2
Government	0.2	1.0	-3.7	-6.8	-8.8	-12.0	-10.4	-10.3
Health Care & Social Services	0.9	0.2	-11.6	-9.4	-9.1	-9.2	-8.6	-8.4
Information	-0.3	-0.4	-4.6	-5.6	-5.9	-6.7	-5.5	-4.9
Management	-0.6	-0.8	-4.4	-3.8	-2.6	-1.9	-2.6	-1.8
Manufacturing	-2.1	-1.5	-17.7	-16.7	-15.4	-14.5	-13.3	-12.7
Natural Resource/Mining	-0.6	-0.3	-0.2	0.1	-0.1	-0.2	0.4	0.2
Other Services	1.0	-3.7	-30.8	-25.9	-22.0	-22.9	-25.2	-22.3
Professional, Scientific & Technical Services	1.4	1.2	-6.1	-4.5	-4.9	-7.1	-5.1	-4.7
Retail Trade	-0.3	-0.5	-15.6	-14.8	-11.8	-10.7	-9.6	-7.7
Logistics	-0.7	-1.0	-13.5	-12.3	-9.2	-8.8	-7.6	-6.4
Wholesale Trade	-1.5	-1.1	-11.8	-11.0	-7.0	-8.4	-6.4	-6.0

Source: California Employment Development Department; Beacon Economics, 2020.

FIGURE 4: SHARE OF JOBS WITH REMOTE WORKING POTENTIAL AND AVERAGE ANNUAL WAGE BY INDUSTRY IN CALIFORNIA, 2019



Source: American Community Survey; BLS O*Net; Beacon Economics, 2020.

Common Challenges and Trends in Alameda

Discussions in the City of Alameda's Task Force meetings and industry focus groups revealed several widely shared concerns and impacts that affect most of the City's businesses and organizations:

- Uncertainty regarding Alameda County and the State of California's public health orders.** Business operators across industries reported that one of their biggest needs was simply being allowed to open and operate. However, many expressed that state and county operating guidelines were unclear or changed frequently, which made reopening and ongoing operations difficult and impeded some businesses from reopening. Some business operators also noted that a further communication barrier exists for business owners who speak a primary language other than English, and that communication from the City should be provided in more languages.
- Pivoting business model and operations.** Businesses have needed to quickly adapt to comply with safety regulations and changing consumer habits and needs. Many

businesses and organizations have employed new technologies and shifted more business operations, consumer interaction, and purchasing to online platforms. However, this shift requires significant technical knowledge and resources. Many businesses lack the capacity to transition their businesses to these platforms without assistance.

- **Reduced revenues and productivity.** Most businesses have lost revenues due to general trends in reduced consumer spending, policies that restrict the number of customers on-site, and the increased costs of making operational changes to comply with safety regulations.
- **Additional overhead costs.** Businesses across industries have faced additional costs associated with safety protocols (e.g., physical distancing and cleaning). Safety measures require additional staff time and the purchasing of new materials such as personal protective equipment (PPE) and cleaning supplies.
- **Paying rent and risk of eviction.** Reduced revenues and increased overhead have made it difficult for some businesses to continue making rent payments. Some businesses have continued to pay full rent while others have received rent reductions from landlords. Businesses have also turned to unconventional approaches to pay rent such as crowdfunding.⁶
- **Risk of permanent closure.** Small businesses and organizations have relied on cash reserves and access to credit to stay in operation, and some businesses already had limited savings before the pandemic. Businesses in Alameda have already permanently closed and many others are at risk of closing without financial assistance.
- **Accessing internet service.** Many businesses and nonprofit organizations have depended more heavily on the internet to regularly operate. Access to reliable internet service has been a challenge for child care providers, job seekers, and many employees working from home.
- **Accessing functional outdoor space.** Customer-facing businesses have depended on access to outdoor spaces to conduct operations such as dining and classes. Colder weather has raised additional concerns about winterizing spaces such as parklets for dining.

Industry- and Topic-Specific Challenges and Trends in Alameda

In addition to the shared concerns noted above, the focus groups and Task Force discussions revealed several challenges and trends unique to specific industries and topic areas:

RETAIL, RESTAURANTS, PERSONAL CARE SERVICES

- **Outdoor space has become important for many businesses.** Businesses reported that they are having to rely more on outdoor space for serving customers in-person.

⁶ The City of Alameda approved an eviction moratorium for residential and commercial tenants, which will expire 30 days after the declared state of emergency is over. However, the moratorium does not mandate rent forgiveness, and tenants will need to repay deferred rent.

Parklets, parking lots, and other public spaces have become valuable spaces to businesses that can use them.

- **Businesses reported that policies for operating outdoors were unclear.** Like many businesses across industry sectors, retail, restaurant, and personal care services⁷ business operators expressed frustration with county regulations, which they found to be confusing and frequently changing. Retail, restaurant, and personal care services raised particular concerns about clarity on what uses are allowed to operate outdoors.
- **Many personal care service businesses are unable to operate outside:** Many barbershops, nail salons, and other types of personal service businesses are unable to serve customers outside due to sanitary concerns, state licensing requirements, and other challenges unique to different types of service businesses.
- **Businesses have experienced declining revenues and increased business costs.** Businesses reported their revenues have declined due to policies restricting or limiting the number of customers indoors. They also reported a reduction in spending from office workers who are not currently commuting to work. In addition, business operators reported that the expenses of running their businesses have increased due to adoption of major operational changes, such as additional cleaning and the enforcement of physical distancing and mask use.
- **Restaurants have become more reliant on costly third-party online food platforms.** Restrictions on dining indoors have resulted in restaurants relying more on pickup and delivery options. Restaurants have become more dependent on online food ordering and delivery platforms that charge a commission or fee for orders while also requiring restaurateurs to learn how to use these systems.
- **Retailers have shifted more of their operations online.** As fewer shoppers have been willing to visit physical storefronts, more retailers have shifted to using digital platforms to sell goods. The initial establishment of a new or expanded online presence is often time-consuming for businesses and requires ongoing time commitments for learning new online systems. Some personal care services businesses—such as gyms—are providing services through video conferencing platforms such as Zoom.

CHILD CARE AND SOCIAL SERVICES NONPROFITS

- **Child care providers experienced difficulties due to frequently changing government policies.** Child care operators reported that state and county policies have changed frequently, making it more difficult to either reopen or generally operate their businesses. Uncertainty regarding the timeline for schools reopening also adds to planning challenges for child care businesses.
- **Child care providers have experienced reduced revenues and increased business costs.** Generally, child care providers operate on slim margins and in some cases rely on supplemental grants and donations. During the pandemic, many child care providers reported they were experiencing significant financial hardship and reduced revenues due to government policies that lower the ratio of children to staff. Child care operators also reported that new regulations have required new cleaning procedures such as regularly disinfecting, which has increased their operating expenses.

⁷ Examples of Personal Care Services include nail salons, hair salons, skincare, massage parlors, tattoo parlors, etc.

- **Organizations are concerned that financial aid may decline.** Child care providers and social services nonprofit organizations expressed concern that they will face shrinking budgets due to declines in donations from individuals, corporations, and governments as they cut back on expenses or experience “donor fatigue.”
- **Organizations have experienced a lack of quality internet and other telecommunication access.** Child care operators reported challenges with internet quality issues due to having a large number of children needing to be online at the same time for distance learning. Some social services and other nonprofit organizations reported that it was difficult to connect virtually with their very low-income and elderly clients.
- **Social services nonprofits have struggled to provide adequate assistance during the pandemic because of physical distancing requirements.** Social services nonprofits serving the homeless and other populations in need have found it difficult to provide in-person services due to physical distancing requirements that limit the number of on-site clients and workers/volunteers.

HOSPITALITY, RECREATION, ARTS & CULTURE, ENTERTAINMENT

- **The performing arts have been severely impacted by the COVID pandemic.** Many performing arts organizations and workers, including actors, dancers, and musicians, rely on live performances, which have generally not been allowed in Alameda County during the pandemic, for revenue. Many artists have also experienced the loss of “side gigs” working in restaurants, bars or for events also impacted by the pandemic.
- **Recreation, arts, and entertainment businesses have relied on outdoor space.** Businesses are using outdoor space for performances, classes, and drive-in movies.
- **Hospitality is one of the most impacted sectors by the pandemic.** Hospitality has been impacted by stay-at-home orders and travel restrictions and the lack of business travel demand. A full recovery of the hotel industry is not expected until 2023 or 2024.
- **Hotel operators have experienced increased operating expenses.** Hotels reported additional costs associated with implementing additional cleaning and installing disinfection technologies and air filtration systems.
- **Large numbers of workers in these industries are seeking other work.** Stakeholders noted that a large share of workers in these industries—especially in hotels—have begun seeking work in other industries.

OFFICE-BASED BUSINESSES

- **Businesses and workers have relied on teleconferencing technology.** Workers across industries, but particularly in office-based industries working from home, have used platforms such as Zoom to conduct meetings and other business operations.
- **Businesses reported a loss of efficiency and productivity through shifting operations to online platforms.** Employers in office-based industries reported that some tasks previously performed in person were more difficult to implement on digital platforms. Productivity has also been impacted for workers balancing job responsibilities with caring or managing distance learning for children at home. The decision for some families to care for their children at home during this time can be due to a lack of convenient child care options, fear of children contracting the virus at a child care facility, or the inability to pay child care fees.

- **Workers have faced issues with acquiring office equipment and internet access.** Sufficiently fast internet, or internet access in general for some, has been a challenge for employees working from home. Additionally, some workers have assumed the cost of home internet upgrades and procuring equipment necessary for working from home.
- **Leasing activity has declined for office space, and many office spaces are temporarily unoccupied as workers work remotely.** Net absorption for office space square footage turned negative in the third quarter of 2020 in the City of Alameda and Alameda County. However, office building vacancy and lease rates remain mostly unchanged as of October 2020.⁸ This is likely because most leases have not yet expired and some tenants are renegotiating their lease terms. Vacancy rates may increase over time as businesses determine whether to shift more operations to permanent work-from-home status.
- **Life science buildings have remained in demand.** Life science is considered one of the essential sectors, and employees in industries such as biotech and medical research have been allowed to continue performing their duties from their place of work.

WORKFORCE DEVELOPMENT AND LABOR

- **There are increased concerns about workers' mental health and safety.** Employees expressed concern about staying safe from infection while working, increasing the level of stress and anxiety they experience in their job roles. Many public-facing workers have assumed stressful duties such as dealing with upset customers and enforcing the wearing of face masks and physical distancing. Some employees have worked reduced hours or quit their jobs due to child care responsibilities, while others have left their jobs to not endanger a household member who is at high-risk of COVID-19 complications.
- **New safety protocols have resulted in some employees working longer hours.** Labor groups reported that there were instances of workers working longer hours, and in some instances were pressured by employers to work off-the-clock to finish pressing work duties.
- **Some workers do not have access to any or sufficient paid sick leave.** Employee access to paid sick leave varies among industries and is typically lower for those working in the retail and the personal services sectors, which are both consumer-facing industries. A lack of paid sick leave makes it difficult for workers to stay home when they are sick, increasing the risk of coronavirus transmission.
- **Job training and provision of services to support job seekers are more difficult to deliver during the pandemic.** Labor and workforce development organizations reported that training and job searches are occurring entirely online due to the risks of gathering in person. They also noted that navigating access to unemployment benefits and other resources requires that workers be comfortable with navigating online systems. As a result, these organizations are encountering new obstacles in connecting with and supporting workers requiring assistance, especially those less comfortable with computer technology.

HOUSING AND TRANSPORTATION

- **Greater numbers of renters are having difficulty paying rent and face potential eviction.** Many renters have lost their jobs or experienced income reductions as a result of the COVID-19 pandemic. They currently struggle to make rent payments and are at risk of

⁸ CoStar, October 2020.

being evicted from their homes once COVID-19 related eviction moratoriums and restrictions on rent increases expire.

- **Many renters are unaware of available resources and rights.** Many renters are unaware of the available programs that can assist them, and often do not seek knowledge of specific resources until their situation becomes dire.
- **Public transit use has declined and transit agencies have cut services.** BART, ferry, and AC Transit ridership have declined significantly during the pandemic, causing significant declines in revenues for transit agencies. As a result, transit agencies have reduced or suspended operations, reducing service and creating additional burdens for essential workers commuting to their jobs. As transit agencies continue to face financial hardships, they may make additional service cuts—especially if federal relief is not approved.
- **Active transportation has increased.** Walking and bicycle use has increased within Alameda since March 2020.

IV. ONGOING CITY ACTIONS

The City of Alameda has already rapidly implemented numerous interdepartmental actions and programs to support businesses, organizations, and workers during the pandemic. Some of these efforts came about in immediate response to needs and ideas raised by focus group and Task Force participants, while others were led by City Council. Early and ongoing actions include:

- Communication of key information and resources through the City's website, webinar series, and regular town hall meetings.
- Weekly to bi-weekly email communication with businesses about current updates and reminders about existing opportunities and resources.
- Development and operation of "What's Open Alameda," an online platform that allows shoppers to search for businesses that are currently open in the City.
- Provision of free technical assistance to individual businesses through the Business Assistance Hotline and At Your Service program.
- Provision of 74 emergency grants of up to \$7,500 to retailers, restaurants and other small businesses.
- Creation of the Alameda Strong program to raise money for future grants to businesses, non-profits and residents.
- Deferral of payments for business license tax, business improvement area (BIA) fees and transient occupancy tax (TOT).
- Deferral and rent reduction in several City-owned properties.
- Implementation of a moratorium on commercial and residential evictions for non-payment of rent due to COVID-19.
- Implementation of a cap on third-party delivery app fees.
- Creation of common al fresco dining areas through the Commercial Streets Program. An interdepartmental team has worked to create permitting and guidelines for parklets and large al fresco dining areas, including the closure of Alameda Avenue, and the Webster/Taylor parking lot.
- Creation of emergency zoning changes: for example, to extend business hours for food-related services and to facilitate curbside pickup.
- Expansion of the City's homelessness and social service initiatives, including the creation of a Domestic Violence Task Force, opening a Day Center and Safe Parking location for the unhoused, and expanding the Dine and Connect program for the food insecure.
- Implementation of the Spend Local Campaign, which includes social media and web marketing encouraging shoppers to spend locally during the holiday season and afterward. As part of the campaign, the City distributed more than 4,000 gift bags for businesses to give away to shoppers.
- Organization of a monthly Personal Care Services Coalition to address concerns that are unique to the Personal Services industry.

- Development of a series of free Zoom-based group discussion sessions for business owners and workers to address mental health.
- Assistance with tenant and landlord negotiations and reopening challenges. In partnership with the Alameda Chamber of Commerce, staff organized webinars to address the challenges of reopening, and to help businesses negotiate flexibility and leniency in lease obligations.
- Promotion of Alameda Restaurant Week.
- Creation of Feed Alameda. Based on a suggestion from City Council, staff developed a program to pay Alameda restaurants to cook meals for unhoused residents.

V. ECONOMIC SUPPORT AND RECOVERY STRATEGIES

The Alameda Economic Recovery Task Force developed the following strategies to support the City's businesses, organizations, and workers during the pandemic and to accelerate recovery from the impacts of the pandemic. The Task Force developed these strategies in direct response to the challenges and trends identified during the Task Force's work, as described in the preceding sections of this report. As a result, the strategies focus most heavily on the businesses, organizations, and workers who are suffering the most during the pandemic, with a focus on Alameda's small businesses, lower income workers, and businesses, organizations, and workers in industry sectors most affected by health orders.

The list of strategies differentiates between those that are a continuation, expansion or modification of current efforts by the City of Alameda to support economic recovery, versus strategies that represent an entirely new effort to sustain and build back the economy and workforce as the pandemic recedes. Each strategy is followed by a "tag" indicating whether the strategy is part of an *"Ongoing Response"* by the City, or if the strategy is a *"New/Modified Response."*

The strategies are organized by eight categories of City roles and responsibilities, which are defined as follows:

Category of City Role/Responsibility	Definition
Land Use and Infrastructure	Changes to Alameda regulations, processes, and legislation (e.g., restriping, parklets, zoning) and investments in infrastructure (e.g., gaps in high speed internet service)
Use of City Properties	Use of City of Alameda land and facilities (e.g., events at Alameda Point, creative uses of streets and parking facilities)
Technical Assistance	Referrals to technical assistance organizations and resources (e.g., SCORE East Bay)
Financial or Other Resource Assistance	Direct provision of or referrals to financial or material resources (e.g., grants, loans, and other programs)
Outreach and Coordination	Convening and coordination related to specific sectors and issues (e.g., affinity groups around industries and issues) and outreach, collaboration, and coordination with other public entities (e.g., Cal/OSHA, Alameda County Health Services Agency)
Information Sharing	Direct communication of resources and current information (e.g., webinars, workshops, manuals)
Marketing and Promotion	Promotion of public and private actions, assets, programs (e.g., shop local campaigns)
Supporting Vulnerable Workers	Worker protections and resources

1. LAND USE AND INFRASTRUCTURE STRATEGIES

- 1.1. Continue the City of Alameda’s “concierge” services to navigate businesses through permitting processes, and continue efforts to streamline processes and reduce costs; ensure that any new regulations enacted in response to the COVID-19 pandemic are streamlined, transparent, and easy for businesses to understand. *Ongoing Response*
- 1.2. Consider making elements of the Slow Streets and Commercial Streets programs permanent to improve business access, expand business capacity, and remove barriers to outdoor dining and drinking during the economic recovery from the pandemic’s effects. Include outreach to businesses and business districts to determine interest and the best approaches for extending elements of those programs; consider the need to balance support for outdoor business activities with the potential loss of parking revenue and the need for ongoing parking and curb management. At the City Council’s request, staff will bring an evaluation of this program to Council for consideration in summer of 2021. *New/Modified Response*
- 1.3. Create toolkits of clear guidelines for businesses that are interested in modifying their parklets for comfort in colder and rainy weather; work with the Alameda County Health Care Services Agency to ensure the toolkit guidance reflects safe practices. *Ongoing Response*
- 1.4. Continue to work with commercial brokers and business organizations to assist in identifying and marketing vacant storefronts, with a focus on finding tenants that are compatible with each vacant space’s attributes and facilities (such as restaurant equipment) and that will contribute to foot traffic within commercial districts. *Ongoing Response*
- 1.5. Identify and implement additional pilot infrastructure programs in commercial areas, with quick-build projects that include low-risk, easily reversible, and inexpensive changes in response to ongoing requests by businesses. This effort will continue Alameda’s success in implementing pilot infrastructure projects, such as the restriping of lanes on Park Street to expand pedestrian space and streamlined permitting for parklets. *Ongoing Response*
- 1.6. Explore ways to reduce barriers and expand opportunities for restaurants and bars to serve and sell alcoholic beverages outdoors, in accordance with state and local regulations. *New/Modified Response*
- 1.7. Encourage locating of package pickup centers—such as Amazon lockers and UPS Access Points—in commercial districts such as Park Street and Webster Street in order to enhance visits/foot traffic and reduce delivery truck traffic and package theft in residential areas. *New/Modified Response*
- 1.8. Support the provision of adequate citywide high-speed data service for both businesses and workers by supporting the creation and implementation of Alameda’s recently approved project to develop a Smart City Master Plan. Development of the plan should include an assessment of the areas of the City that are underserved, with special attention to disadvantaged neighborhoods, and identifying and implementing short-term, easily implemented actions immediately as outreach is completed. The plan should also explore the potential for providing public wi-fi in business districts. *New/Modified Response*

- 1.9. Work with commercial real estate brokers to encourage subdivision of large, vacant retail spaces into smaller spaces suitable for small businesses when appropriate. *New/Modified Response*

2. USE OF CITY PROPERTIES STRATEGIES

- 2.1. Publicize and enhance awareness among businesses of existing opportunities to operate certain activities—such as fitness and dance classes—outdoors in City parks through the City’s existing parks permit program and within defined parameters. This permit program is designed to support local Alameda businesses while minimizing disruption of regular park usage, maintenance, and programs. *New/Modified Response*
- 2.2. Develop a policy for business use of City-owned parking lots, recognizing the need to balance support for outdoor business activities with the potential loss of parking revenue and the need for ongoing parking availability and curb management to help businesses recover from the pandemic. *New/Modified Response*
- 2.3. Continue implementing a rent relief program for tenants of City-owned properties experiencing financial distress due to the pandemic. *Ongoing Response*

3. TECHNICAL ASSISTANCE STRATEGIES

- 3.1. Provide support for landlord-tenant negotiations regarding lease terms for small businesses in highly impacted sectors (restaurants, retail, personal care services, arts/culture, nonprofits). *New/Modified Response*
- 3.2. Explore and implement referrals or programs to assist businesses in creating online presences (such as websites, social media, and e-commerce portals). *New/Modified Response*
- 3.3. Conduct outreach to child care providers in Alameda to identify technology and support needs, and explore potential opportunities for the City to support child care providers. *Ongoing Response*
- 3.4. Continue to provide referrals to technical assistance service providers for business development, workforce development and training, and specific COVID-19 related needs such as assisting businesses in how to safely operate. *Ongoing Response*
- 3.5. Continue the emergency grant program for rental assistance; continue providing referrals for Alameda renter households to access mediation services, legal services, and other aid. *Ongoing Response*

4. FINANCIAL OR OTHER RESOURCE ASSISTANCE STRATEGIES

- 4.1. Review and modify the Alameda Strong program to expand public awareness and to ensure that the program effectively connects resident and business philanthropy with businesses and workers in need of financial, resource, or technical assistance. *Ongoing Response*

- 4.2. Prioritize any new resources and programs for businesses and workers found to be suffering the greatest economic damage due to the pandemic, with a focus on severely impacted industries such as retail, personal care services, restaurants, hospitality, arts/entertainment/recreation, and child care service providers. [New/Modified Response](#)
- 4.3. If funding becomes available, responsively develop and implement a new grant program for businesses and nonprofit organizations affected by the pandemic. To the extent possible, design the program to allow for businesses and organizations to use the funds flexibly as long as they are able to demonstrate financial losses from the pandemic. The Task Force identified the following examples of immediate business needs: back rent, purchases of personal protective equipment, parklet materials and supplies (including modifications and equipment for rain and cold weather), wi-fi and high-speed internet service, and e-commerce and web marketing development services. [New/Modified Response](#)
- 4.4. If outside federal, state or philanthropic funding becomes available, explore establishing a new financial assistance program to child care providers, which could include providing grants for providers to subsidize services to lower income families, funding for general operations, and other purposes. [New/Modified Response](#)
- 4.5. Explore the potential to create a low-interest loan program for business owners and commercial/industrial property owners to improve air filtration systems and complete other upgrades to improve the health and safety of workers and make workers and customers more comfortable with returning to indoor commercial spaces. [New/Modified Response](#)

5. OUTREACH AND COORDINATION STRATEGIES

- 5.1. Through surveys and contacts with businesses and industry groups, track changing economic circumstances and potential City of Alameda responses, with a special emphasis on sectors most vulnerable to the pandemic and those necessary to support reopening (such as child care); in addition to less structured communication via these contacts, also establish a consistent set of questions or indicators that are used to track changes over time. [Ongoing Response](#)
- 5.2. Convene industry coalitions/working groups to continually assess and assist with needs for sectors including personal care services, restaurants, visitation/attractions/hospitality, and social services (some of these build on the City's existing groups—CARES team, restaurant and bar coalition, personal care services etc.); leverage these groups to enhance communication with other businesses in these industries. Leverage the visitation/attractions/hospitality group to develop and implement collaborative cross-promotion of visitor resources; this group could potentially be convened in partnership with the Chamber of Commerce's planned development of a visitor strategy. [Ongoing Response](#)
- 5.3. Provide ongoing feedback to AC Transit and other transportation partners about service needs/adequacy, including paratransit service. [New/Modified Response](#)

6. INFORMATION SHARING STRATEGIES

- 6.1. Continue providing timely and thorough information to businesses and customers about allowable activities, business resources, best practices, and other guidance, through all

available City communication tools (email blasts, web postings, social media postings, and distribution of physical flyers); expand the reach of City email lists through promotion of the City's consolidated email sign-up page. [Ongoing Response](#)

- 6.2. In partnership with the Alameda Chamber of Commerce, East Bay SCORE, Alameda County Small Business Development Center, East Bay Economic Development Alliance, and other organizations, continue to present regular webinars to assist businesses in addressing COVID-19-related issues, including allowable activities, safe reopening steps, business resources, lease negotiation, mental health support, and workforce support services and programs. [Ongoing Response](#)
- 6.3. Ensure that critical communication with businesses regarding allowable activities and significant programs/resources is translated into multiple languages; given the time and cost associated with translation, also promote the City of Alameda website's automated translation feature for lower priority communications that are not otherwise translated into multiple languages. [New/Modified Response](#)
- 6.4. Work with housing advocacy organizations and affordable housing service providers to distribute information about available resources to a wider audience. [New/Modified Response](#)
- 6.5. In partnership with the Alameda Housing Authority and housing advocacy and service providers, publicize and conduct a series of webinars to assist tenants in understanding their rights and available opportunities and resources to prevent eviction as a result of COVID-19-related hardships. [New/Modified Response](#)

7. MARKETING AND PROMOTION STRATEGIES

- 7.1. In partnership with the Alameda Chamber of Commerce and other business associations and districts, provide support for "spend local" marketing campaigns for local businesses, incorporating messaging about safe operations of local businesses and the recently launched local gift card program. Efforts could also include a direct marketing campaign to attract visitors to Alameda from nearby communities in the East Bay. [Ongoing Response](#)
- 7.2. Consider the creation of a moderated community calendar of events, in partnership with the Alameda Chamber of Commerce. [New/Modified Response](#)
- 7.3. If interested businesses can be identified, promote exemplar businesses that are practicing appropriate safety practices in their operations. [New/Modified Response](#)
- 7.4. Collaborate with owners of distressed properties, commercial brokers, and business organizations to explore and implement long-term strategies to promote Alameda as a remote working hub, including encouraging development of satellite business offices and additional co-working hubs. [New/Modified Response](#)

8. SUPPORTING VULNERABLE WORKERS STRATEGIES

- 8.1. Provide training materials and resources for businesses and workers to respond to customers who fail to comply with health and safety rules such as mask-wearing, physical-distancing, and occupancy limits. *Ongoing Response*
- 8.2. Explore ways for the City to assist public health authorities in identifying and communicating with employees of businesses who qualify for vaccination in different phases and tiers of the state's vaccine plan. *Ongoing Response*
- 8.3. Conduct outreach to employers to ensure that they are aware of workplace safety regulations under Cal/OSHA, Alameda County, etc., including proper physical distancing protocols and the correct use of personal protective equipment. *Ongoing Response*
- 8.4. Work with College of Alameda and the One Stop Career Center to create a "one-stop shop" that increases technology access and guidance for those seeking unemployment benefits or applying for jobs. *New/Modified Response*
- 8.5. Collaborate with the Alameda Chamber of Commerce, the offices of elected officials, and workforce development service providers to conduct "constituent clinics" that connect Alameda workers and residents with resources, such as unemployment benefits. *New/Modified Response*
- 8.6. Explore adopting enhanced worker protections, including a "right to recall" ordinance that gives laid off workers priority to be rehired by their former employers. *New/Modified Response*

VI. TASK FORCE BACKGROUND RESEARCH

Strategic Economics conducted targeted research to inform the deliberations of the Alameda Economic Recovery Task Force. This research focused on both COVID-19 related impacts and potential responses. Strategic Economics gathered this information from national data sources, publications for certain industries, and examples from other cities. This appendix provides a brief summary of Strategic Economics' research and lists additional reading sources for further exploration of the topics. It is important to note that the research presented here represents what was known during mid-to-late 2020, and more recently published sources may provide more up to date accounts of evolving conditions.

Retail, Restaurants, and Personal Services

RESEARCH SUMMARY

- Several cities in California have provided support to residents, workers, and businesses through strategies related to managing public space, communication of resources and guidelines, transportation, financial assistance, helping businesses pivot to online platforms, and providing other general business assistance.
- Responses by cities include allowing businesses to temporarily occupy public spaces such as parklets and streets. To facilitate this process, cities implemented permit streamlining and simplifying fees. Cities have also issued written and visual guideless for proper use of public space.⁹
- The City of Sacramento provided support to businesses and workers through webinars, featuring City staff and private and nonprofit practitioners, regarding assistance programs, City policies, and other technical assistance. Sacramento also used a City hotline to direct residents to resources.¹⁰
- As businesses have shifted to using more online platforms, cities have supported businesses by providing website development assistance, online marketing support, and capping delivery fees for online food ordering platforms.

ADDITIONAL READING

- "Keeping the Doors Open," SPUR (June 2020): https://www.spur.org/sites/default/files/publications_pdfs/spur_keeping_the_doors_open.pdf
- "Who are the Workers Already Impacted by the COVID-19 Recession?" The Brookings Institution (April 3, 2020): <https://www.brookings.edu/research/who-are-the-workers-already-impacted-by-the-covid-19-recession/>

⁹ Examples of programs include San Francisco's Shared Spaces and Los Angeles' Al Fresco program.

¹⁰ "Webinar Series, City of Sacramento," December 16, 2020, <https://www.cityofsacramento.org/biz-webinars>.

Child Care and Social Services Nonprofits

RESEARCH SUMMARY

- Child care access supports the general workforce and economy by allowing more parents to work. However, many child care businesses (both home-based and center-based) are not self-sustaining centered on fees, and workers often earn low wages. The child care industry has a high share of workers that are women and people of color.
- Since the start of the stay-at-home order, child care providers have faced mounting burdens, and are operating at a loss. The State of California released guidelines for child care providers on safely reopening such as thorough sanitation and safety procedures, and also mandated lower ratios of children to staff. Providers reported extreme difficulty finding supplies, and cleaning procedures have led to higher operating expenses resulting from the cost of cleaning supplies and extra staff time.
- Before COVID-19, Community Based Organizations (CBOs), and other nonprofits that provide services were already chronically underfunded with minimal reserves. As a result of COVID-19, grants and donations are expected to decline with the elimination of fundraising events and general decreases in philanthropy.
- Food insecurity in California has more than doubled since the start of the COVID-19 pandemic, and food banks across the State of California have seen a 73 percent increase in demand.¹¹ Food banks have also faced significant challenges due to supply chain disruptions and a dwindling volunteer workforce due to physical distancing requirements.¹²

ADDITIONAL READING

- “COVID-19 Resources and Publications,” UC Berkeley Center for the Study of Child Care Employment: <https://cscce.berkeley.edu/covid-19-resources-and-publications/>
- “Who Will Mind the Children? The Impact of COVID-19 on the Childcare Market”, Connecting Communities webinar from the Federal Reserve System (August 6, 2020): <https://bsr.stlouisfed.org/connectingcommunities/#85/who-will-mind-the-children-the-impact-of-covid19-on-the-childcare-market>

Hospitality, Recreation, Arts & Culture, Entertainment

RESEARCH SUMMARY

- Before COVID-19, Alameda’s hotels were performing well. The Alameda visitor segment is split between value-seeking travelers and business travelers, with some demand generated by the Oakland Airport.

¹¹ “COVID-19 Has Created a Hunger Crisis, We Must Invest in SNAP,” *California Association of Food Banks* (blog), June 19, 2020, <https://www.cafoodbanks.org/blog/covid-19-has-created-a-hunger-crisis-we-must-invest-in-snap/>.

¹² Yelena Dzhanova, “Food Banks Are Closing and Losing Their Workforce Because of the Coronavirus,” *CNBC*, April 28, 2020, sec. Politics, <https://www.cnbc.com/2020/04/28/coronavirus-food-banks-are-closing-and-losing-their-workforce.html>.

- Hospitality is one of the most impacted sectors by the pandemic. National occupancy rates dropped to their lowest point in April 2020 (22 percent).¹³ Hospitality has been impacted by stay-at-home orders and travel restrictions and the lack of business travel demand. A full recovery of the hotel industry is not expected until 2023 or 2024.¹⁴ Local and regional travel is likely to return first, and business travel is expected to recover more slowly than leisure travel.¹⁵
- Recreational activities performed outdoors are generally safer than indoor recreation and outdoor recreation businesses have performed relatively well during the COVID-19 pandemic. Nationally there have been significant increases in the sale of bikes, boats, kayaks, paddleboards, and canoes.¹⁶
- Businesses in the arts and culture industry have experienced substantial job losses due to event and class cancellations and capacity limitations. Many arts and culture-related businesses or nonprofits remain closed, and indoor museums, galleries, and theatres are among the last types of activities planned to reopen in Alameda County.

ADDITIONAL READING

- “For corporate travel, a long recovery ahead,” McKinsey & Company (August 13, 2020): <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>

Workforce Development and Labor

RESEARCH SUMMARY

- The extent and scope of protections for workers vary among industries. For example, sales and service industry workers have the least access to paid sick and personal leave. Often workers with the least protections and benefits are in industries with low union affiliation. As of 2019, industries with the lowest union affiliation include retail trade (4.7 percent), accommodation (7 percent), food services and drinking places (1.9 percent), and other services (3.3 percent).¹⁷
- Occupational Safety and Health Administration (Cal/OSHA) remains the regulator of workplace safety related to COVID-19. However, much of health and safety enforcement is complaint-driven.
- There is little available data about actual COVID-19 related infection and death rates by occupation. However, survey data from the Department of Labor (DOL) provides an understanding of professions most at-risk by their level of exposure to disease and proximity to other people. Occupations assumed to be most at-risk to COVID-19 include

¹³ “STR: U.S. Hotel Results for Week Ending 29 August,” STR, accessed September 3, 2020, <https://str.com/press-release/str-us-hotel-results-week-ending-29-august>.

¹⁴ Jane L. Levere, “Hotels Tout Cleaning, But Guests Say, ‘My Room Was Dirty,’” *The New York Times*, August 26, 2020, sec. Travel, <https://www.nytimes.com/2020/08/26/travel/virus-hotels-cleaning.html>.

¹⁵ Andrew Curley et al., “For Corporate Travel, a Long Recovery Ahead” (McKinsey & Company, August 13, 2020), <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>.

¹⁶ Rick Barrett, “COVID-19: Canoe, Kayak, Outdoor Equipment Sales Rebound,” *Milwaukee Journal Sentinel*, June 29, 2020, <https://www.usatoday.com/story/money/2020/06/29/covid-19-canoe-kayak-outdoor-equipment-sales-rebound/3278074001/>.

¹⁷ “Table 3. Union Affiliation of Employed Wage and Salary Workers by Occupation and Industry, 2018-2019 Annual Averages” (U.S. Bureau of Labor Statistics), accessed January 8, 2021, <https://www.bls.gov/news.release/union2.t03.htm>.

those that experience frequent exposure to diseases such as nurses and paramedics. High-risk occupation also includes those with frequent proximity to others such as childcare workers and cashiers. Other jobs that have a high potential for infection include those that experience both frequent exposure to diseases and proximity to others such as bus drivers and flight attendants.¹⁸

ADDITIONAL READING

- “Workers and the COVID-19 Recession: Trends in UI Claims & Benefits, Jobs, and Unemployment,” UC Berkeley Labor Center (August 18, 2020): <https://laborcenter.berkeley.edu/workers-and-the-covid-19-recession-trends-in-ui-claims-benefits-jobs-and-unemployment/#prettyPhoto>

Office-Based Businesses

RESEARCH SUMMARY

- The industry sectors with jobs that are most likely to be able to work from home include finance and insurance, management of companies, professional and technical services, and information. Industries in which workers are least likely to work from home include arts and entertainment, retail trade, construction, other services, and hotel and food services.
- There is a strong correlation between the ability to work from home and higher wages; however, not all workers that work from home are highly compensated.
- In Alameda County, offices are among the last types of businesses to reopen. When offices do eventually open, employees might continue working from home part of the time and come into the office a few days a week or only for select meetings. There may also be short-term changes to offices that include, increasing distance between people and fewer people in the office, adding more physical barriers in the office, and replacing individual desks with shared hoteling types of workspaces.¹⁹
- Longer-term changes to offices might include more virtual working and meetings. Some businesses may choose to decentralize their main office by opening satellite offices or renting co-working spaces for employees.²⁰

ADDITIONAL READING

- “Workplace Reimagined” East Bay Economic Development Alliance (East Bay EDA) webinar (July 21, 2020): <https://www.youtube.com/watch?v=FikcQEGvIP4>
- “Reimagining the Urban Office,” Harvard Business Review (August 14, 2020): <https://hbr.org/2020/08/reimagining-the-urban-office>

¹⁸ O*NET, U.S. Department of Labor: <https://www.onetonline.org/>

¹⁹ East Bay EDA, *Workplace Reimagined Webinar*, 2020, <https://www.youtube.com/watch?v=FikcQEGvIP4>.

²⁰ Peter Bacevice et al., “Reimagining the Urban Office,” *Harvard Business Review*, August 14, 2020, <https://hbr.org/2020/08/reimagining-the-urban-office>.

Housing and Transportation

RESEARCH SUMMARY

- Prior to the onset of the COVID-19 pandemic, rents and home sales prices in the City of Alameda and the region were rising drastically. In the City, more than half of households are renters and 20 percent of renters are severely cost-burdened (spend more than half of gross income on rent), and lower-income renters are much more likely to be cost-burdened.²¹ Before the COVID-19 pandemic, cases of homelessness were also increasing. In 2019, there were 231 unhoused individuals, including sheltered and unsheltered (a 13 percent increase since 2017).²²
- 31 percent to 42 percent of California renter households were estimated to have difficulty paying their rent or mortgage. About 11 percent of Bay Area renters were behind on payments and about 8 percent of Bay Area homeowners are behind on their mortgage.²³
- The Federal Government, the State of California, and Alameda County responded to housing challenges during the pandemic by issuing eviction moratoriums and other protections for those who lost their source of income due to COVID-19. However, policies require tenants to pay back missed rental payments after moratorium terms end in early 2021.
- Public transit agencies have experienced drastic declines in transit ridership since March 2020, and this has resulted in severe revenue shortages for transit agencies. At the same time, increases in bicycle and pedestrian bridge crossings were recorded since the start of the pandemic. Overall, there is uncertainty regarding the long-term impacts of COVID-19 on commute trends and mode choice.

ADDITIONAL READING

- “The Ongoing Housing Crisis: California Renters Still Struggle to Pay Rent Even as Counties Re-Open,” Turner Center for Housing Innovation (October 10, 2020): <https://turnercenter.berkeley.edu/research-and-policy/ongoing-housing-crisis/>

²¹ U.S. Census ACS 5-year estimates, 2014-2018.

²² Alameda County Homeless Count & Survey, 2019, <https://www.alamedaca.gov/files/assets/public/city-manager/community-development/2019-alameda-county-point-in-time-full-report.pdf>.

²³ Carolina Reid and Meg Heisler, “The Ongoing Housing Crisis: California Renters Still Struggle to Pay Rent Even as Counties Re-Open” (Turner Center for Housing Innovation, October 2, 2020), <https://turnercenter.berkeley.edu/research-and-policy/ongoing-housing-crisis/>.

VII. THE IMPACT OF COVID-19 ON THE CITY OF ALAMEDA: ECONOMIC ANALYSIS AND VULNERABILITY ASSESSMENT



CITY OF ALAMEDA

The Impact of COVID-19 on the City of Alameda:
Economic Analysis and Vulnerability Assessment

January 2021

Prepared By:





ABOUT BEACON

Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis required to understand the significance of on-the-ground realities and to make informed business and policy decisions.

PRACTICE AREAS

- Economic, Fiscal, and Social Impact
- Economic and Revenue Forecasting
- Regional and Sub-Regional Analysis
- Housing, Land Use, and Real Estate Advisory
- Litigation and Testimony
- Sustainable Growth and Development

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Picture Credit - Maurice Ramirez

EXECUTIVE SUMMARY

The unprecedented COVID-19 pandemic has had, and continues to have, a massive impact on economic activity across California and beyond. Although the long-term effects remain uncertain, mitigation efforts to contain the spread of the virus have taken a toll on the economic welfare of the City of Alameda's industries, firms, and population. Additionally, the continued surge in virus cases poses significant downside risks to the near-term economic recovery. For those most concerned with understanding the current economic landscape and navigating the road to recovery, determining the magnitude of the virus's impact on employment and key industries, as well as forgone economic activity, is imperative. The recovery of the City's economy depends largely on its strength and mix of industries prior to the crisis. This report analyzes the City of Alameda's economy before the outbreak began and the impact the pandemic is having on the City and its industry sectors and populations.

CONTEXT

- In the East Bay – as in the rest of the nation – the costs of the pandemic-driven economic shutdown have not been evenly distributed. Firms and workers in non-essential industries dependent on face-to-face interaction were disproportionately affected compared to those that were deemed essential and/or could work remotely.
- There exists a divide between those who work within the City's boundaries but live elsewhere, and those who live within the City's boundaries, but work elsewhere. Those who work in the City are much less educated, on average, and are less likely to earn higher wages compared to those who live in the City.

KEY FINDINGS

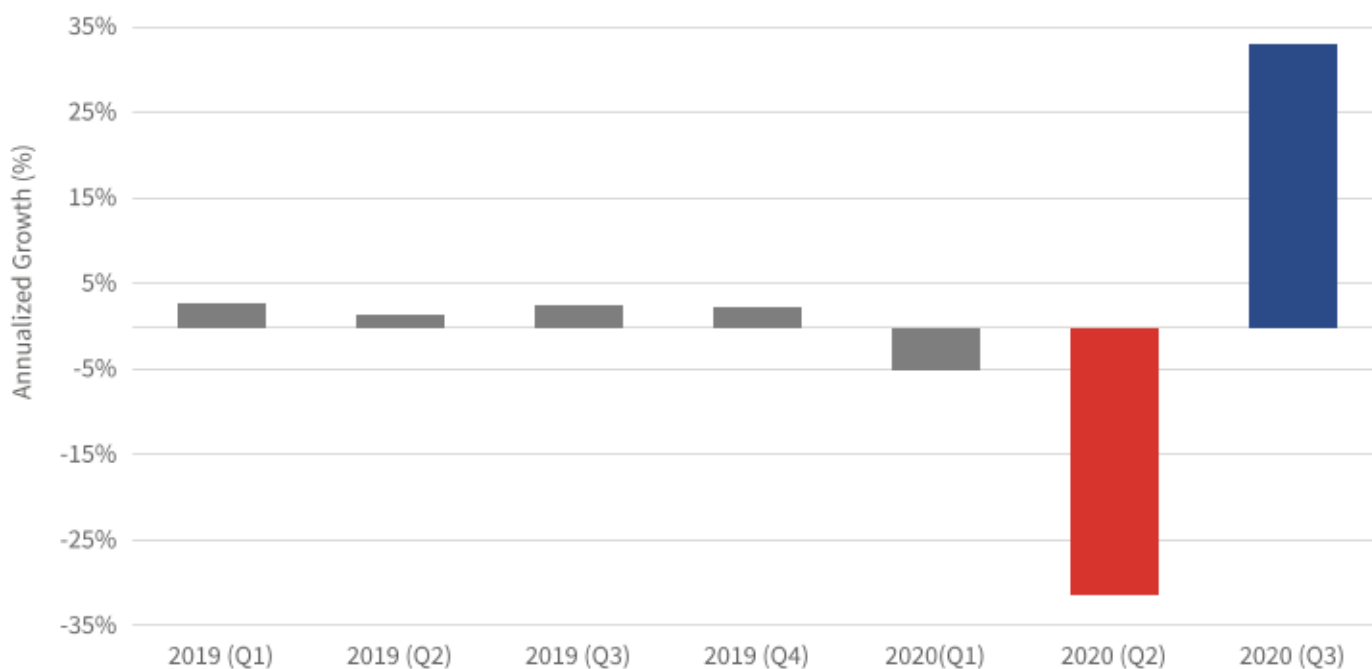
- The City of Alameda's labor market is experiencing a bifurcated recovery – higher-paying industries (which tend to be populated by more highly educated workers) have recovered nearly all of the jobs lost during the initial months of the pandemic, while lower-paying industries (largely populated by workers with lower levels of educational attainment) continue to struggle.
- Lower paying jobs that require less education are experiencing a slower recovery and a more severe impact. This is because these jobs are more likely to be in-person, customer-facing roles that cannot be performed remotely.
- The extension of health-mandated restrictions to slow the spread of COVID-19 are having uneven impacts on those who cannot work remotely. As a result, the labor market is likely to continue experiencing two very distinct recoveries.
- While certain industries have borne the brunt of the pandemic's economic impact, some workers within these industries are much more vulnerable to pandemic-related job losses than others. On average, occupations that can be performed from home earn higher wages than occupations that cannot be performed from home, regardless of the industry in question. Because the occupations that cannot be performed from home will be subject to greater uncertainty in the coming months as a result of continued health mandated restrictions, these jobs are much more at risk.
- Policy and workforce development/business centers should target workers with less than 'some college' experience. Because groups with lower levels of education are more likely to work in essential, customer-facing industries, they are more at risk for both COVID related unemployment and catching the virus.
- In the State of California, Hispanic and/or Latino and non-Hispanic Black residents are contracting the virus at higher rates than non-Hispanic White and non-Hispanic Asian residents. Recovery efforts should ensure that marginalized groups have access to resources and are targeted with necessary outreach to ensure this inequality is not exacerbated as the pandemic continues.



PART 1: NATIONAL AND STATE TRENDS

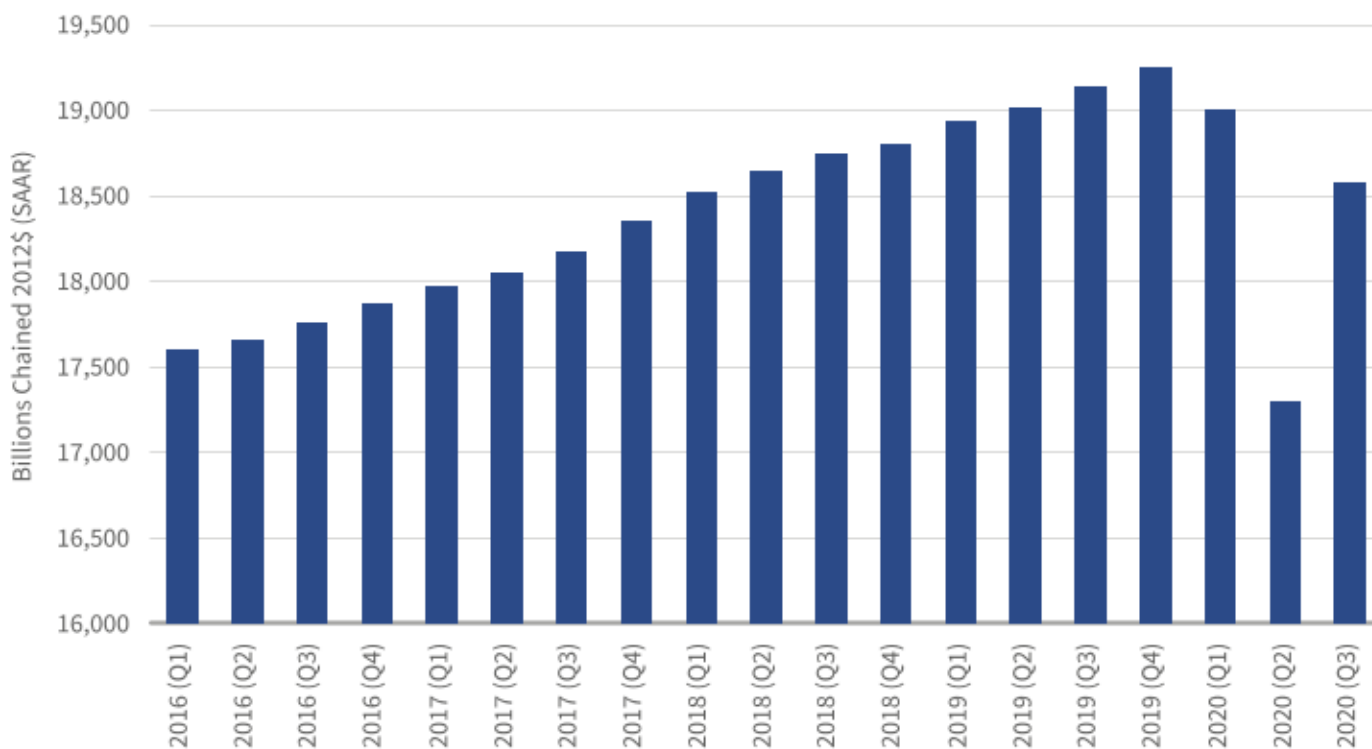
As the economic fallout from the COVID-19 outbreak nears the one year mark, the nation is starting to come to grips with the damage left in the pandemic's wake. U.S. real GDP dropped at an annualized rate of 31.4% in the second quarter of 2020, the sharpest decline ever recorded. Following this massive contraction, many were left wondering where the economy would go from there. A collapse in consumer spending occurred not because people couldn't spend money but because fear, caution, and uncertainty surrounding the disease itself gave consumers pause. While the economic collapse that occurred in the second quarter was substantial, current indicators point to an economy that is in the midst of recovery. U.S. real GDP jumped at an annualized rate of 33.1% from the second to the third quarter of 2020 (Figure 1). Still, the level of real GDP remains 3.5% below its peak in the fourth quarter of 2019 (Figure 2). To provide context, real GDP never fell more than 4% below pre-recession peak levels even at the nadir of 2008's "Great Financial Crisis."

FIGURE 1: U.S. REAL GDP ANNUALIZED GROWTH
2020



Source: U.S. Bureau of Economic Analysis. Analysis by Beacon Economics

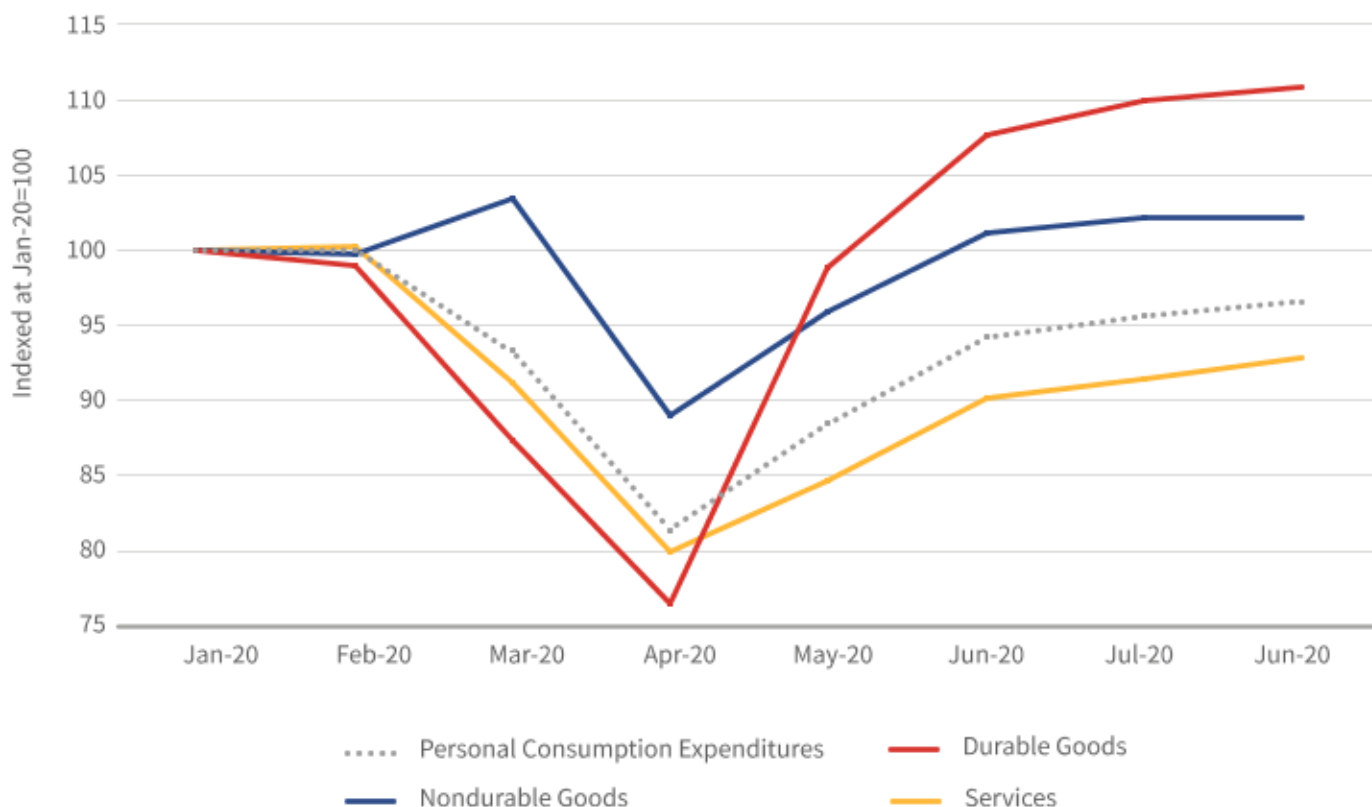
FIGURE 2: CHANGE IN U.S. GDP
2016-20



Source: U.S. Bureau of Economic Analysis. Analysis by Beacon Economics

Total personal consumption expenditures experienced a substantial decline in April 2020, falling 19% from February's levels (Figure 3). This was not driven by a collapse in wealth; personal income actually increased in April due to the substantial Federal stimulus. Rather, health-mandated business closures and consumers' inability or unwillingness to engage in high contact environments caused a massive decline in services spending. As a result, and unlike previous cycles, the service sector was particularly hard hit and continues to lag behind other sectors in terms of recovery. Healthcare, transportation, entertainment, and food services spending experienced the largest impacts.

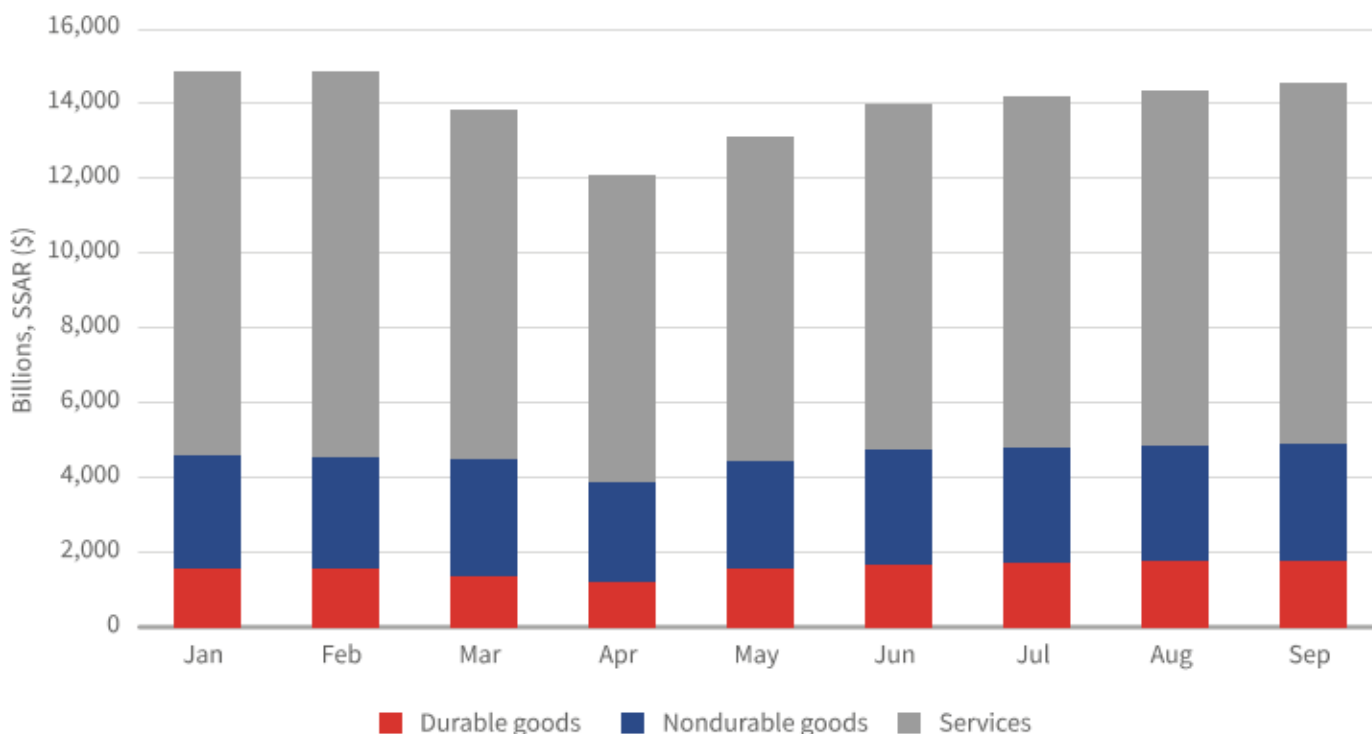
FIGURE 3: PERSONAL CONSUMPTION EXPENDITURES IN THE U.S. 2020



Source: U.S. Bureau of Economic Analysis. Analysis by Beacon Economics

The fiscal stimulus and expanded unemployment benefits that padded consumers' bank accounts, combined with the contraction of the services sector, led to a surge in spending on durable goods in 2020. In the months since the passage of the CARES Act, consumption spending regained much of the lost ground, with total personal consumption expenditures at 97% of February 2020 levels as of August 2020 (Figure 4). However, spending on durable goods is expected to taper off since by definition these are goods that are meant to last and are not traditionally bought in high volume or frequency. Along with durable goods, spending on non-durable goods has also recovered to pre-pandemic levels. However, spending on services remains 7% below February 2020 levels as of August. Additionally, the recovery of services consumption slowed considerably in July and August. Whether services consumption quickly returns to its pre-pandemic growth levels depends heavily on the national recovery, considering services makes up nearly 70% of all personal consumption expenditures.

**FIGURE 4: DISTRIBUTION OF CONSUMER SPENDING IN THE U.S.
2020**

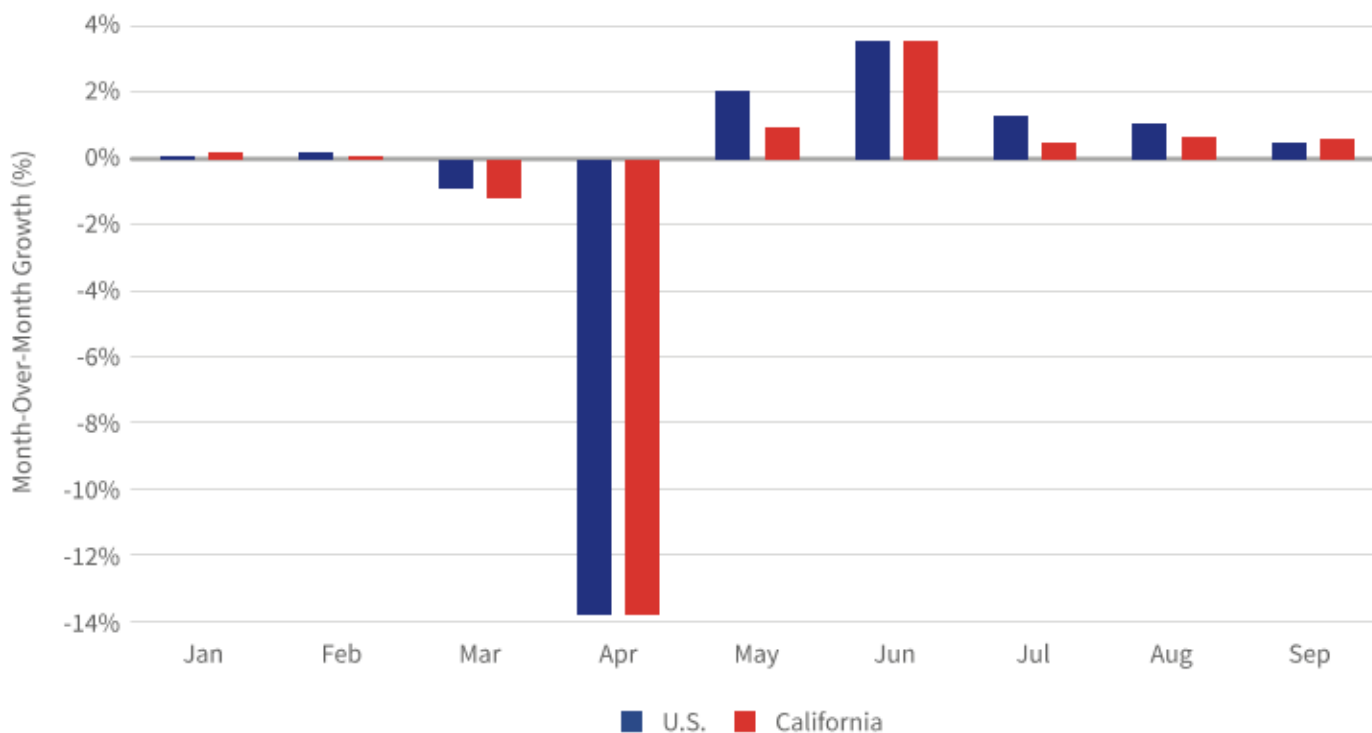


Source: U.S. Bureau of Economic Analysis. Analysis by Beacon Economics

After the substantial increase in personal income in April 2020 due to the \$1,200 economic impact payments, personal income declined in subsequent months and peaked at 2% above February 2020 levels in August. As the nation's expanded unemployment benefits expired in July amidst the summer surge in virus cases, and with the prospect for further fiscal stimulus still very uncertain at the time, personal income was expected to continue its downward trend. However, the second round of fiscal stimulus that passed to close out 2020 will provide some much needed support for a labor market recovery that continues to lose steam.

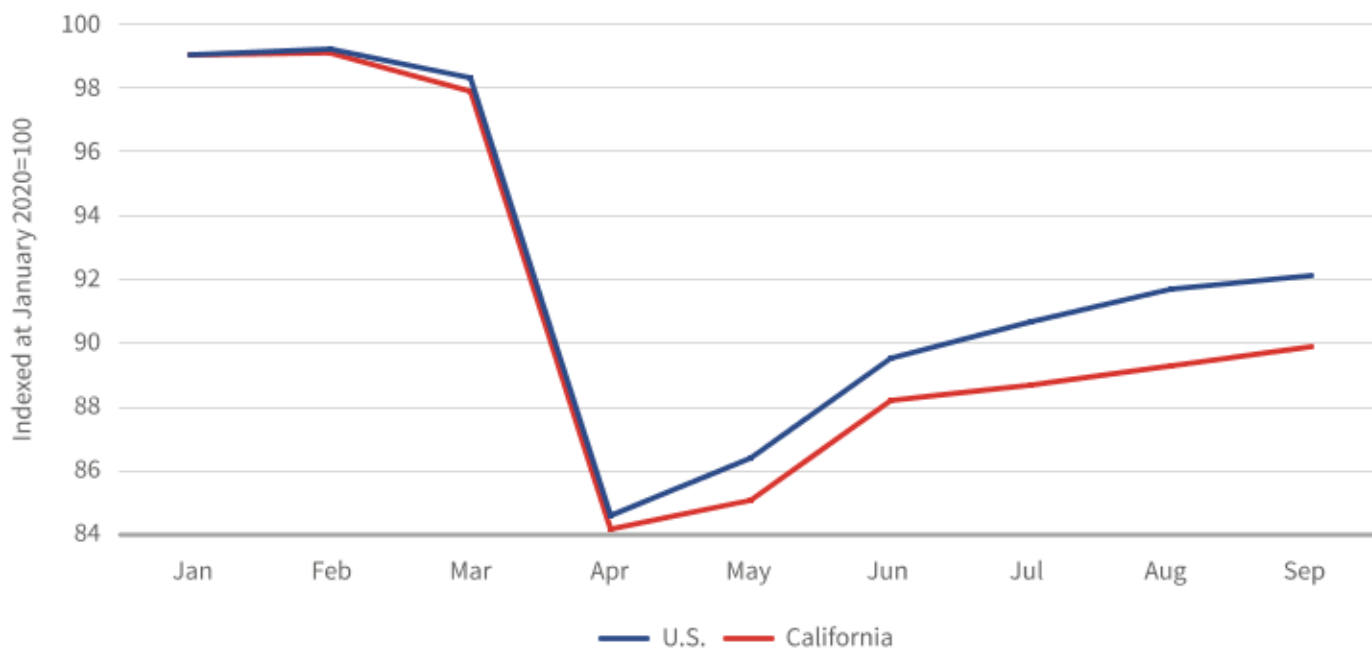
Following the largest month-over-month decline ever recorded – 13.8% from March to April 2020 (Figure 5) – total nonfarm employment in the U.S. immediately entered into what has become a protracted recovery (Figure 6). As of September 2020, the U.S. labor market has recovered to 94% of March levels, adding 11 million jobs since April. While this is a staggering recovery, 9 million jobs have yet to return to the U.S. labor market. Of course, this fails to capture those who have exited the labor force and are no longer searching for work; there were roughly 4 million fewer people participating in the labor force in September than there were in February. So while the job gains since April have certainly contributed to the declining unemployment rate, a decline in labor force participation has also been a contributing factor.

FIGURE 5: MONTH-OVER-MONTH CHANGE IN TOTAL NONFARM EMPLOYMENT IN THE U.S. AND CALIFORNIA 2020



Source: U.S. Bureau of Labor Statistics. Analysis by Beacon Economics

FIGURE 6: RECOVERY OF TOTAL NONFARM EMPLOYMENT IN THE U.S. AND CALIFORNIA 2020



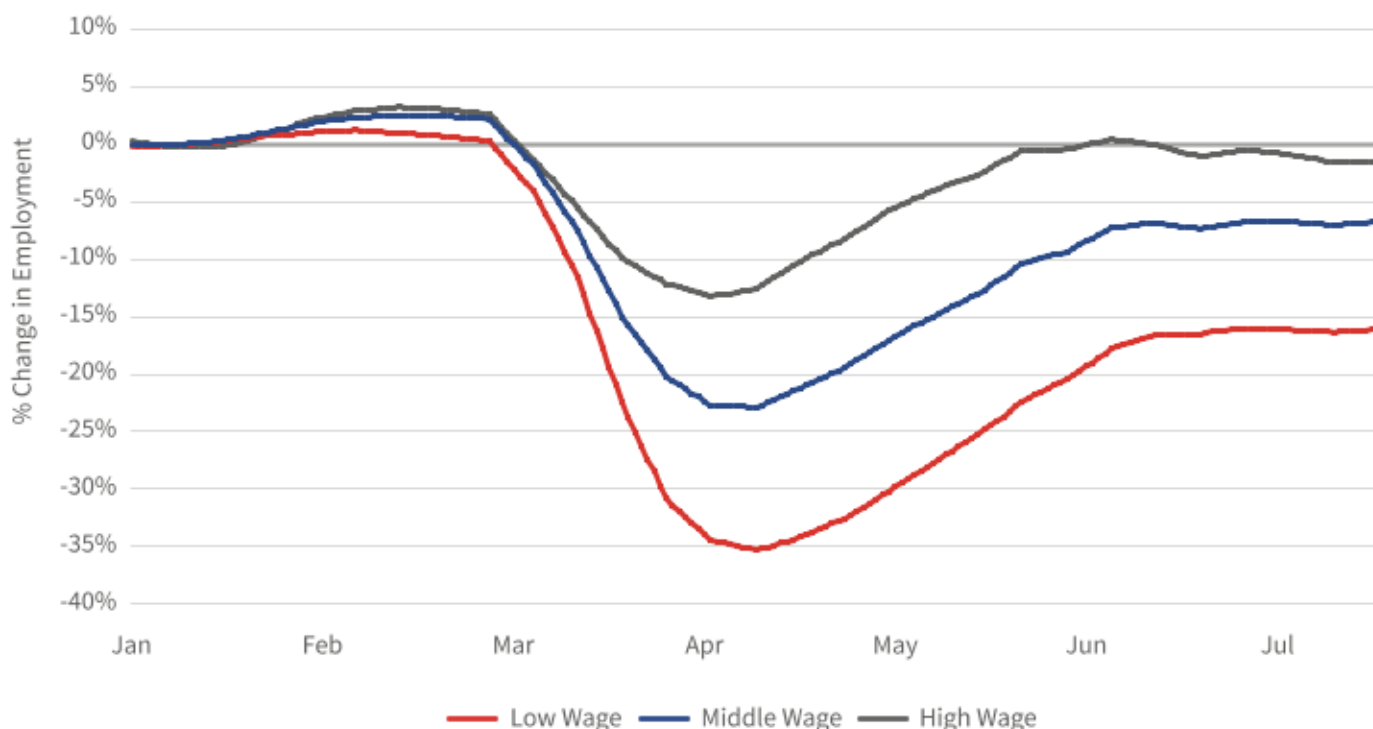
Source: U.S. Bureau of Labor Statistics. Analysis by Beacon Economics

Given the impact of the COVID-19 pandemic on the economy, the key question centers on how long it will take the labor market to recover. The roughly 2.6 million jobs lost in March and April in California will not return to the economy overnight, even after the spread of the virus is fully contained. There are two components to a full labor market recovery. First is replacing the jobs that have been lost, which would only return the labor market to where it was before the pandemic began. Additionally, under normal circumstances, the economy should have been adding jobs over this period. In 2019, the California economy added roughly 20,000 jobs per month; in other words, for each month that it takes to return to the pre-pandemic level of employment, the California economy is effectively missing out on the 20,000 jobs per month that would have been added had the pandemic not occurred.

Following the decline in April, from May through September 2020, the California economy added 199,000 jobs per month on average. While this is a positive sign, to place this figure into context, if the State continues to add jobs at this rate, it would take until July 2021 to return the labor market to the position it was in February 2020. Since the labor market would have normally been adding jobs over this period, this means that the economy would still be behind the pre-pandemic trend by the middle of next summer.

It is important to not only look at the labor market recovery in aggregate but also by various groups within the economy, which reveals a clear bifurcation of the workforce – higher paying and jobs (which tend to be filled by more highly educated workers) have nearly recovered, while lower-paying jobs (largely filled by workers with lower levels of educational attainment) continue to struggle (Figure 7). Not only are lower-paying jobs and jobs that require less education experiencing a much slower recovery, but they have also been much more severely impacted by the pandemic (Figure 8).

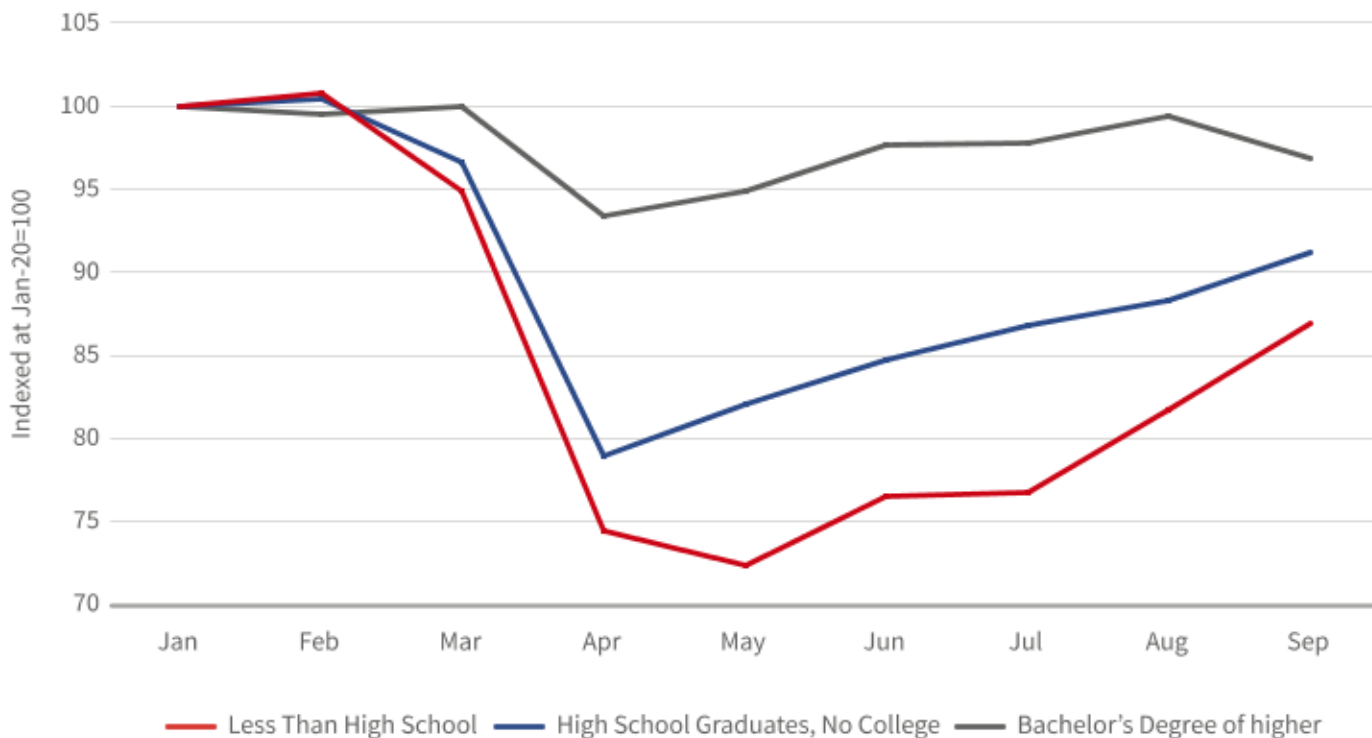
FIGURE 7: CHANGE IN EMPLOYMENT BY HIGH AND LOW WAGE WORKERS IN THE U.S. 2020



Note: High wage jobs are those that earn annual wages greater than \$60,000. Middle wage jobs are those that earn between \$27,000 and \$60,000. Low wage jobs are those that earn annual wages less than \$27,000.

Source: Opportunity Insights. Analysis by Beacon Economics

FIGURE 8: CHANGE IN EMPLOYMENT BY EDUCATION LEVEL IN THE U.S.
2020



Source: U.S. Bureau of Labor Statistics. Analysis by Beacon Economics

Over the past few months, COVID-19 has aggressively spread throughout the world and indeed Alameda County. As many regions across the globe enter periods of reopenings and lockdowns following the subsequent waves of the virus, businesses and the recently unemployed struggle to stay afloat. As of January 12, 2021, Alameda County is facing the biggest surge since the pandemic began with 62,046 confirmed cases and 763 deaths.¹ This places the region in Tier 1 lockdown which indicates widespread transmission risk and as such most nonessential indoor business operations are closed. However, although cases are surging the number of those requiring hospitalizations is steady².

Following the subsequent waves of the virus, long-term economic recovery will be contingent on vaccine rollout, virus containment, changes in consumer behavior, and the eventual lifting of restrictions (which are based on virus transmission levels). While many regions are now facing unprecedented numbers of COVID-19 cases, the approval and rollout of recently developed vaccines signals the beginning of the end of the pandemic. However, it is important to ensure that businesses and the recently unemployed are given the means to stay operational in the interim to ensure they can reenter the economy upon its eventual reopening.

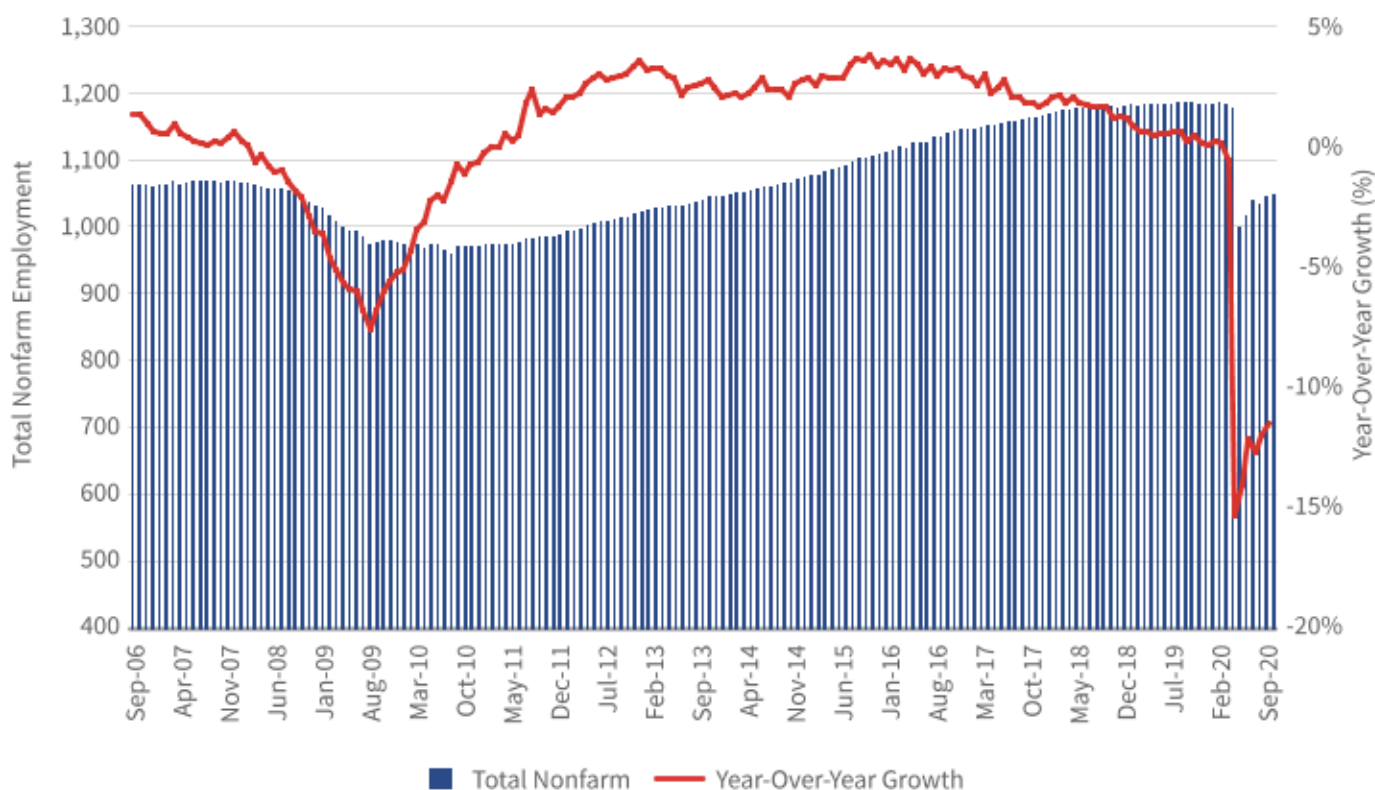
¹ Over a 7-day period, the County averaged 944 new cases and 11.7 deaths per day.

² Los Angeles Times (2021, January 12). Retrieved January 13, 2021, from <https://www.latimes.com/projects/california-coronavirus-cases-tracking-outbreak/alameda-county/>

PART 2: LOCAL TRENDS

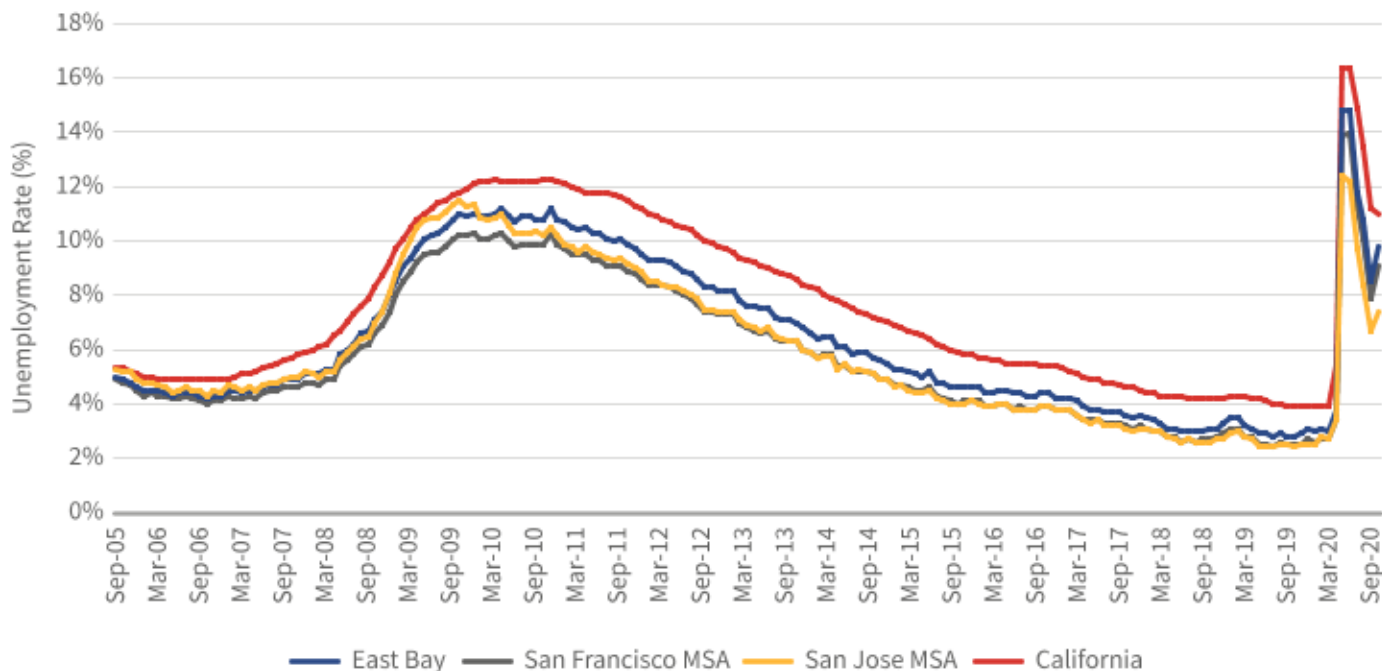
Over the past decade, total nonfarm employment growth in the East Bay remained steady following the depths of the Great Recession, when year-over-year employment growth rates were negative from April 2008 to January 2011 (Figure 9). From February 2011 to February 2020, the region experienced an average yearly growth rate of 2.2%, which mirrored California's average growth rate though lagged neighboring San Jose (3.0%) and San Francisco (2.9%). The modest employment growth experienced in the East Bay abruptly stopped in March 2020 when the region went into lockdown. The first sign of the COVID-19 impact in March 2020 was a negative employment growth rate (-0.5%) compared to the California average (0.2%). The East Bay's unemployment rate peaked at 15% in April 2020 but has since fallen 5.0 percentage points to 10% in September 2020 (Figure 10). The region is faring better than the State (11%) but lagging San Francisco (9%) and San Jose (7%). Moreover, the unemployment rate may understate the extent of worker dislocation given that labor force contraction in the East Bay was more pronounced than in San Jose and California overall (Figure 11).

**FIGURE 9: CHANGE IN TOTAL NONFARM EMPLOYMENT IN EAST BAY
2006-20**



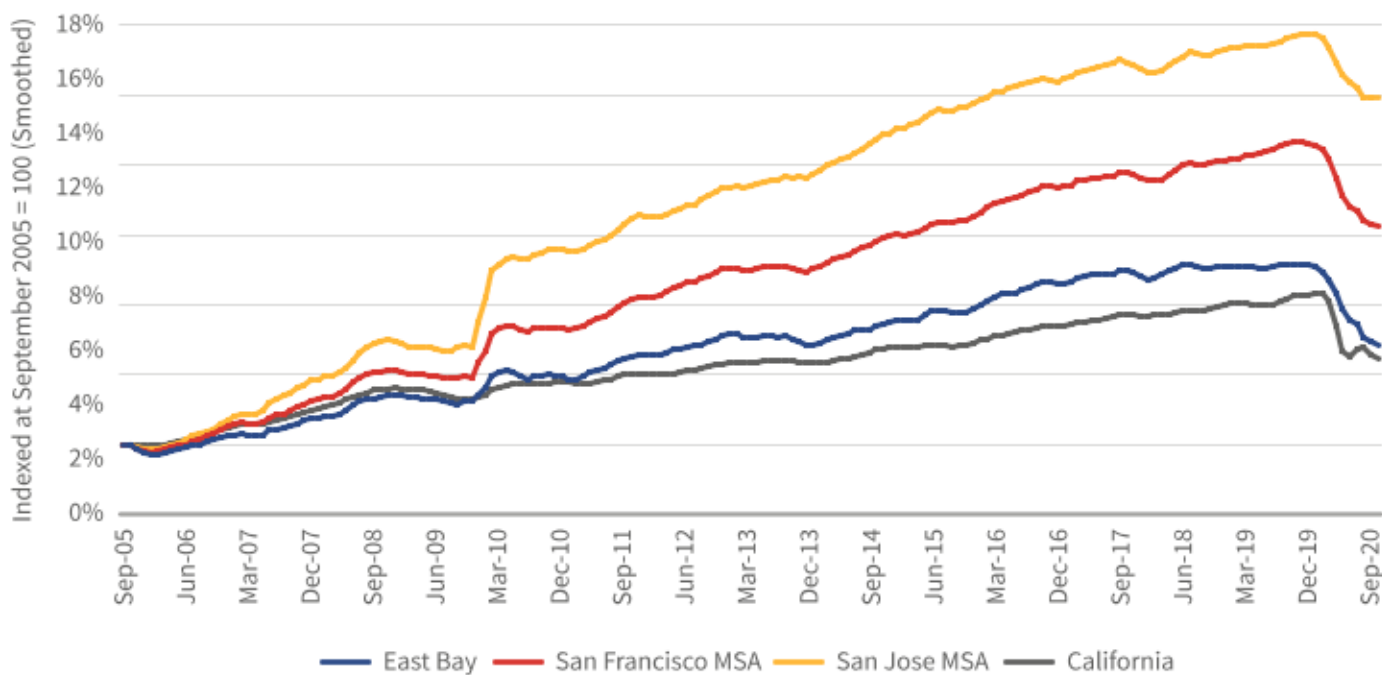
Source: California Employment Development Department. Analysis by Beacon Economics

**FIGURE 10: CHANGE IN UNEMPLOYMENT RATE FOR SELECT AREAS
2005-20**



Source: California Employment Development Department. Analysis by Beacon Economics

**FIGURE 11: CHANGE IN LABOR FORCE FOR SELECT AREAS (INDEXED TO SEPTEMBER 2005)
2005-20**



Source: California Employment Development Department. Analysis by Beacon Economics

In the East Bay – as with the rest of the nation – the costs of the economic shutdown were not evenly distributed; indeed, firms and workers in non-essential industries dependent on face-to-face interaction were disproportionately affected compared to those that were deemed essential and/or could work remotely. Not surprisingly the Arts & Entertainment and Accommodation and Food Services sectors bore the brunt of the COVID recession’s effects, with employment plummeting 49% and 45%, respectively; firms and workers engaged in Other Services (which include gyms, barber shops/hair salons, and nail salons) reduced their ranks by 31% (Table 1). For other sectors – such as Financial Activities, Management, and Professional, Scientific & Technical Services – the ability to work from home mitigated the effects of the lockdown and allowed firms and workers to continue to conduct business for the duration of the recovery.

**TABLE 1: PRE-COVID YEAR-OVER-YEAR EMPLOYMENT CHANGE BY INDUSTRY IN EAST BAY
2016-20**

	February 2020 (In Hundreds)	1 Year-Over-Year Growth	5 Year-Over-Year Growth
Total Nonfarm Employment	1050.8	0.2%	9.6%
Logistics	187.0	-0.7%	3.8%
Health Care & Social Services	159.9	0.9%	12.9%
Government	158.1	0.2%	4.4%
Retail Trade	102.9	-0.3%	1.6%
Professional, Scientific & Technical Services	96.3	1.4%	15.1%
Manufacturing	86.2	-2.1%	17.3%
Accommodation & Food	70.7	-1.3%	13.6%
Construction	66.3	3.8%	21.8%
Financial Activities	54.1	0.1%	2.8%
Wholesale Trade	42.7	-1.5%	-0.9%
Other Services	32.1	1.0%	9.1%
Information	26.4	-0.3%	14.0%
Management	24.9	-0.6%	-9.8%
Educational Services	20.5	-0.3%	9.2%
Arts & Entertainment	10.1	4.5%	24.0%
Farm	1.3	-0.6%	15.9%
Natural Resource/Mining	0.2	-0.6%	-34.7%

Source: California Employment Development Department. Analysis by Beacon Economics

The extent and length of the recovery will vary among sectors as different industries learn to adapt their business infrastructure to a new and constantly evolving operating environment. With the exception of the Arts & Entertainment sector, most consumer-facing industries – even Accommodation & Food Services, Other Services, and Retail Trade – have experienced some form of recovery compared to the initial impact as businesses learn to adapt their services to the pandemic economy. This is primarily due to periods of health mandates been lifted and businesses implementing COVID compliance (Table 2.)³

**TABLE 2: YEAR-OVER-YEAR PERCENTAGE CHANGE IN EMPLOYMENT BY INDUSTRY IN EAST BAY
2019-20**

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Total Farm	-0.6	-16.5	-15.1	-13.3	-11.3	-16.5	-12.1	-7.8
Total Nonfarm	0.2	-0.5	-15.4	-14.1	-12.2	-12.7	-12.0	-11.5
Arts & Entertainment	4.5	2.0	-49.4	-53.6	-49.7	-45.3	-49.9	-48.9
Accommodation & Food	-1.3	-3.4	-45.2	-41.6	-31.5	-30.4	-30.0	-29.6
Construction	3.8	1.1	-25.5	-17.3	-12.5	-14.3	-14.3	-13.0
Educational Services	-0.3	-0.1	-9.3	-12.8	-12.6	-12.2	-11.4	-14.2
Financial Activities	0.1	0.4	-2.7	-2.2	-1.4	-2.5	-1.9	-2.2
Government	0.2	1.0	-3.7	-6.8	-8.8	-12.0	-10.4	-10.3
Health Care & Social Services	0.9	0.2	-11.6	-9.4	-9.1	-9.2	-8.6	-8.4
Information	-0.3	-0.4	-4.6	-5.6	-5.9	-6.7	-5.5	-4.9
Management	-0.6	-0.8	-4.4	-3.8	-2.6	-1.9	-2.6	-1.8
Manufacturing	-2.1	-1.5	-17.7	-16.7	-15.4	-14.5	-13.3	-12.7
Natural Resource/Mining	-0.6	-0.3	-0.2	0.1	-0.1	-0.2	0.4	0.2
Other Services	1.0	-3.7	-30.8	-25.9	-22.0	-22.9	-25.2	-22.3
Professional, Scientific & Technical Services	1.4	1.2	-6.1	-4.5	-4.9	-7.1	-5.1	-4.7
Retail Trade	-0.3	-0.5	-15.6	-14.8	-11.8	-10.7	-9.6	-7.7
Logistics	-0.7	-1.0	-13.5	-12.3	-9.2	-8.8	-7.6	-6.4
Wholesale Trade	-1.5	-1.1	-11.8	-11.0	-7.0	-8.4	-6.4	-6.0

Source: California Employment Development Department. Analysis by Beacon Economics

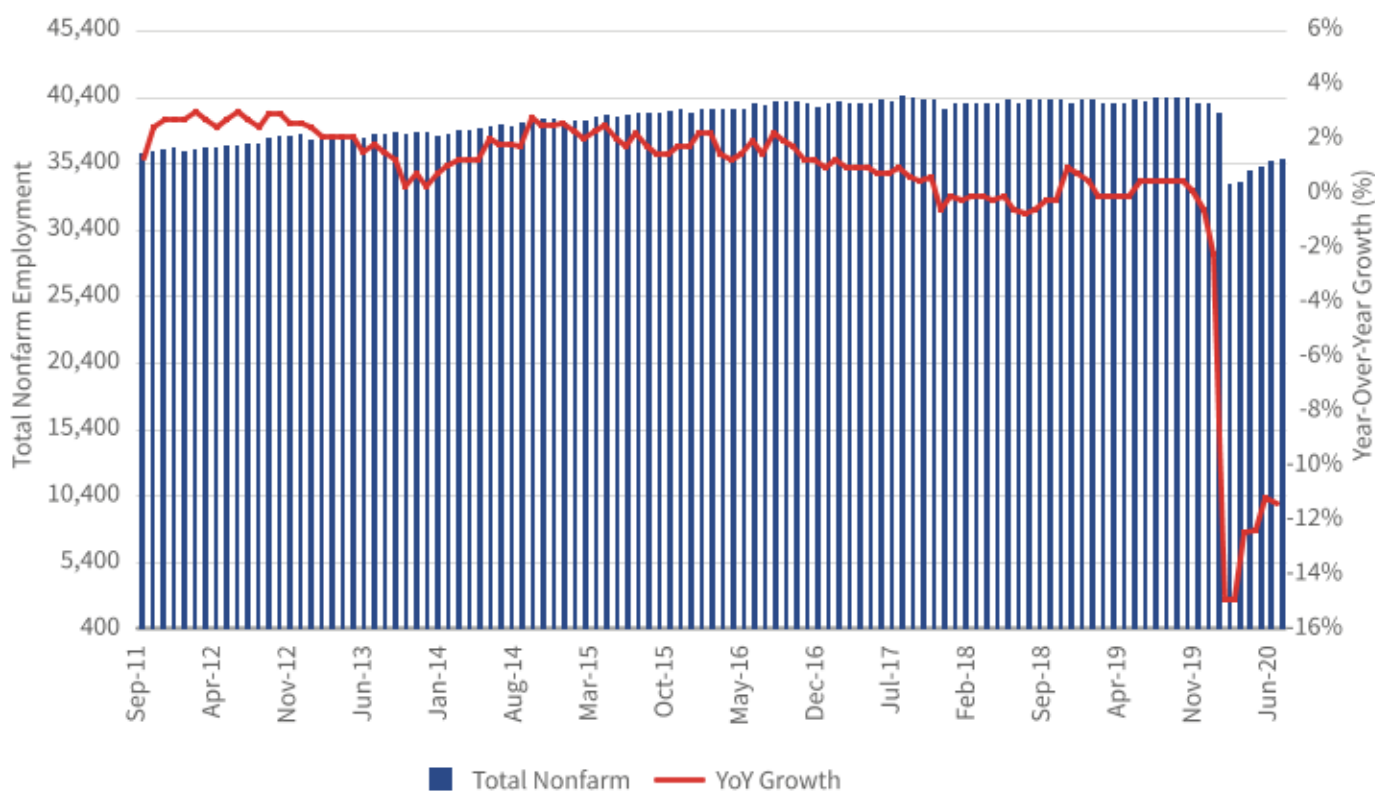
Subsequent COVID-19 waves are further hampering the long-term recovery of some of the most adversely impacted sectors. Some of these sectors are experiencing greater losses as businesses are now left with COVID compliance costs in a period where operational capacity has again been reduced. The public sector has also not fared as well. Employment cuts in Government are occurring at a faster rate each month as the reduction in sales, business, and transient occupancy taxes has constrained city and county budgets. Workers in the Educational Services sector are also experiencing lagged recoveries with school closures resulting in a wave of layoffs and furloughs for those engaged in non-academic activities (like cafeteria workers and custodians). On the other end of the spectrum, the consumer transition to online shopping and related services has accelerated the recovery of the Wholesale Trade and Logistics sectors.

³ It should also be noted that although certain sectors have experienced slight periods of economic recovery since April, the recovery is nowhere near pre-COVID levels. Job recovery will not be linear as the implementation and lifting of lockdowns will impact industry recovery and decline at different points in time.

PART 3: BASELINE ECONOMIC CONDITIONS

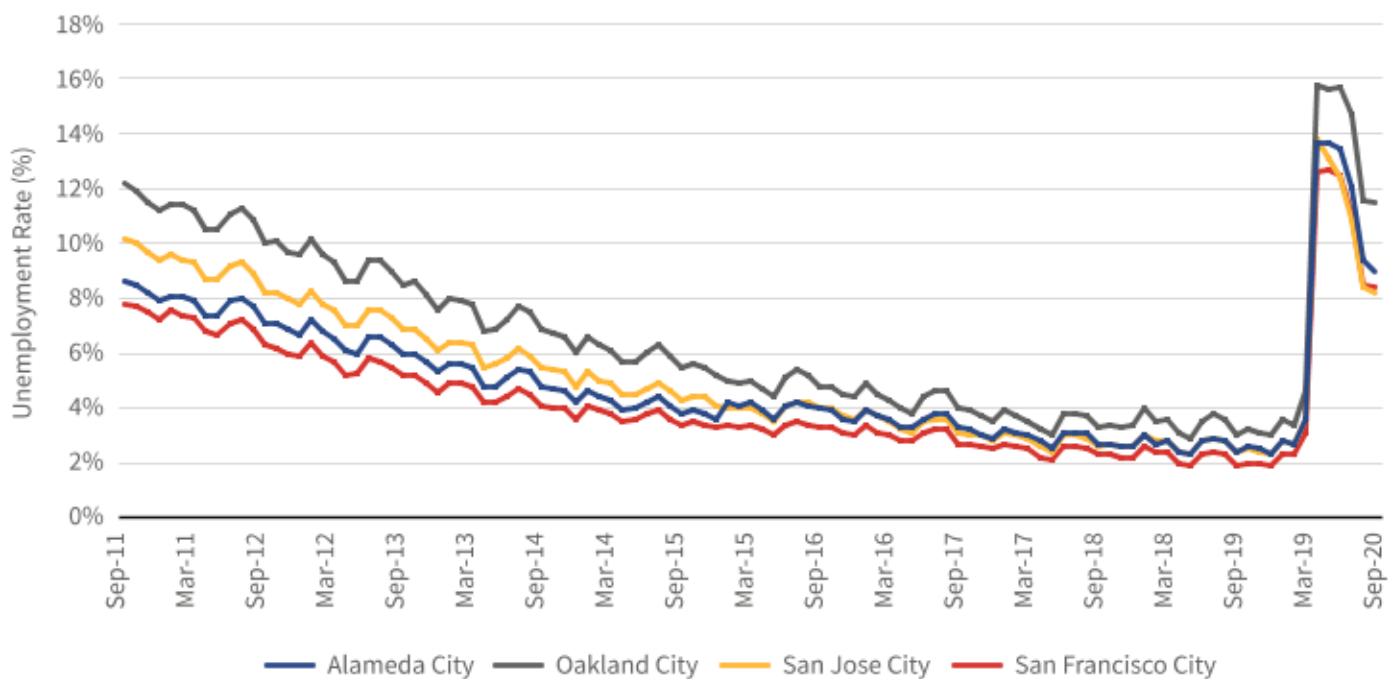
Although the emergence of COVID-19 has had a devastating impact on many of the City of Alameda's businesses and workers, employment growth had been slowing even before the pandemic. Over the past decade, employment gains in the City have been modest (Figure 12). With an average growth rate of 1.4% from February 2011 to February 2020, the City lagged well behind the State (2.2%), as well as San Jose (2.3%) and San Francisco (2.8%). In the later years of the most recent expansion (from February 2017 to February 2020), average employment growth in the City of Alameda slowed to 0.3%. After the drop in employment in April 2020 (at a -2.2% growth rate), the City began to show signs of recovery in June, though employment still remains 10% below February 2020 peak levels. The current unemployment rate in the City of Alameda (at 9% as of September 2020) is slightly lower than in neighboring Oakland (12%) but slightly higher than in San Jose and San Francisco, at 8% each (Figure 13). Similar to the national trend, the unemployment rate in the City of Alameda, as well as other California region's, fails to capture those who have exited the labor force and are no longer searching for work. The extent of the labor force decline since February 2020 has been more pronounced in the City of Alameda and San Francisco than in San Jose and Oakland (Figure 14). And given the pre-pandemic trend in labor force growth, where the City of Alameda experienced relatively stagnant growth in its labor supply over the last ten years, the City may take longer to both recover and to put itself in a position to grow its employment base again.

**FIGURE 12: CHANGE IN TOTAL NONFARM EMPLOYMENT IN CITY OF ALAMEDA
2006-20**



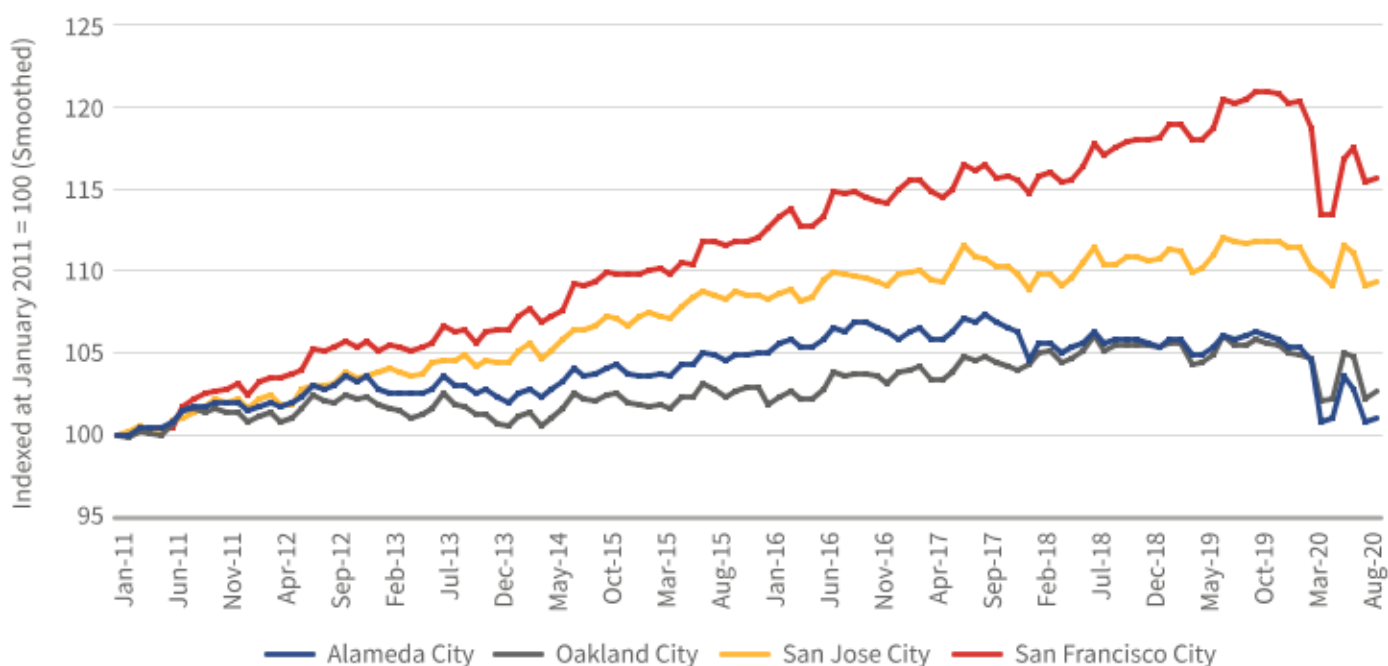
Source: California Employment Development Department. Analysis by Beacon Economics

FIGURE 13: CHANGE IN UNEMPLOYMENT RATE FOR SELECT CITIES
2011-20



Source: California Employment Development Department. Analysis by Beacon Economics

FIGURE 14: CHANGE IN LABOR FORCE FOR SELECT CITIES (INDEXED TO SEPTEMBER JANUARY 2011)
2011-20



Source: California Employment Development Department. Analysis by Beacon Economics



Picture Credit - Maurice Ramirez

EMPLOYMENT BY INDUSTRY FOR RESIDENTS LIVING IN THE CITY OF ALAMEDA⁴

As of 2019, five industries – Professional, Scientific & Technical Services; Health Care & Social Services; Transportation & Warehousing, Retail Trade; and Manufacturing – account for 55% of the jobs of those living in the City of Alameda (Table 3 and Table 4). The Transportation & Warehousing and Professional, Scientific & Technical Services sectors, in particular, serve as important economic drivers for regional employment, and both exhibited large employment gains between 2014 and 2019 at 93% (or 1,266 workers) and 25% (or 2,306 workers), respectively. Not coincidentally, these two sectors were also among the less affected by the recession and are showing the strongest recovery trajectories. Conversely, employment in Accommodation & Food Services and Retail Trade have been contracting in recent years. Given these two sectors are complementary, declines in one can exacerbate declines in the other thereby extending the length of time both industries will take to recover. Entities in the Arts & Entertainment sector did experience a 45% growth rate in jobs between 2014 and 2019, but these gains were all but erased in the weeks and months following the pandemic outbreak.

⁴ Industry employment is based on those who are residents of the City of Alameda (includes employment outside of the City of Alameda).

TABLE 3: PRE-COVID EMPLOYMENT BY INDUSTRY IN THE CITY OF ALAMEDA
2019

	Number of Workers	Employment Share	Employment Year-Over-Year Growth 2014-19
Total	40,901	-	1%
Professional, Scientific & Technical Services	6,387	16%	25%
Health Care & Social Services	5,192	13%	-1%
Transportation & Warehousing	4,795	12%	93%
Retail Trade	2,705	7%	-23%
Manufacturing	2,663	7%	-7%
Educational Services	2,661	7%	-25%
Financial Activities	2,629	6%	10%
Other Services (excluding Public Administration)	2,261	6%	20%
Accommodation & Food Services	2,230	5%	-24%
Public Administration	2,047	5%	-1%
Arts, Entertainment & Recreation	1,414	4%	45%
Administration & Support	1,361	3%	4%
Construction	1,331	3%	-19%
Information	1,072	3%	-31%
Wholesale Trade	958	2%	190%
Real Estate and Rental & Leasing	887	2%	-44%
Utilities	308	1%	-33%

Source: U.S. Census American Community Survey and U.S. Bureau of Labor Statistics Occupational Employment Statistics.
Analysis by Beacon Economics

TABLE 4: INDUSTRY EMPLOYMENT COMPOSITION IN THE CITY OF ALAMEDA
2014-19

2019 Employment Share	2014 Employment Share	Employment by Growth	Employment by Decline
Professional, Scientific & Technical Services (16%)	Health Care & Social Assistance (13%)	Transportation & Warehousing (93%)	Educational Services (-25%)
Health Care & Social Assistance (13%)	Professional, Scientific & Technical Services (13%)	Professional, Scientific & Technical Services (25%)	Retail Trade (-23%)
Transportation & Warehousing (12%)	Retail Trade (9%)	Wholesale Trade (190%)	Accommodation & Food Services (-24%)
Retail Trade (7%)	Educational Services (9%)	Arts, Entertainment, & Recreation (45%)	Real Estate & Rental and Leasing (-44%)
Manufacturing (7%)	Accommodation & Food Services (7%)	Other Services, (20%)	Information (-31%)

Note: Employment share is based on total employment. Growing and declining industries are ranked by total employment losses with their respective industry growth rates in parentheses.

Source: U.S. Census American Community Survey. Analysis by Beacon Economics

EMPLOYMENT BY INDUSTRY FOR THOSE WORKING IN THE CITY OF ALAMEDA⁵

As of 2018, five industries – Manufacturing, Accommodation and Food Services, Professional, Scientific & Technical Services, Health Care and Social Assistance, and Retail Trade – account for 61% of the jobs for those working in the City of Alameda (Table 5 and Table 6). Recent employment shares of those coming into the region for work mirrors that of all employment within the region with exception of accommodation and food services. This means that Accommodation and Food Services workers are more likely to be living outside of the City of Alameda.

TABLE 5: PRE-COVID PRIVATE SECTOR EMPLOYMENT BY INDUSTRY FOR WORKERS IN THE CITY OF ALAMEDA 2018

	Number of Workers	Employment Share	Employment Year-Over-Year Growth 2014-19
Total	23,176	-	1%
Professional, Scientific & Technical Services	2,757	11.9%	4.5%
Health Care & Social Services	2,446	10.6%	-8.5%
Transportation & Warehousing	305	1.3%	-14.1%
Retail Trade	2,030	8.8%	4.6%
Manufacturing	3,462	14.9%	88.9%
Educational Services	722	3.1%	48.3%
Financial Activities	920	4.0%	2.1%
Other Services (excluding Public Administration)	1070	4.6%	25.0%
Accommodation & Food Services	3,401	14.7%	34.7%
Public Administration	0	0.0%	-
Arts, Entertainment & Recreation	769	3.3%	13.8%
Administration & Support	1376	5.9%	-12.7%
Construction	1275	5.5%	161.3%
Information	380	1.6%	12.1%
Wholesale Trade	881	3.8%	10.7%
Real Estate and Rental & Leasing	203	0.9%	-19.4%
Utilities	0	0.0%	-100%

Source: U.S. Census American Community Survey. Analysis by Beacon Economics

⁵ Employment is based on those that live outside of the City of Alameda and commute into the region for work.

TABLE 6: EMPLOYMENT COMPOSITION WORKERS IN THE CITY OF ALAMEDA⁶
2014-19

2018 Industry Share	2013 Industry Share	Industry by Growth 2013-2018	Industry by Decline 2013-2018
Manufacturing (15%)	Health Care & Social Assistance (14%)	Manufacturing (89%)	Health Care & Social Assistance (-9%)
Accommodation & Food Services (15%)	Professional, Scientific & Technical Services (13%)	Accommodation & Food Services (35%)	Admin Support (-13%)
Professional, Scientific & Technical Services (12%)	Accommodation & Food Services (13%)	Construction (161%)	Management (-9%)
Health Care & Social Assistance (11%)	Retail Trade (10%)	Educational Services (48%)	Utilities (-100%)
Retail Trade (9%)	Manufacturing (9%)	Other Services (25%)	Transportation & Warehousing (-14%)

Source: U.S. Census American Community Survey. Analysis by Beacon Economics

Across all industries, over half of all jobs were found among the following five occupations: Management (6,602 total jobs); Transport and Material Moving (4,461 total jobs); Office and Administrative Support (4,237 total jobs); Business and Financial Operations (3,706 total jobs); Sales and Related Occupations (2,662 total jobs). Transport and Material Moving occupations added the most jobs (2,243) over the period followed by Management occupations (1,482), which reflects the expansion of the Transportation & Warehousing and Professional, Scientific & Technical Services industries (Table 7 and Table 8). Conversely, occupations such as Production, Installation, Maintenance, and Repair, as well as Sales and related occupations, all declined in number and will become less important for regional employment over time. That said, 61% of all occupations are in growing occupational fields and 12% are in stable occupational ones; only 27% are in declining occupational fields.

With respect to wages (Table 9), the City of Alameda has an abundance of residents working in high paying occupations such as those in Management (\$150,000 in average annual wages), Legal (\$137,000), Computer and Mathematical (\$118,00), Healthcare Practitioners and Technical (\$118,000), and Architecture and Engineering (\$106,00). The region also has a significant proportion of employment in low wage occupations such as Food Preparation and Serving related (\$35,000), Healthcare Support (\$38,000), Personal Care Service (\$39,000), and Building and Grounds Cleaning and Maintenance (\$46,000).

There is also a significant number of workers living outside of the City of Alameda who commute into the region for work. Findings show that they are working in lower-paid sectors such as Manufacturing and Accommodation & Food Services, which accounts for 30% of all commuter (into the City of Alameda) employment. Currently, 54% (22,252) of all jobs held by those living in the City of Alameda are above the median earnings of \$66,804.⁷ With that in mind, recovery efforts should pay particular attention to those working in lower-paying occupations as they are most likely to be adversely affected by COVID-19.

⁶ Employment is based on those that live outside of the City of Alameda and commute into the region for work.

⁷ The median household income for the City of Alameda in 2019 was \$109,545. The per capita income for the City of Alameda in 2019 was \$58,595.

**TABLE 7: CHANGE IN EMPLOYMENT BY OCCUPATION GROUPS, CITY OF ALAMEDA (RESIDENT-BASED)
2014-19**

	Alameda City (2019)	2014-19 Change	2014-19 Change (%)
All Occupations	40,937	555	1.4%
Management Occupations	6,602	1,482	28.9%
Transportation and Material Moving Occupations	4,461	2,243	101.1%
Office and Administrative Support Occupations	4,237	-771	-15.4%
Business and Financial Operations Occupations	3,706	313	9.2%
Sales and Related Occupations	2,662	-900	-25.3%
Computer and Mathematical Occupations	2,396	312	15%
Healthcare Practitioners and Technical Occupations	2,389	-98	-3.9%
Arts, Design, Entertainment, Sports, and Media Occupations	2,082	609	41.3%
Architecture and Engineering Occupations	1,682	689	69.4%
Food Preparation and Serving Related Occupations	1,679	-54	-3.1%
Educational Instruction and Library Occupations	1,472	-885	-37.5%
Legal Occupations	1,210	409	51.1%
Life, Physical, and Social Science Occupations	1,184	631	114.1%
Personal Care and Service Occupations	1,141	-609	-34.8%
Protective Service Occupations	1,045	552	112%
Healthcare Support Occupations	811	26	3.3%
Construction and Extraction Occupations	566	-278	-32.9%
Community and Social Service Occupations	564	220	64%
Production Occupations	487	-1,260	-72.1%
Building and Grounds Cleaning and Maintenance Occupations	295	-732	-71.3%
Installation, Maintenance, and Repair Occupations	266	-1,142	-81.1%
Farming, Fishing, and Forestry Occupations	0	-202	-100%

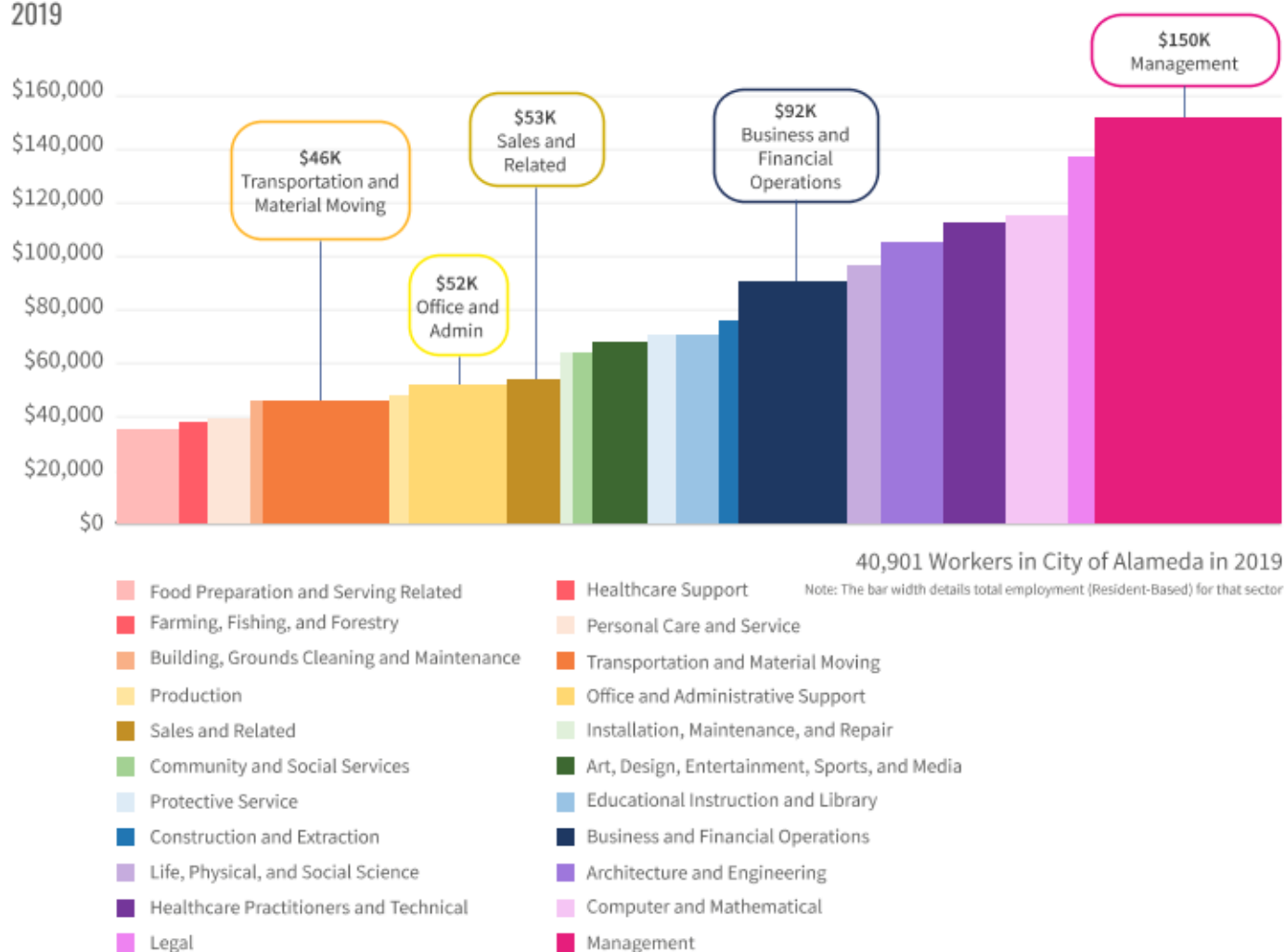
Source: U.S. Census American Community Survey. Analysis by Beacon Economics

**TABLE 8: COMPOSITION OF OCCUPATION GROUPS IN THE CITY OF ALAMEDA (RESIDENT-BASED)
2014-19**

2019 Employment Share	2014 Employment Share	Growing Occupation by Employment Gains	Declining Occupations by Employment Losses
Management (16%)	Management (13%)	Transportation and Material Moving (101%)	Production (72%)
Transportation and Material Moving (11%)	Office and Administrative Support (12%)	Management (29%)	Installation, Maintenance, and Repair (81%)
Office and Administrative Support (10%)	Sales and Related (9%)	Architecture and Engineering (69%)	Sales and Related (25%)
Business and Financial Operations (9%)	Business and Financial Operations (8%)	Life, Physical, and Social Science (114%)	Educational Instruction and Library (38%)
Sales and Related (7%)	Healthcare Practitioners and Technical (6%)	Arts, Design, Entertainment, Sports, and Media (42%)	Office and Administrative Support (15%)

Source: U.S. Census American Community Survey. Analysis by Beacon Economics

**FIGURE 15: CITY OF ALAMEDA WORKFORCE EMPLOYMENT AND MEAN WAGE BY MAJOR OCCUPATIONAL GROUP
2019**



Source: U.S. Census American Community Survey and U.S. Bureau of Labor Statistics Occupational Employment Statistics.
Analysis by Beacon Economics

**TABLE 9: AVERAGE ANNUAL WAGES BY OCCUPATIONAL GROUP IN EAST BAY
2015-19**

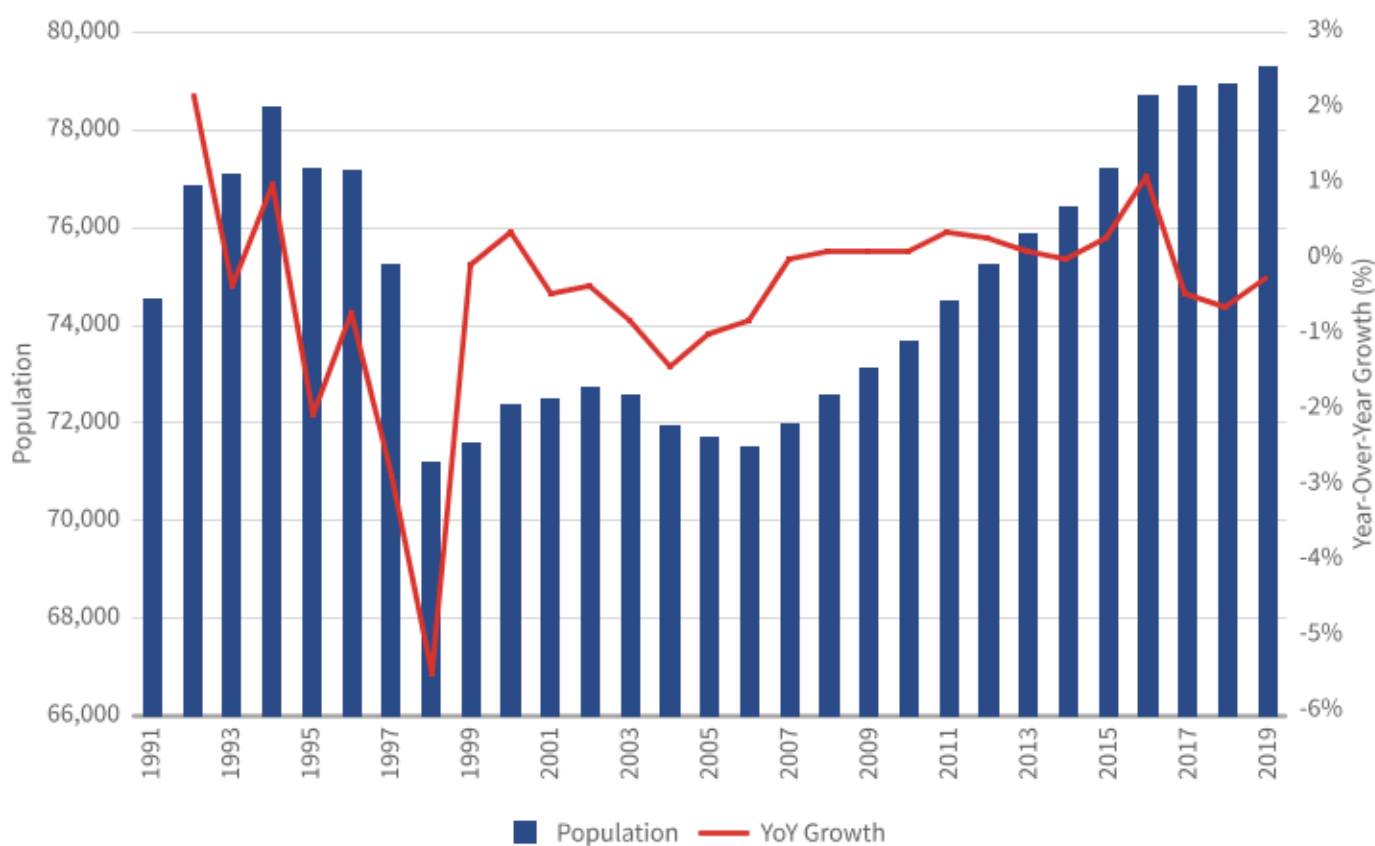
	Average Annual Wage (2020)	Average Annual Wage (2015)	5-Year Change (%)
All Occupations	\$70,488	\$61,524	15%
Management Occupations	\$149,990	\$132,921	13%
Legal Occupations	\$136,591	\$112,338	22%
Computer and Mathematical Occupations	\$117,687	\$102,401	15%
Healthcare Practitioners and Technical Occupations	\$114,681	\$107,400	7%
Architecture and Engineering Occupations	\$106,030	\$99,815	6%
Life, Physical, and Social Science Occupations	\$98,582	\$88,094	12%
Business and Financial Operations Occupations	\$92,190	\$85,001	8%
Construction and Extraction Occupations	\$77,160	\$62,313	24%
All Occupations	\$70,488	\$61,524	15%
Educational Instruction and Library Occupations	\$68,673	\$60,666	13%
Protective Service Occupations	\$68,632	\$57,796	19%
Arts, Design, Entertainment, Sports, and Media Occupations	\$67,681	\$59,672	13%
Community and Social Service Occupations	\$64,438	\$55,951	15%
Installation, Maintenance, and Repair Occupations	\$63,957	\$56,039	14%
Sales and Related Occupations	\$52,883	\$46,670	13%
Office and Administrative Support Occupations	\$52,467	\$44,134	19%
Production Occupations	\$49,781	\$41,629	20%
Transportation and Material Moving Occupations	\$46,078	\$42,568	8%
Building and Grounds Cleaning and Maintenance Occupations	\$45,796	\$33,118	38%
Personal Care and Service Occupations	\$39,445	\$27,917	41%
Farming, Fishing, and Forestry Occupations	\$39,327	\$28,395	39%
Healthcare Support Occupations	\$37,752	\$39,944	-5%

Source: U.S. Census American Community Survey and U.S. Bureau of Labor Statistics Occupational Employment Statistics.
Analysis by Beacon Economics

PART 4: DEMOGRAPHICS

The population in the City of Alameda has been incrementally increasing since 2006, with the growth rate averaging 0.7% per year between 2009 and 2019 (Figure 16). Looking into the next decade, population growth in Alameda County is forecasted to grow at 0.8% per year. Population growth in the County should mirror that of the City of Alameda, which is slightly above the forecasted growth for the State of 0.5% per year.⁸

**FIGURE 16: CHANGE IN POPULATION FOR CITY OF ALAMEDA
1991-2019**



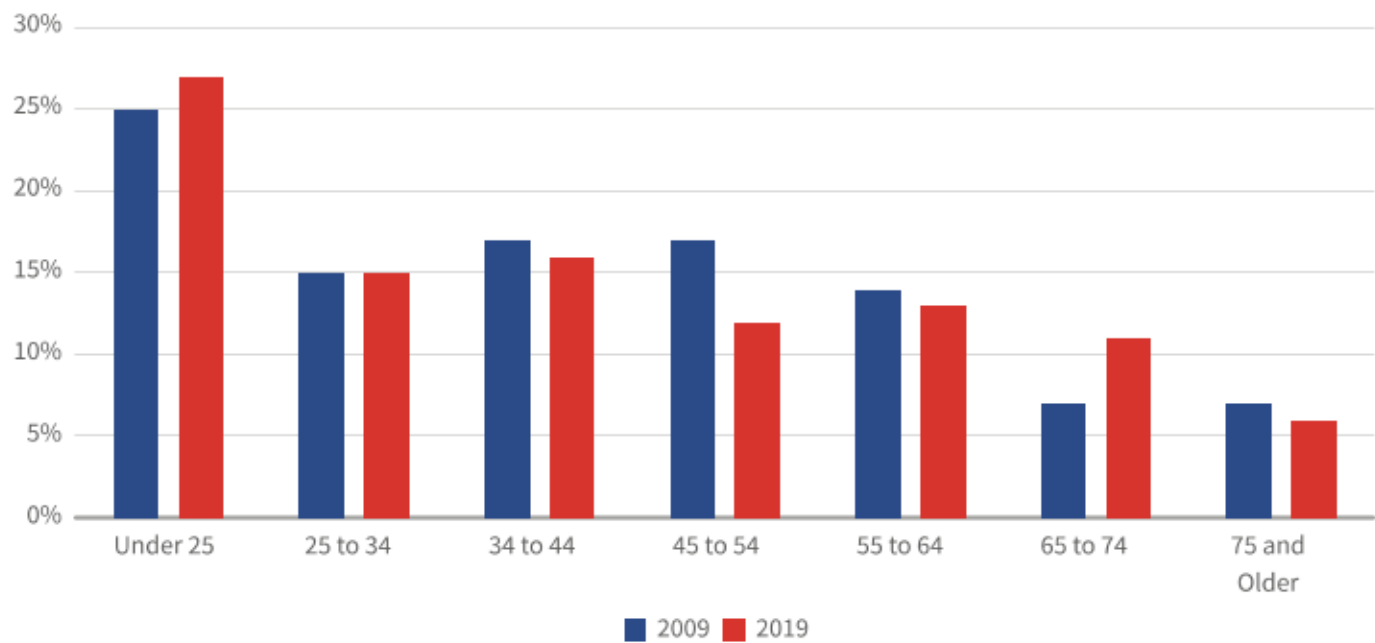
Source: California Department of Finance. Analysis by Beacon Economics

⁸ In this section, population forecast data refers to the County level (Alameda County) while all other data points are at the City level. Due to the lack of available forecast data at the City level, County forecast data will be used to extrapolate trends for the City level.

AGE, GENDER, AND RACE/ETHNICITY

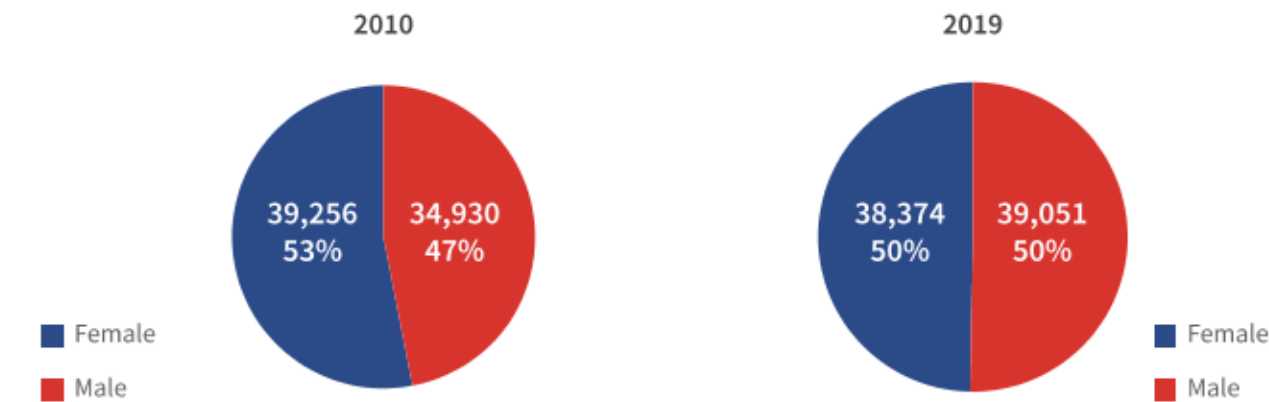
The City of Alameda, with a median age 40, has a slightly older population compared to Alameda County (median age 38) and California overall (median age 37). The share of residents age 65 and above has increased 5.3 percentage points over the past decade (Figure 17). Conversely, those under 25 declined by 4.7 percentage points over the same period, indicating an aging population. Over the next decade the average population growth per year in Alameda County is forecasted to increase by 0.4% for those in the under 25 age bracket, 0.3% for the 25 to 64 age bracket, and 4.2% for the over 65 age bracket.

FIGURE 17: CITY OF ALAMEDA POPULATION BY AGE SEGMENT
2009-19



Source: U.S. Census American Community Survey. Analysis by Beacon Economics

FIGURE 18: CITY ALAMEDA POPULATION BY GENDER
2010-19

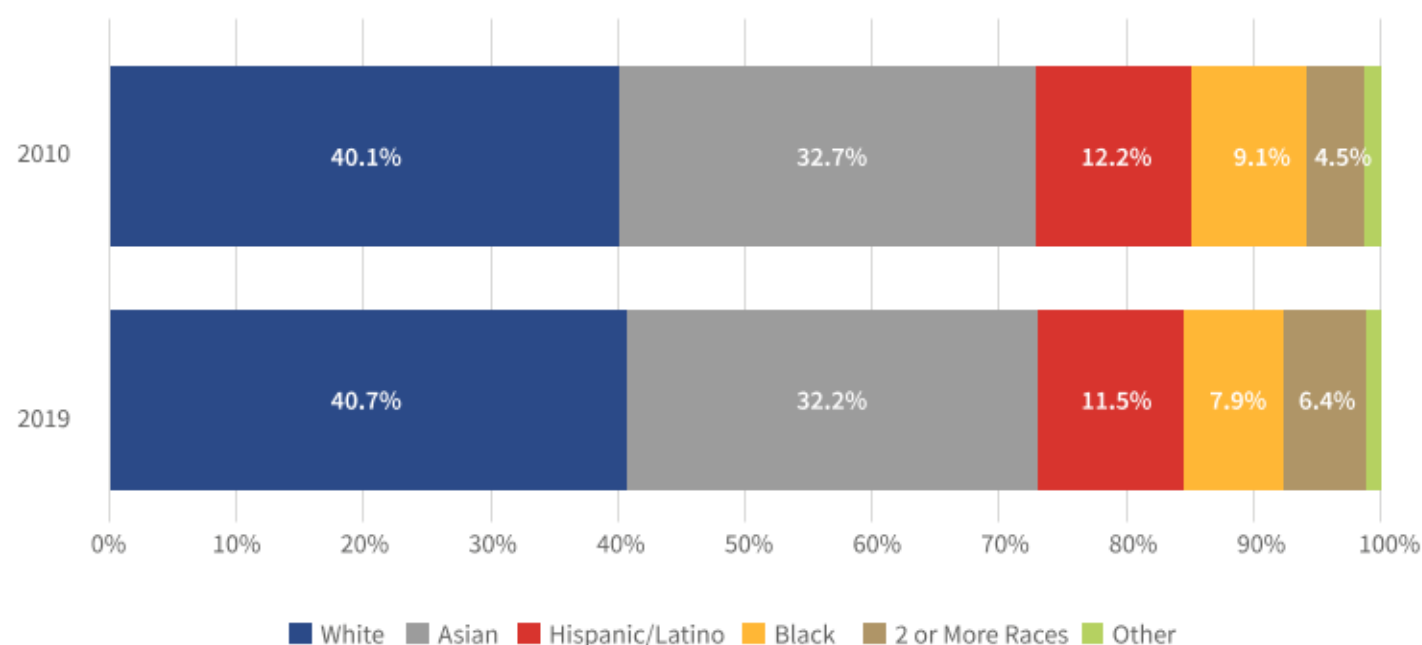


Source: U.S. Census American Community Survey. Analysis by Beacon Economics

Figure 19 illustrates the current demographics projected to change over the next decade as per the California Department of Finance projections for the County of Alameda⁹. With respect to race and ethnicity, multiracial individuals and non-Hispanic Asians will be the fastest-growing population groups in Alameda County over the next decade. Non-Hispanic Black, Hispanic and/or Latino, and Other racial/ethnic groups are forecasted to increase at modest levels whereas the non-Hispanic White population growth is expected to decline.¹⁰

Given the racial diversity of the City of Alameda, it's important to note equity imbalances in recovery efforts. In the State of California and Alameda County, it has been found that Hispanic and/or Latino and non-Hispanic Black residents are contracting the virus at higher rates than non-Hispanic White and non-Hispanic Asian residents.¹¹ Recovery efforts should ensure that marginalized groups have access to resources and receive necessary outreach to ensure that inequality is not exacerbated throughout the pandemic.¹²

FIGURE 19: CITY OF ALAMEDA POPULATION BY RACE/ETHNICITY 2010-19



Source: U.S. Census American Community Survey. Analysis by Beacon Economics

⁹ County data is used to make inferences and extrapolate on the City level.

¹⁰ Demographic forecasts are conducted by the State of California Department of Finance

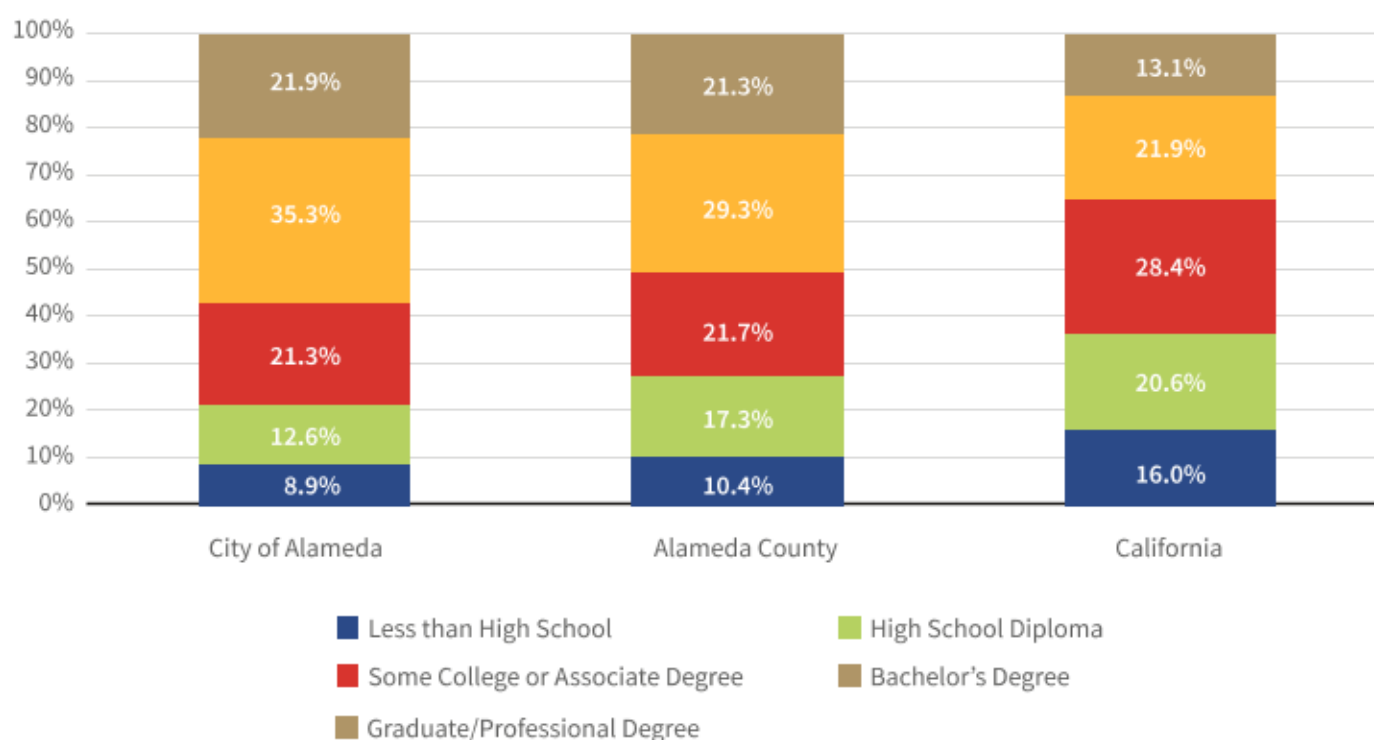
¹¹ Misa et al (2020). Racial/ethnic disparities in COVID-19 disease burden & mortality among emergency department patients in a safety net health system. Elsevier Public Health Emergency Collection.

¹² Los Angeles Times (2020, September 3). Retrieved September 13, 2020, from, <https://www.latimes.com/projects/california-coronavirus-cases-tracking-outbreak/#who-has>

EDUCATION AND INCOME

The City of Alameda population has considerably higher levels of advanced education than residents of Alameda County or the state overall (Figure 20). Nearly 79% of the population age 25 and older has some form of education past high school, compared to 72% in Alameda County and 63% of all Californians in the same age range. Roughly 21% of the population have just a high school diploma or less, which is significantly lower than in Alameda County (28%) and statewide (37%). In the COVID-19 recovery phase, policy should target those with some college experience or less as these groups are more susceptible to COVID-induced unemployment. Furthermore, individuals with lower levels of education are more likely to work in essential client-facing industries and therefore are more at risk of catching the virus. Policy should target workforce development and career services to link up the recently unemployed with potential career opportunities.

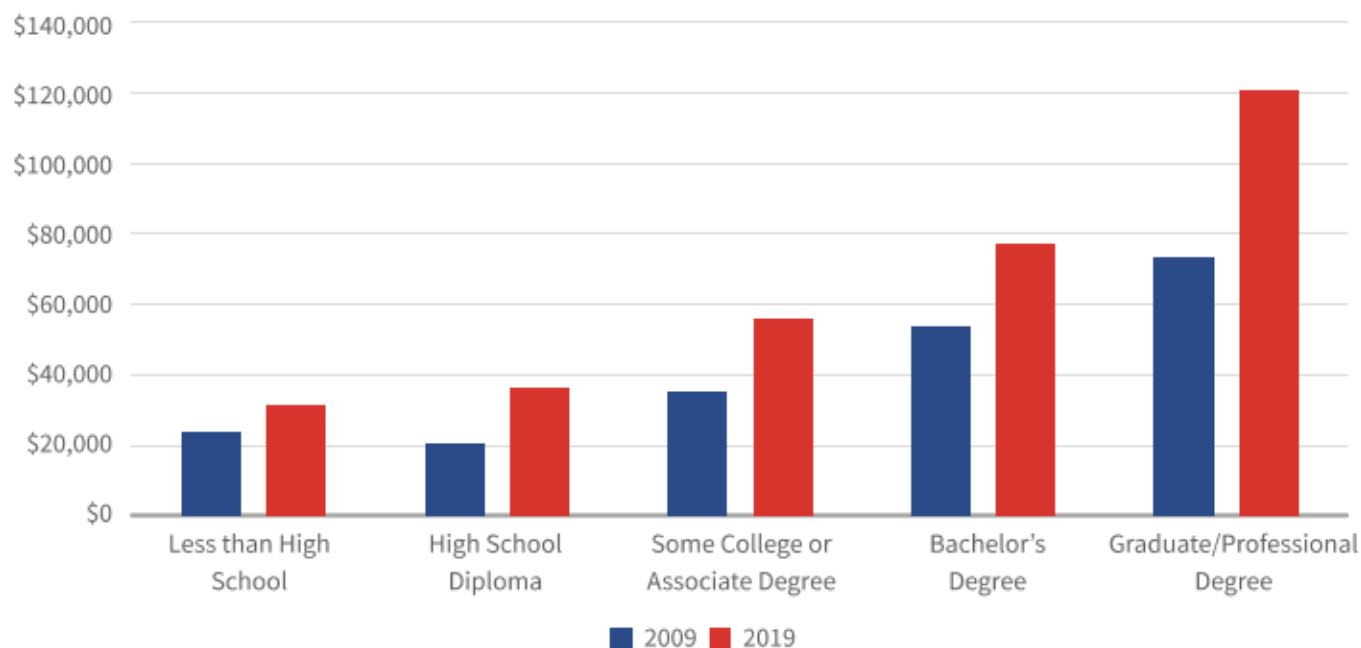
FIGURE 20: CITY OF ALAMEDA POPULATION BY EDUCATIONAL ATTAINMENT COMPARED TO ALAMEDA COUNTY AND CALIFORNIA 2019



Source: U.S. Census American Community Survey. Analysis by Beacon Economics

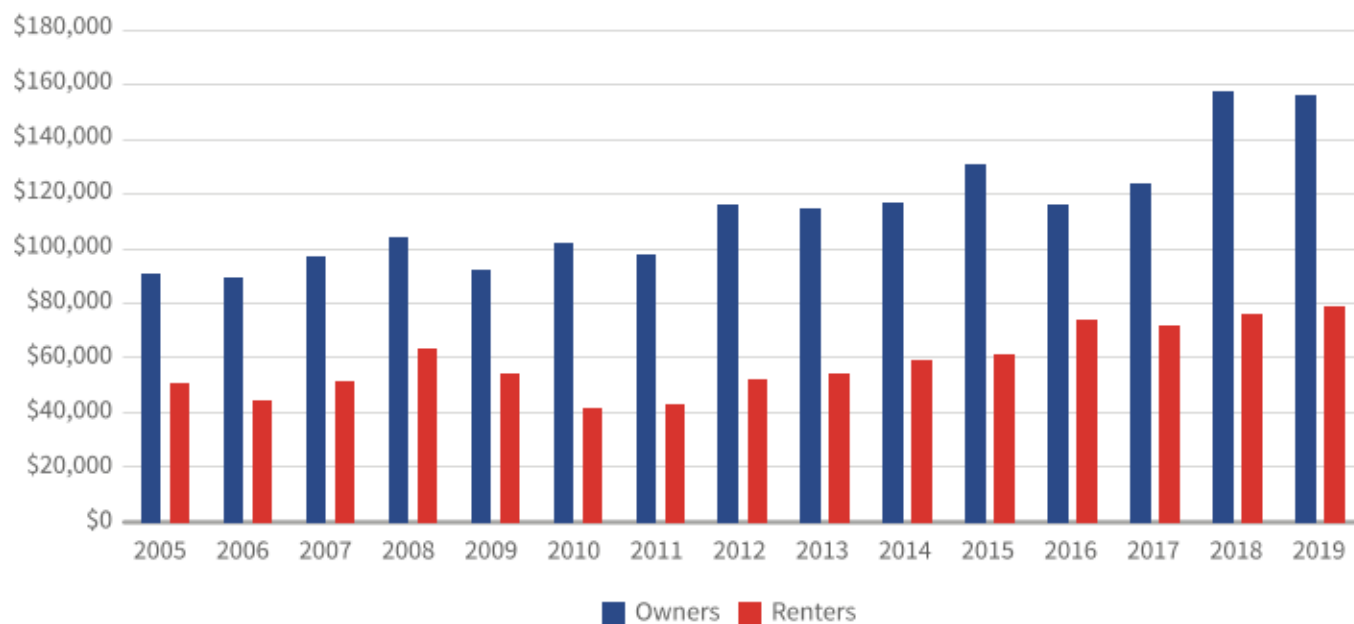
From 2009 to 2019, median earnings in the City of Alameda increased by 63% compared to Alameda County and California, where earnings increased by 43% and 28%, respectively (Figure 21). Individuals with a high school diploma had the highest earnings gains (78%), followed by those with a graduate/professional degree (65%) and those with some college or an associate degree (57%). By comparison, median earnings for individuals with less than a high school diploma increased by 33%. Median earnings for those with some college or an associate degree increased at greater levels (57%) than those with a bachelor's degree (43%). While earnings increased for those with less than a high school diploma over the past decade, the gains have been modest. A 78% wage increase for those with a high school diploma amounted to \$16,046 compared to a 43% increase for those with a bachelor's degree which amounted to \$23,390.

FIGURE 21: MEDIAN EARNINGS BY EDUCATIONAL ATTAINMENT FOR WORKERS 25 YEARS AND OLDER IN CITY OF ALAMEDA 2019



Source: U.S. Census American Community Survey. Analysis by Beacon Economics

FIGURE 22: MEDIAN HOUSEHOLD INCOME BY HOMEOWNER AND RENTER SEGMENTS IN CITY OF ALAMEDA 2005-19



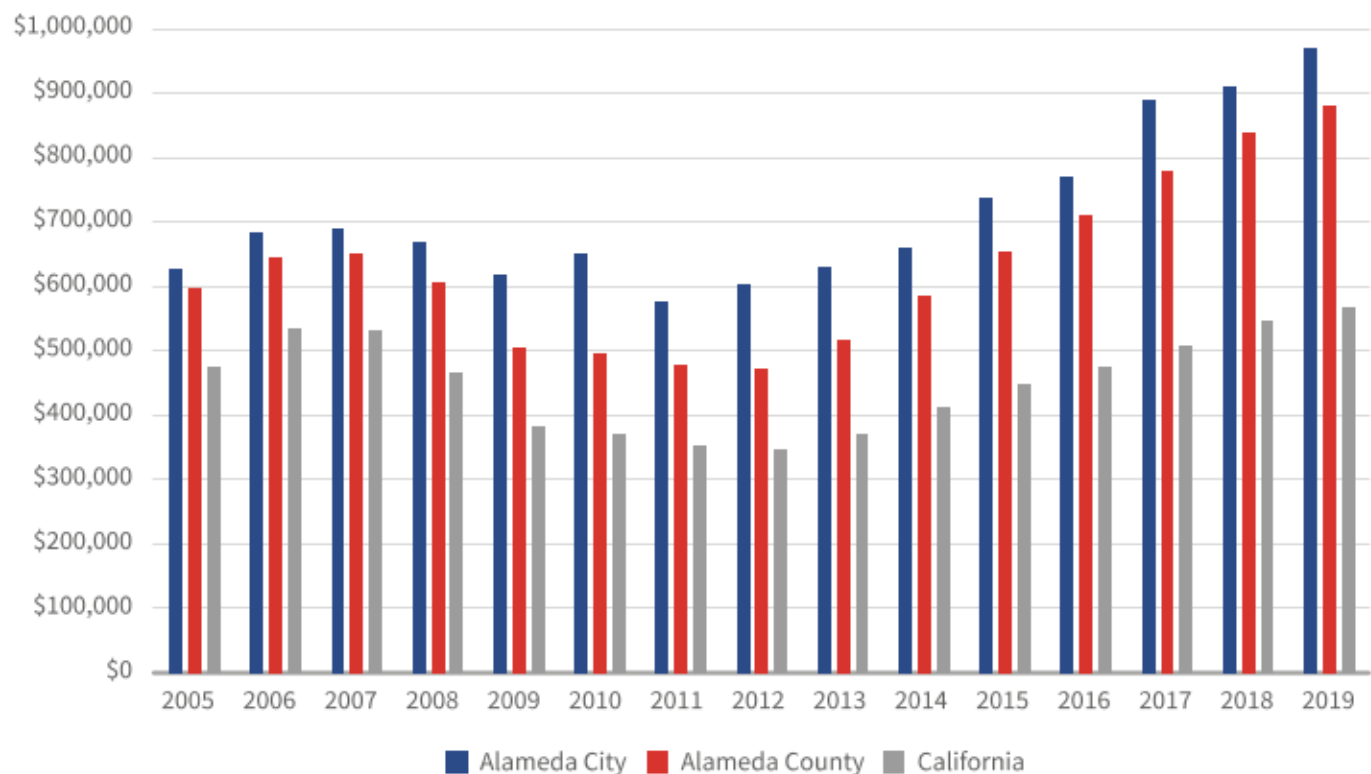
Source: U.S. Census American Community Survey. Analysis by Beacon Economics

HOUSING

Over the past decade, the growth rate of home prices has been significantly higher in Alameda County (73%) than in the City of Alameda (57%) and California (48%). However, those living in the City of Alameda pay less median gross rent (as a percentage of income) than in Alameda County and the State. During the summer months of 2020, total sales of single-family homes in California were the highest they had been in almost a decade (Figure 23). Additionally, total home sales are currently growing at the fastest pace in the Bay Area (34% year-over-year change in September 2020). It should also be noted that while COVID-19 completely destabilized the City's labor markets, it has not had such a devastating impact on the housing market.

A substantial number of home sales in California over the past 6 months have been at the upper end of the real estate market. The demand for homes under \$499,000 decreased in 2020 as the demand for homes \$1 million and over increased 7% compared to the previous year.¹³ The pandemic and the growth of remote working have created an increase in demand for more housing space as the home has become the new office. While the pandemic has increased the level of home sales in the region, it has caused decreased demand in the housing rental market. The vacancy rate for East Bay apartments increased 2.5% in the third quarter of 2020 compared to the third quarter of 2019. During the same period average rent per unit declined by 3.1%. Vacancy rates in the East Bay are forecasted to increase until 2021.¹⁴

FIGURE 23: MEDIAN HOME VALUE IN THE CITY OF ALAMEDA COMPARED TO ALAMEDA COUNTY AND CALIFORNIA 2005-19



Source: U.S. Census American Community Survey. Analysis by Beacon Economics

¹³ California Association of Realtors (2020, September 4). Retrieved September 8, 2020, from, <https://www.car.org/marketdata/data/countysalesactivity>

¹⁴ Source: REIS

PART 5: VULNERABILITY ASSESSMENT

Despite being several months into the pandemic economy, strict guidelines remain that severely impact some industries' ability to operate at full capacity. Given the persistence of the virus and that the labor market recovery is continuing to lose steam, understanding which segments of the City's population are likely to be impacted further into the recovery is important. To gauge the potential labor market impact during the recovery phase, Beacon Economics uses data from the Occupational Information Network (O*net), a U.S. Department of Labor data product that evaluates characteristics of various occupations. Using O*net's detailed occupational context measures, Beacon Economics estimates the level of contact each occupation has and the ability of each to telecommute. The intersection of contact risk and the ability to work from home is key to understanding the risk each occupation faces as the City of Alameda's economy moves forward.

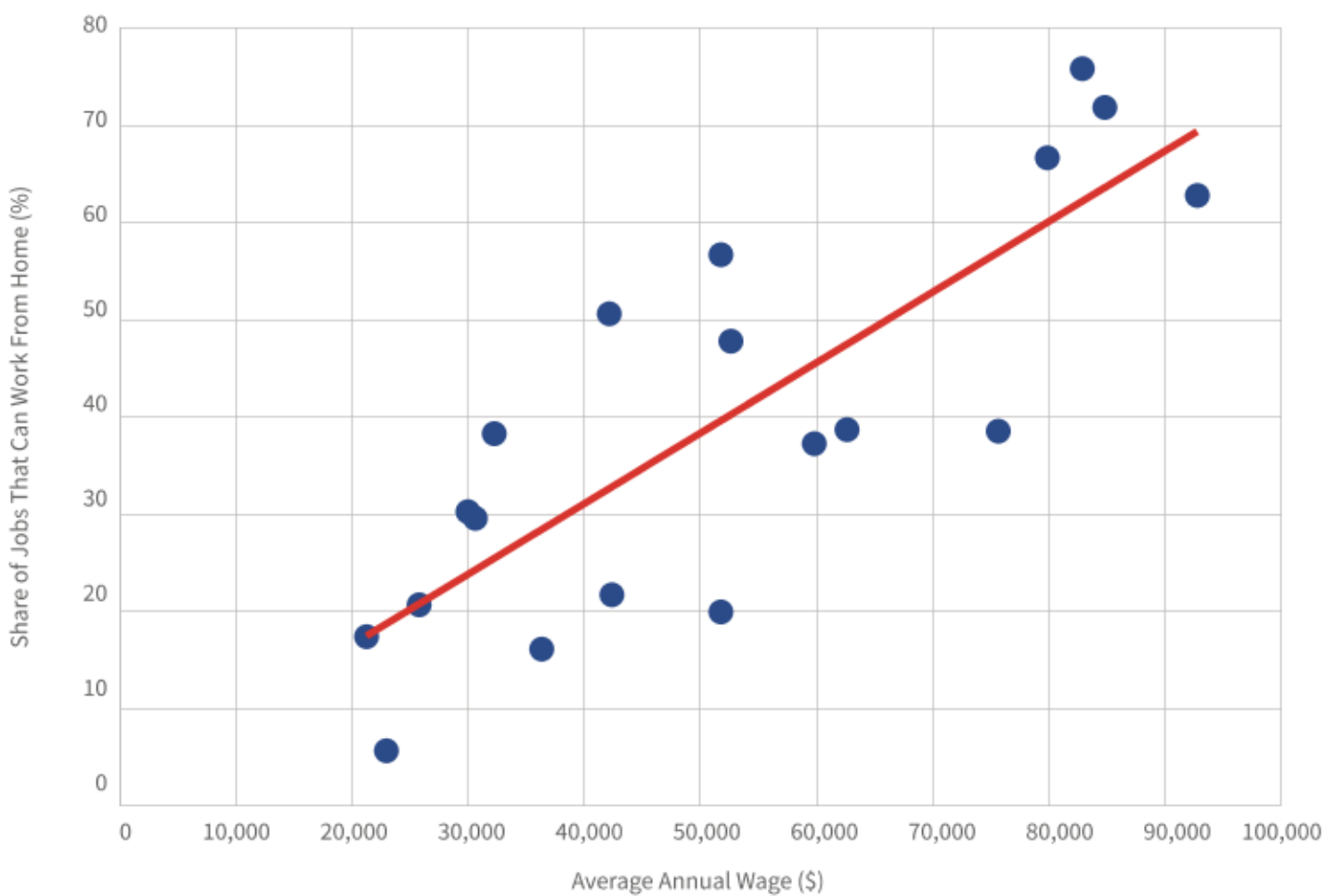
It's clear that lower-wage jobs were hit much harder than higher-wage jobs in the early stages of the pandemic. This stems from two key points. The first is that lower-wage jobs are more likely to be in-person customer-facing roles that require close physical contact; the second is the ability for the job to be performed remotely. Additionally, because lower-paying jobs are less likely to allow for remote working arrangements, the ongoing restrictions that are in place to slow the spread of the virus are continuing to hurt lower-wage workers during recovery more than higher-wage workers who can work from home. As a result, the labor market is likely to continue experiencing two very distinct recoveries.

In order to understand the relationship between the ability for a job to be performed from home and the associated average annual wage, Beacon Economics analyzed data across California. This allows for a much larger sample to perform the analysis, which significantly improves the accuracy and reliability of the results. On average, industries where the majority of jobs can be performed from home are also more likely to be the industries with higher average annual wages (Figure 24). The industries with the largest share of jobs that can be performed from home include the Information, Management, Finance and Insurance, and Professional Services industries. In addition, these industries rank among the highest paying in terms of average annual wages (Figure 25).

Another distinction is in average annual wages between occupations that can be remotely performed and those that cannot within the same industry (Figure 26). On average, the occupations that can be performed from home earn higher wages than the occupations that cannot be performed from home, regardless of the industry in question. The Manufacturing industry exhibits the largest difference, where those who can work from home are concentrated among Management occupations and those who cannot work from home are concentrated among production line workers. The Information industry has a similarly large pay gap between those who can work from home and those who cannot, with the occupations that can be performed from home held by workers holding management or computer science-related occupations as opposed to customer service-related occupations. Because the occupations that cannot be performed from home are subject to considerably more uncertainty in the coming months as a result of the health mandated restrictions, these jobs are much more at risk.



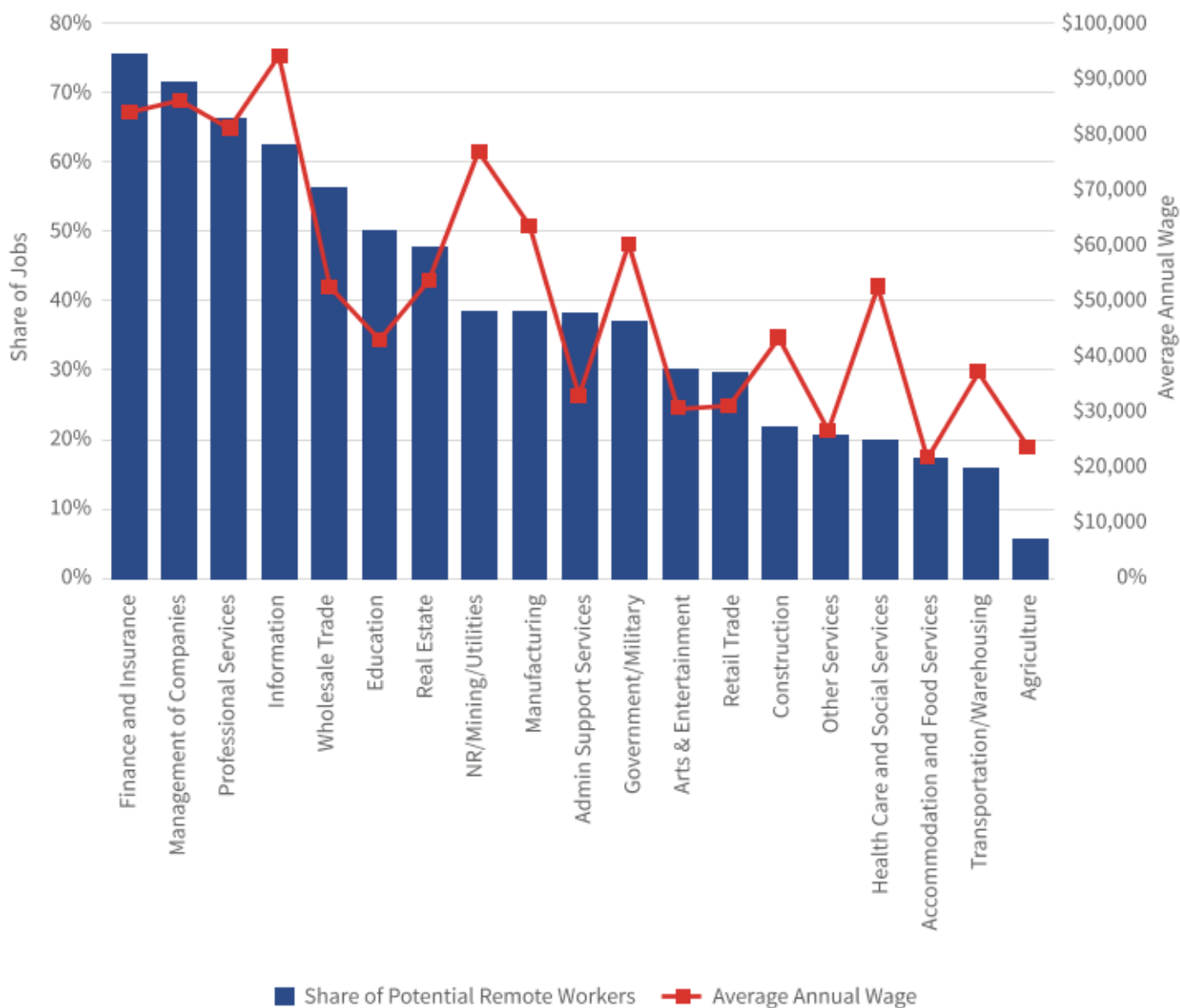
FIGURE 24: RELATIONSHIP BETWEEN ABILITY TO WORK FROM HOME AND AVERAGE ANNUAL WAGE IN CALIFORNIA 2019



Note: Blue dots represent major industries, their associated average annual wage, and their share of jobs that can be performed from home.

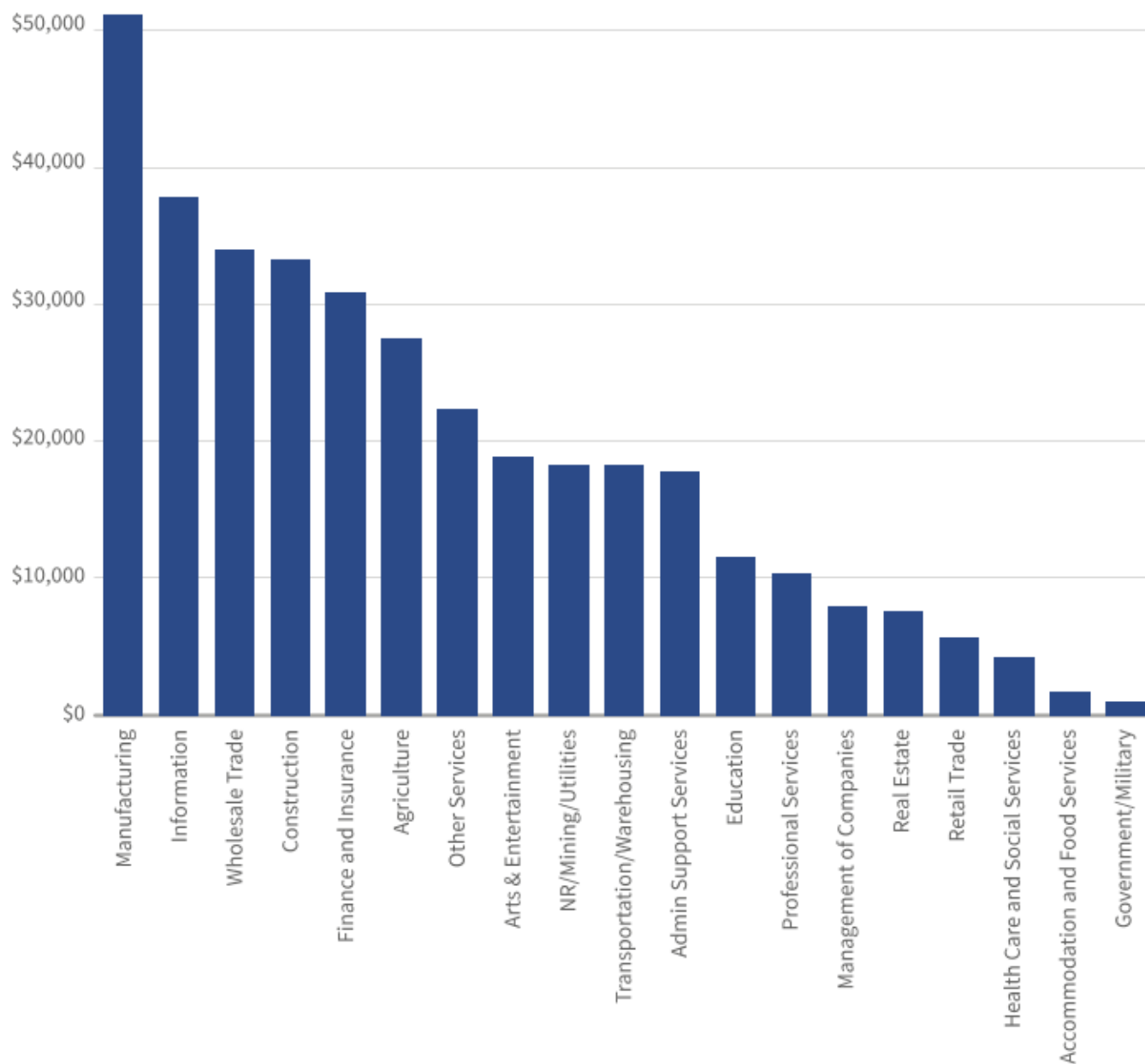
Source: U.S. Census American Community Survey and U.S. Bureau of Labor Statistics Occupational Information Network (O*NET). Analysis by Beacon Economics

FIGURE 25: SHARE OF JOBS WITH REMOTE WORKING POTENTIAL AND AVERAGE ANNUAL WAGE BY INDUSTRY IN CALIFORNIA 2019



Source: U.S. Census American Community Survey and U.S. Bureau of Labor Statistics Occupational Information Network (O*NET). Analysis by Beacon Economics

FIGURE 26: AVERAGE ANNUAL WAGE DIFFERENCE BETWEEN WORKERS IN CALIFORNIA WHO CAN AND CANNOT WORK FROM HOME BY INDUSTRY
2019



Source: U.S. Census American Community Survey and U.S. Bureau of Labor Statistics Occupational Information Network (O*NET). Analysis by Beacon Economics

Looking at the City of Alameda, identifying industries and populations with a significant concentration of “high-risk” workers will be important in determining which components of the City’s economy are exposed to outsized risk due to the continued spread and threat of the virus.¹⁵ The following analysis combines the occupational risk metrics derived from the O*net detailed occupational context measures with ACS PUMS data at the sub-regional level to analyze worker’s economic and demographic characteristics across industries and subsectors within the City.¹⁶ Key findings include:

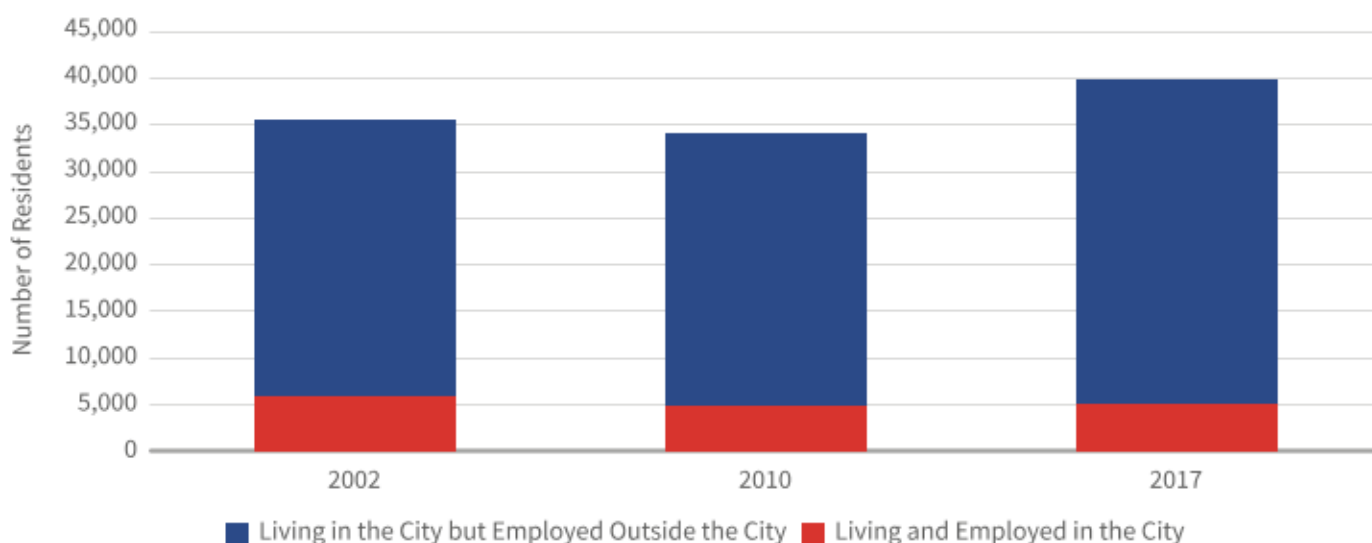
- While every industry requires jobs that are lower paying customer service jobs, some industries have a much higher concentration of these jobs than others. The Leisure & Hospitality industry in the City of Alameda has a large share of workers in high-risk occupations, 62%, while industries such as Professional Services or Financial Activities are estimated to have much lower concentrations at 11% and 18%, respectively.
- In the City of Alameda, roughly 44% of all employed residents hold at least a bachelor’s degree. However, workers in industries that have a higher concentration of high-risk occupations are less educated on average. In the Leisure & Hospitality industry, for example, only 19% of workers hold at least a bachelor’s degree, much less than the average across all industries. Occupations considered high-risk are more prevalent among occupations that require less education, regardless of industry. As such, less educated workers will remain impacted further into the recovery than higher educated workers because their employment prospects will be more limited and they face more uncertainty as long as the virus is uncontrolled and business restrictions remain in place.
- In the City’s Retail and Personal Services sectors, roughly 61% and 51% of employment, respectively, are in high-risk occupations. Given the close physical contact required in these industries, the limited capacity due to health-mandated restrictions, and the persistence of the virus, a quick return of employment in these sectors will be conditioned on stopping the spread of the virus and on consumers willingness to engage in high-contact environments.
- Although job losses in industries with smaller concentrations of high-risk occupations have been less pronounced, they have not been immune from layoffs. These job declines are concerning because these sectors generate higher multiplier effects as the higher average annual wages they produce are spent in other industries within the City’s economy. Additionally, these jobs should have been relatively shielded from stay-at-home orders, because many can be performed from home. This suggests that the direct impact of the pandemic has had a substantial indirect impact on sectors that at first glance appeared insulated.
- Within the City of Alameda, non-Hispanic Black residents are the most likely to be employed in occupations considered high-risk, 60%. Hispanic and/or Latino (49%) and non-Hispanic Asian (46%) residents are also employed in high-risk occupations at a larger concentration than non-Hispanic White residents.

¹⁵ High-risk occupations are those that require a high degree of physical contact on the job, both in terms of proximity and frequency, and are unable to be performed remotely.

¹⁶ Source: See Appendix for details on exact geography used for analysis.

Another important lens in analyzing the City of Alameda's economic vulnerability and recovery is to examine the economic outcomes of those who live in the City (regardless of where they work) and those who work in the City (regardless of where they live). In 2017, the most recent data available, there were 39,920 employed residents living in the City of Alameda and 28,210 people employed in the City, resulting in a net outflow of approximately 12,000 jobs (Figure 27). Of the 39,920 residents living in the City, 5,295 (13%) were also employed within the City's boundaries and the remaining 34,624 (87%) were employed outside of the City. This implies that there were 22,914 people employed within the City's boundaries who live outside of the City. From 2010 to 2017, the number of people living and working in the City of Alameda increased 4.4%. Over the same period, the number of people living in the City but employed elsewhere increased 18.8%, while the number of people living outside the City but employed within its boundaries increased 23.8% (Figure 28).

FIGURE 27: COMPOSITION OF EMPLOYED RESIDENTS IN CITY OF ALAMEDA 2002-17



Source: U.S. Census Bureau Longitudinal Employer Household Dynamics (LEHD), Analysis by Beacon Economics

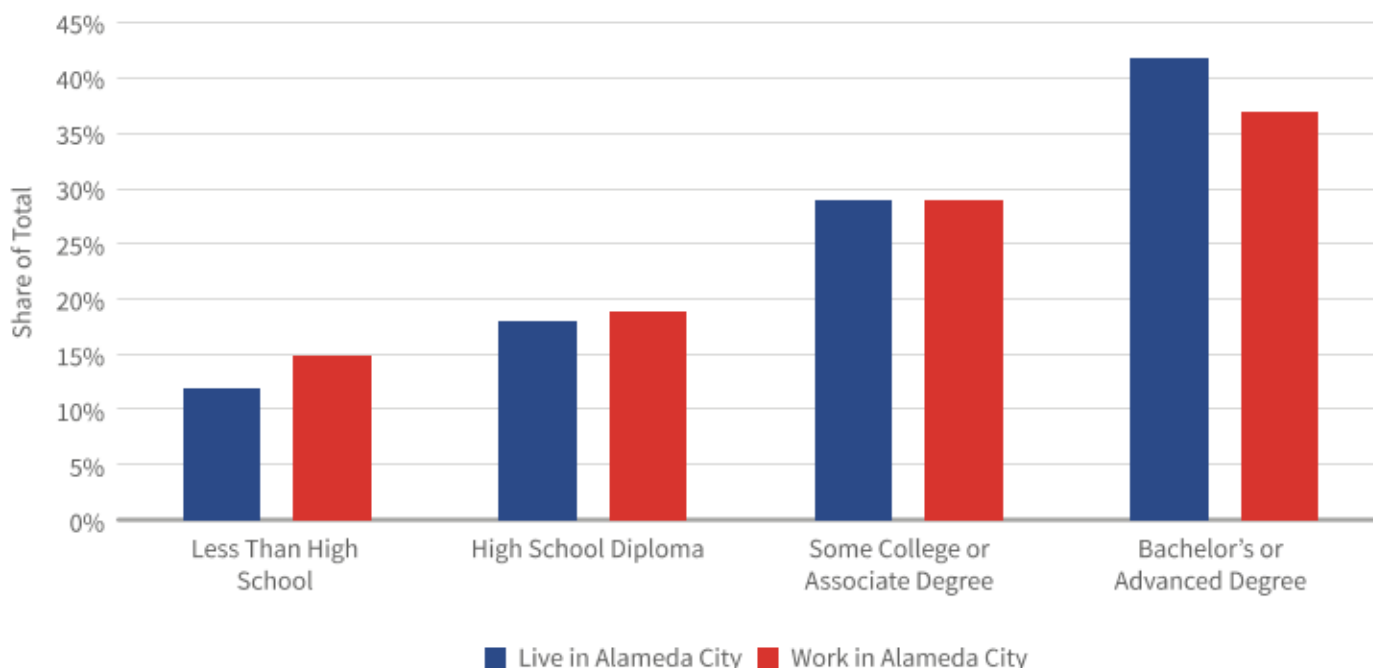
FIGURE 28: COMPOSITION OF WORKERS EMPLOYED IN CITY OF ALAMEDA 2002-17



Source: Source: U.S. Census Bureau Longitudinal Employer Household Dynamics (LEHD). Analysis by Beacon Economics

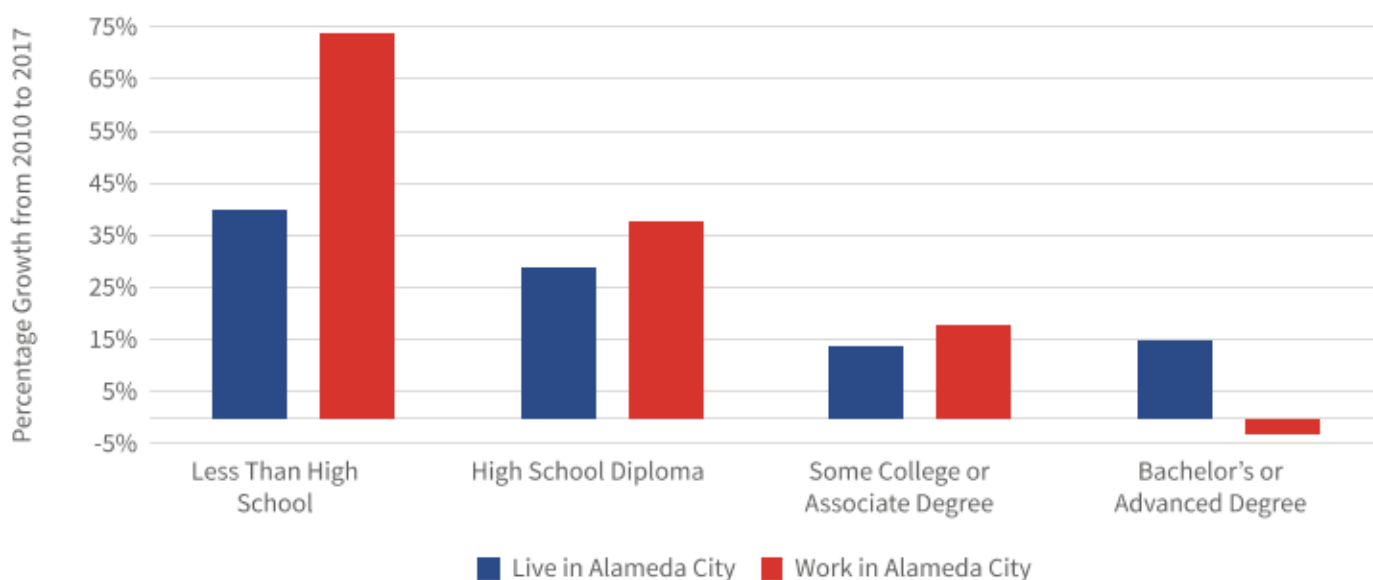
Those who actually work within the City, regardless of where they live, are less educated on average than those who live in the City, regardless of where they work (Figure 29). Additionally, growth in the number of college graduates has been stronger for those who live in the City compared to those who work in the City. From 2010 to 2017, there was a substantial increase in the number of people who work in the City who hold a high school degree or less and a decline in the number of people employed in the City who hold a college or advanced degree (Figure 30).

FIGURE 29: SHARE OF WORKERS BY EDUCATION IN CITY OF ALAMEDA
2017



Note: Blue includes those who live in the City of Alameda, regardless of where they work. Red includes those who work in the City, regardless of where they live.
Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD). Analysis by Beacon Economics

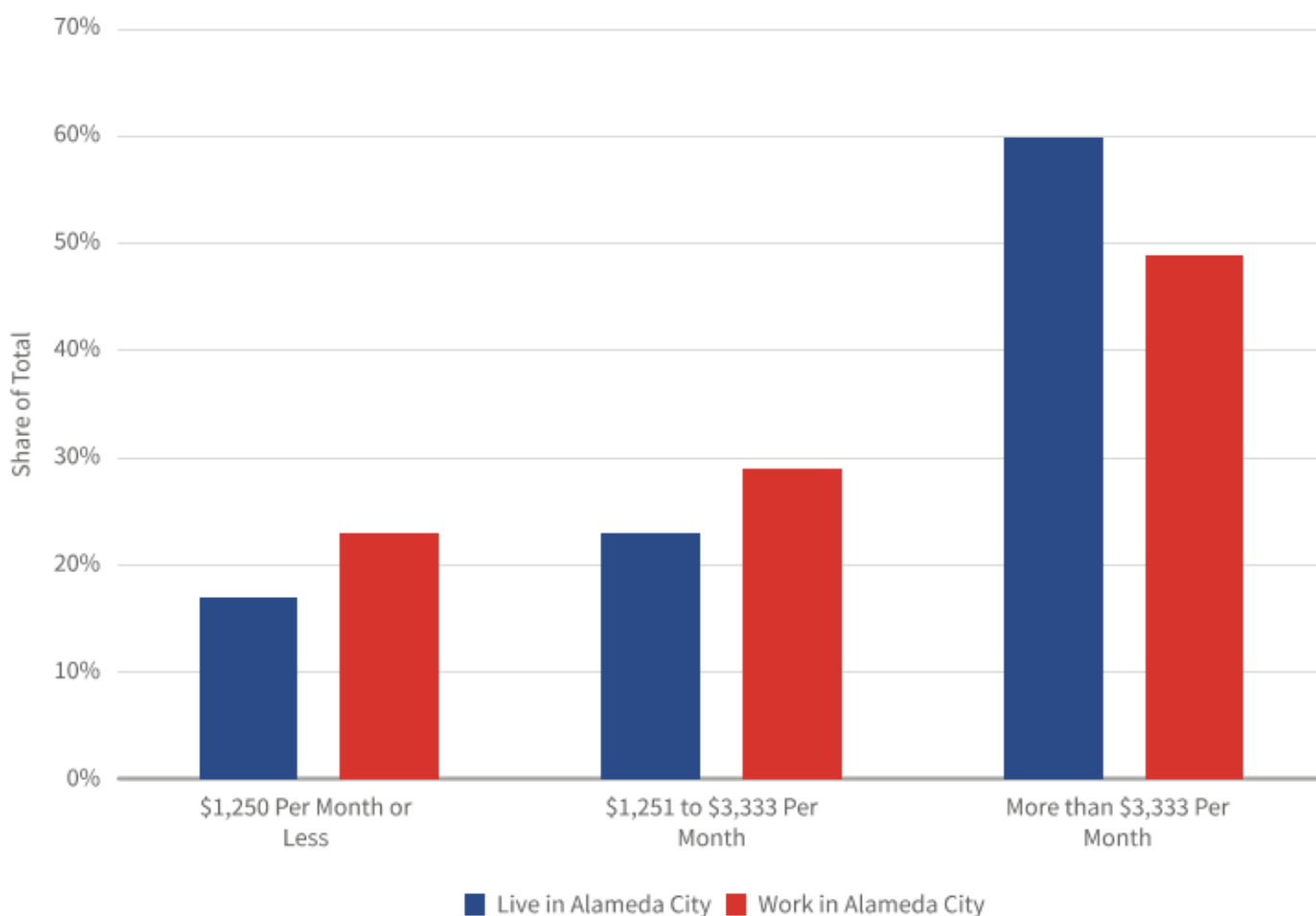
FIGURE 30: EMPLOYMENT GROWTH BY EDUCATION LEVEL IN CITY OF ALAMEDA
2010-17



Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD). Analysis by Beacon Economics

Similarly, when comparing those who live in the City to those who work in the City, there is a larger share of City residents who earn more than \$3,333 per month (Figure 31). From 2010 to 2017, the share of residents in the City who earn more than \$3,333 per month has increased 34%, while the share of those earning less has fallen (Figure 32). In contrast, the share of workers employed in the City increased across all earnings brackets. However, the largest increase was in the share of workers earning more than \$1,251 per month but less than \$3,333 per month. Breaking down the City of Alameda further, those who live in the City but work elsewhere are more likely to earn higher wages compared to both those who live outside the City but work inside its borders and those who live and work in the City.

FIGURE 31: SHARE OF WORKERS BY MONTHLY INCOME IN CITY OF ALAMEDA
2017



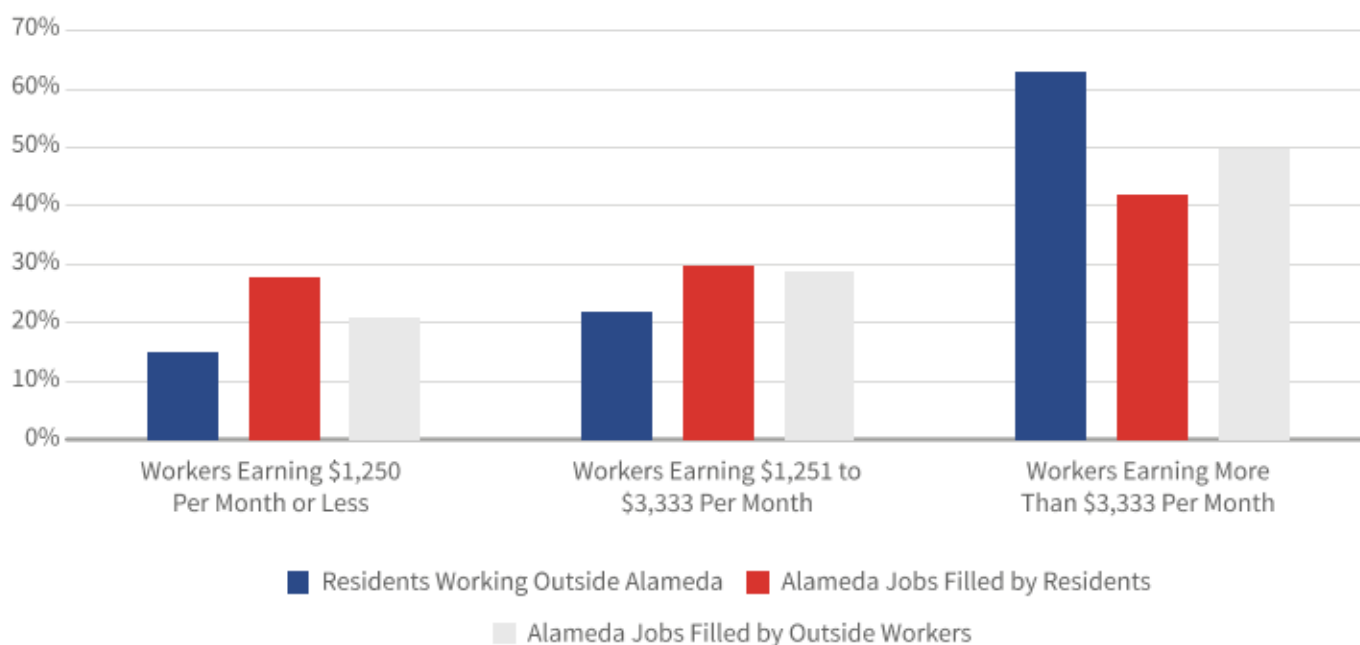
Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD). Analysis by Beacon Economics

**FIGURE 32: EMPLOYMENT GROWTH BY MONTHLY INCOME IN CITY OF ALAMEDA
2010-17**



source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD). Analysis by Beacon Economics

**FIGURE 33: SHARE OF EMPLOYMENT GROWTH BY INCOME IN CITY OF ALAMEDA BASED ON PLACE OF RESIDENCE/ WORK
2017**



Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD). Analysis by Beacon Economics

People who live in the City of Alameda, regardless of where they work, are more likely to earn higher wages and be more highly educated than those who work in the City of Alameda, regardless of where they live. Considering that only 13% of those who live in the City also work in the City, this indicates that the available jobs within the City are more likely to require less education and pay lower average wages.

A comparison of the five largest employing industries for employed residents and workers in the City of Alameda shows that they share four out of five of the same top industries (Table 10). These include Health Care, Accommodation & Food Services, Educational Services, and Retail. The fifth-largest employing industry for those who live in the City is the Professional Services sector, while the fifth-largest industry for those who work in the City is the Manufacturing industry. Sectors that have shed jobs from 2010 to 2017 for those who work in the City of Alameda are Other Services, Professional Services, Real Estate, Information, Natural Resources & Mining, Public Administration, and Utilities. Sectors that have shed jobs from 2010 to 2017 for those who live in the City are Real Estate, Public Administration, and Other Services.

**TABLE 10: EMPLOYMENT BY INDUSTRY FOR RESIDENTS AND WORKERS IN THE CITY OF ALAMEDA
2010-17**

	LIVE IN ALAMEDA CITY		WORK IN ALAMEDA CITY	
	Employment (2017)	2010-2017 Growth	Employment (2017)	2010-2017 Growth
Health Care & Social Assistance	5,667	25.8%	3,470	29.7%
Professional, Scientific & Technical Services	4,963	33.1%	2,336	-22.0%
Educational Services	3,667	9.0%	2,938	14.9%
Accommodation & Food Services	3,647	25.6%	3,840	56.4%
Retail Trade	3,260	3.3%	2,442	33.2%
Administrative Support	2,326	36.7%	2,054	66.6%
Manufacturing	2,253	12.1%	3,113	39.4%
Information	1,738	71.2%	290	-41.6%
Financial Activities	1,698	8.7%	974	19.2%
Construction	1,574	57.4%	1,108	91.7%
Wholesale Trade	1,560	11.0%	954	15.5%
Transportation & Warehousing	1,541	20.0%	374	12.3%
Other Services	1,483	-28.8%	1,171	-11.4%
Public Administration	1,446	-17.6%	482	-68.1%
Arts, Entertainment, & Recreation	944	13.3%	1,145	31.3%
Management	942	28.3%	1,229	209.6%
Real Estate	631	-2.0%	272	-29.0%
Utilities	354	4.4%	0	-100.0%
Agriculture	198	10.6%	16	NA
NR/Mining	28	33.3v	2	-50.0%
Total	39,920	16.7%	28,210	19.6%

Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD). Analysis by Beacon Economics



Picture Credit - Maurice Ramirez

The unprecedented nature of COVID-19 and the resulting mitigation measures have had a devastating impact on the City of Alameda economy. And the longer the economic recovery extends, the less likely smaller firms, particularly those in the hardest hit Leisure & Hospitality, Retail, and Personal Services sectors, will survive. While these industries have borne the brunt of the impact of the pandemic, some workers within these industries are much more vulnerable to pandemic-related job losses than others. City of Alameda residents and workers employed in occupations that require a high degree of physical contact on the job and are unable to work remotely are at a much higher risk of experiencing unemployment during the City's economic recovery. These jobs are often lower-paying, public-facing service sector jobs that require little formal education and are more likely to be held by residents of non-Hispanic Black and Hispanic and/or Latino descent. As such, policy should target those with some college experience (no degree) or less who are working in industries with a large concentration of high-risk occupations, as these groups are more susceptible to COVID-induced unemployment. Additionally, recovery efforts should ensure that marginalized groups employed in more vulnerable occupations have access to resources to ensure that inequality is not exacerbated throughout the recovery.

APPENDIX

The region used in the analysis in Part 5 on page 33 is based on the U.S. Census Bureau PUMA (Public Use Micro Areas) Code 0600105 “Alameda County (West) – San Leandro, Alameda, and Southwest Oakland.” PUMAS are statistical geographic areas defined for the dissemination of PUMS (Public Use Microdata Sample) data and are geographies built on census tracts and county boundaries that contain at least 100,000 people. The reason for using ACS PUMS data over alternative data sources is that the PUMS data provides much more granularity in terms of variable details and characteristics. The primary benefit of this is that we are able to analyze demographic characteristics across workers in industries at the 2-digit NAICS level, as well as at the 4-digit subsector level. For example, for workers in the Restaurant & Food Services subsector of the Leisure & Hospitality industry, PUMS data allows us to see the earnings distribution by educational attainment.

While the ACS PUMS data provides some clear benefits, there are limitations. The first being that the region used includes all of the City of Alameda, the City of San Leandro, and a portion of the City of Oakland. This is because the City of Alameda has a resident population of less than 100,000, and in order to meet the PUMA definition, it was merged by the U.S. Census Bureau with census tracts in the surrounding area. As a result, the region used in the analysis in Part 5 on page 33 contains a larger population than just the City of Alameda. However, we felt the granularity of detail and information provided by the ACS PUMS data more than makes up for the lack of geographic specificity.



CITY OF ALAMEDA

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