

City-wide Community Benefits Policy

City of Richmond
City Council Meeting

Tuesday, February 1, 2022

Estolano
ADVISORS

RPLG Renne Public Law Group®

Introduction



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Presentation Overview

- ADOPT an ordinance (second reading) for a city-wide community benefits policy

- 1. Engagement Summary**
- 2. Additional Context for Draft Ordinance**
- 3. Review of Draft City-wide Community Benefits Policy Ordinance**
- 4. Next Steps**
- 5. Questions & Discussion**

Community Engagement

- **9/8, 11/10: Reported on CBP development to the Economic Development Commission.**
- **10/13 & 10/14: Held two community input sessions**
- **11/2: Report-back of public input sessions presented to the City Council**
- **11/8: Presented CBP update to Richmond Neighborhood Coordinating Council (RNCC) and described how to give input**
- **11/8: Presented Healthy Richmond Team and Race Equity Team Resident Ambassadors on November 8, 2021**
- **Community members can also preview all project materials, in addition to providing input, on the project website**

<https://www.ci.richmond.ca.us/4126/Community-Benefits-Policy-Development>



Staff & Council Member Engagement

- Conducted interviews with ten city staff members from six city departments who are involved in development, procurement, and contract compliance
- Each City Council member was invited to provide an individual perspective prior to each study session.
- Staff and consultant team presented on CBP development at City Council study sessions on September 28, and December 14. In addition, provided a written report to City Council on November 2. First reading of the Ordinance approved January 18.

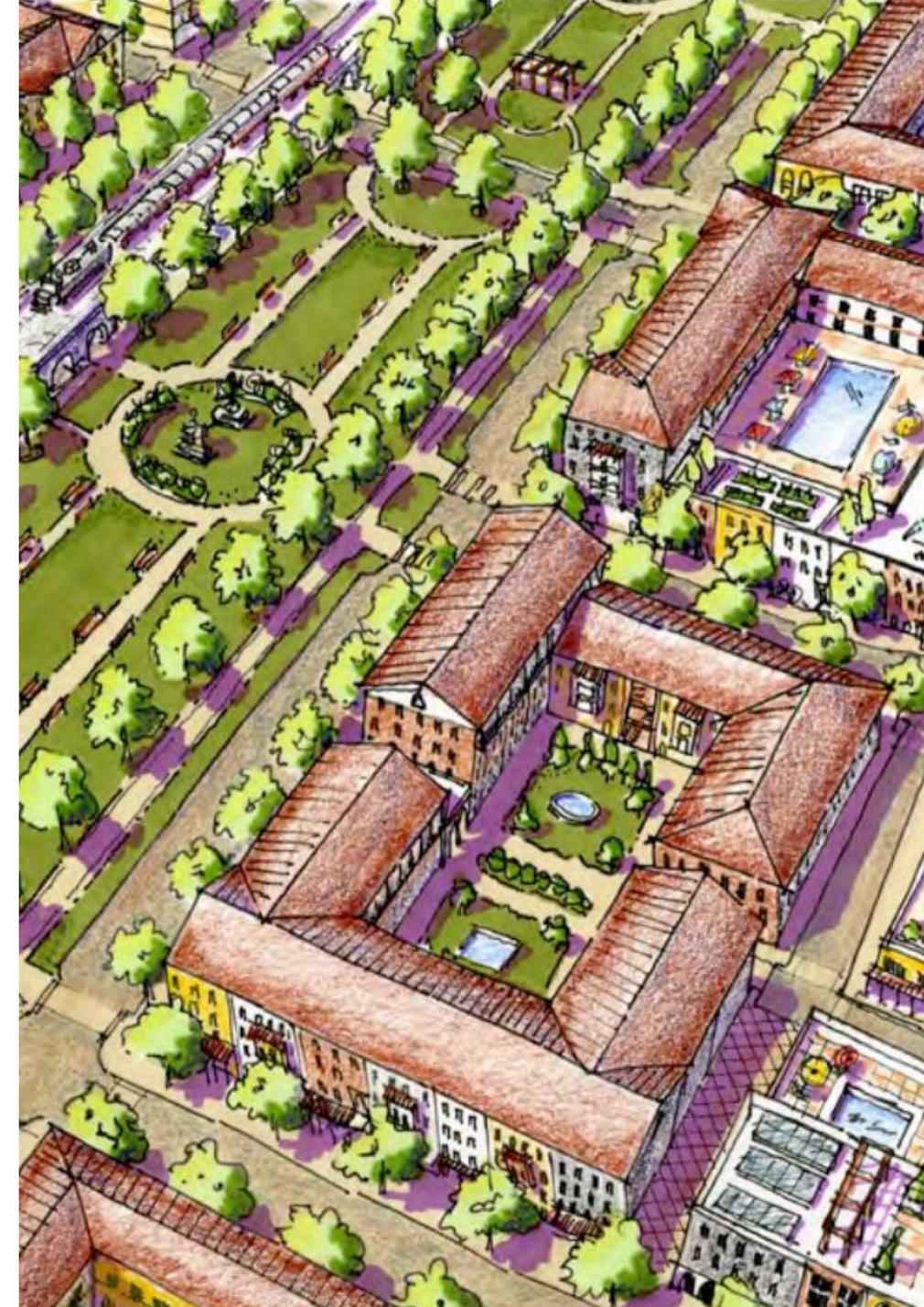


Categories of Community Benefits Policies

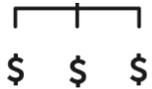
- Category 1:** Community benefits provided by developers of large public/private projects
- Category 2:** Community benefits required as terms of City procurement contracts
- Category 3:** Community benefits delivered through City's land use and housing regulation
- Category 4:** Community benefits funded through discretionary financing mechanisms

Overview of Draft Ordinance

- Establish baseline community benefits commitments and enhanced procedures for Large Public-Private Projects
- Builds on the 2016 Section 6.6 of the Richmond Bay Specific Plan



How Will the Draft Ordinance Enhance Baseline Community Benefits?



Unify the dollar threshold for community benefits requirements across policy areas



Set up a “Community Benefits Fund,” into which any financial contributions can be pooled, and expended with public/community oversight and input



Identify metrics or data points to track the success of the policy as projects are built, to be reported annually to the City Council



Initiate consideration of additional types of community benefits appropriate as a baseline for negotiations regarding Large Public-Private Projects

City-wide Community Benefits Policy: Ordinance Details

City of Richmond

Draft City-wide Community Benefits Policy Ordinance

Chapter 15.04

15.04.816.010 Purpose

15.04.816.020 Definitions

15.04.816.030 Application

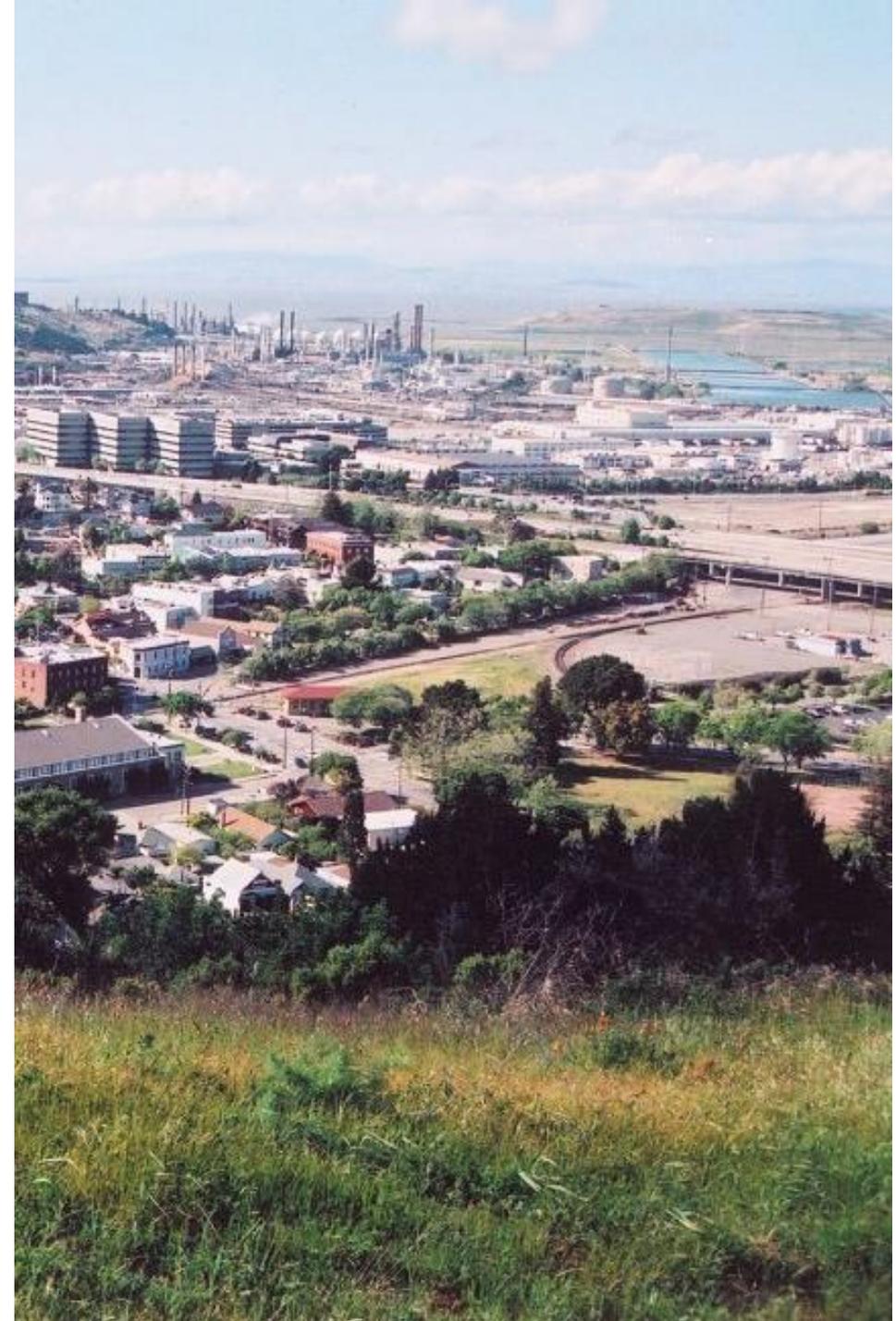
15.04.816.040 Baseline Community Benefits

15.04.816.050 Enhanced Transparency and Review Procedures

15.04.816.060 Community Benefits Fund

15.04.816.070 Competitive Selection Processes

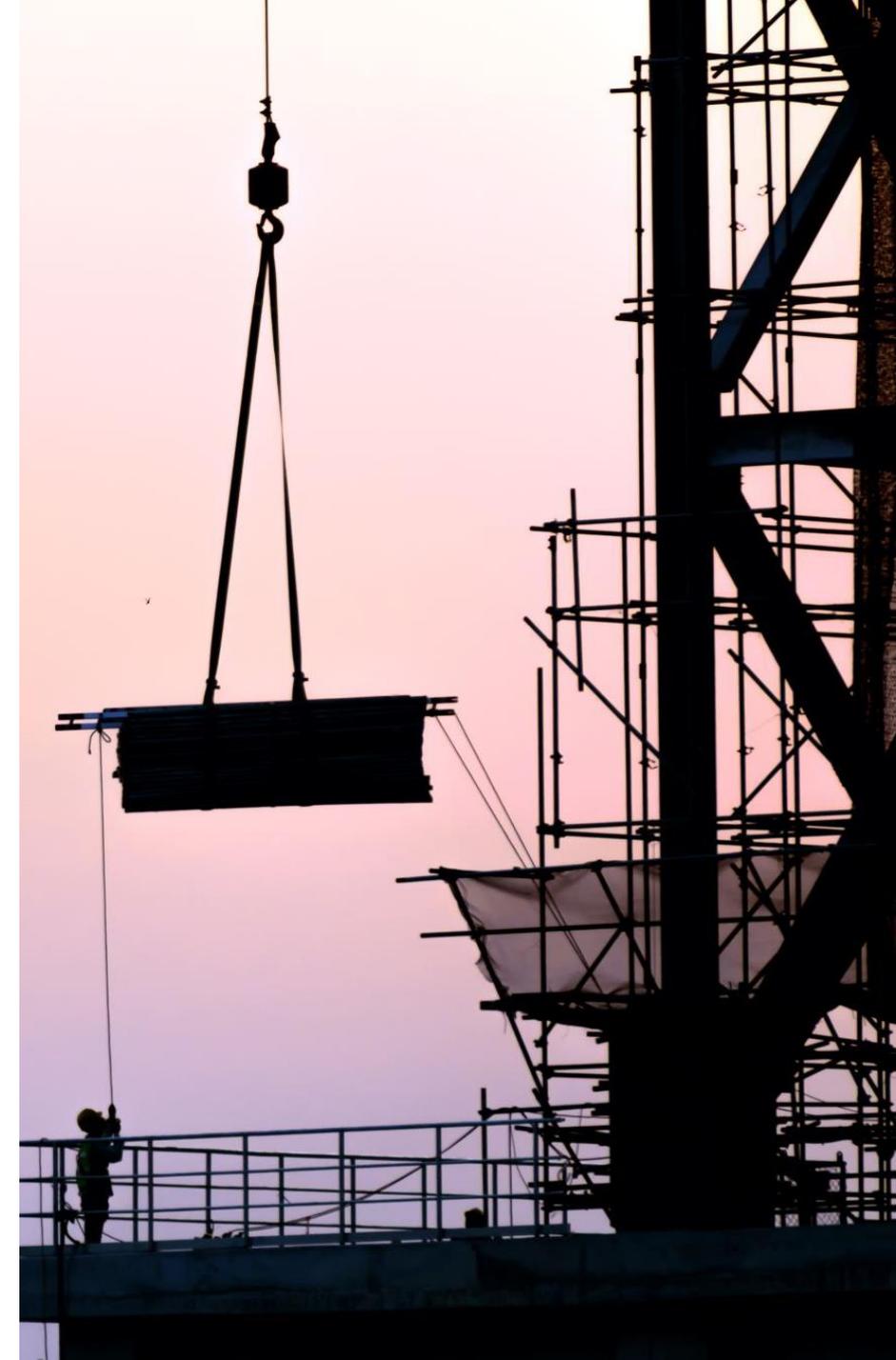
15.04.816.080 Exceptions and Limitations



15.04.816.010 Purpose

This chapter establishes baseline community benefits commitments and review procedures for certain large development projects.

In addition, enhanced approval processes, allowing additional time for evaluation and input of community benefits commitments and terms of public agreements, are appropriate ... in order to provide increased transparency and opportunity for public consideration.



15.04.816.020 Definitions

“Public-private project” means a development project or proposed development project advanced by a public or private entity:

- i. Receiving or proposed to receive financial aid, assistance, or funding from the City, including any public financing or contribution, such as loans, loan guarantees, tax credits, or infrastructure construction, valued at more than \$100,000;**
- ii. Receiving or proposed to receive a transfer of ownership of or lease of right to occupy any City-owned real property, including rights-of-way or street vacation, whether at or below market rate; or**
- iii. That is or is proposed to be the subject of a development agreement.**

15.04.816.030 Application

Commitments regarding community benefits shall be set forth in a City Assistance Agreement negotiated on a voluntary basis by project proponents...with such agreement finalized prior to or contemporaneously with approval of the public-private project itself.



15.04.816.040 Baseline Community Benefits

- a. **City's Local Employment Program (Municipal Code, Chapter 2.56).**
- b. **City's Living Wage Ordinance (Municipal Code, Chapter 2.60).**
- c. **"Fair Chance" Hiring: City's Ordinance Banning The Requirement To Provide Information Of Prior Criminal Convictions On All Employment Applications (Municipal Code, Chapter 2.65).**

15.04.816.040 Baseline Community Benefits (Cont.)

- d. Project participants such as developers, facilities managers, large tenants, and prime construction contractors shall notify Richmond businesses, Richmond small businesses, and Richmond nonprofit businesses (each as defined in the Richmond Business Opportunity Ordinance (Municipal Code, Chapter 2.50)) of contracting and procurement opportunities in construction and operation of the public-private project, by appropriate means designed to maximize awareness of these opportunities.
- e. For all non-construction contracts worth over \$25,000, the awarding party (whether developer, property manager, tenant, or other project participant) shall make a “good faith effort,” as defined in the Richmond Business Opportunity Ordinance, to award at least 25% of awarded contracts to bona fide Richmond businesses, Richmond small businesses, and Richmond nonprofit businesses (each as defined in the Richmond Business Opportunity Ordinance and as certified by the City).
- f. The Project developer shall make a financial contribution to the Community Benefits Fund, in an amount to be negotiated by the City and the developer.

The baseline community benefits requirements are described above do not preclude negotiation of additional project-specific community benefits to be provided by public-private projects.

15.04.816.050 Enhanced Transparency and Review Procedures

The City shall implement the following procedures for review of City Assistance Agreements for public-private projects.

- a. The City shall make available to the public at least 14 days prior to City Council consideration of approval of the proposed City Assistance Agreement:
 1. a summary of: any community benefits commitments to be required of the project, including terms related to the requirements of article 15.04.816.040; project components and uses; and terms of any public financial support or contribution, transfer or lease of real property, and/or development agreement; and
 2. complete terms of the proposed City Assistance Agreement and other project documents setting forth the information required to be summarized in section (a)(1), above.

15.04.816.050 Enhanced Transparency and Review Procedures (Cont.)

b. After release of material described in subsection (a), and at least seven days prior to City Council consideration of approval of the proposed City Assistance Agreement, the City Council shall hold at least one public study session to review and receive public input regarding the material described in section (a) above.

15.04.816.060 Community Benefits Fund

- a. **Establishment.** The City shall establish, cause establishment of, or utilize a fund that can administer and expend financial contributions intended to be used for community benefits, provided by developers of public-private projects...The fund may be operated by the City, or may be established at and operated by a ...nonprofit third-party administrator. The City may adapt and utilize for this purpose an existing fund administration ...such as that of the Richmond Environmental Community and Investment Agreement (ECIA) Community Grants Program [via] ECIA Grant Review Ad Hoc Committee.

15.04.816.060 Community Benefits Fund (Cont.)

- b. **Purposes.** Monies from the Community Benefits Fund may be expended to advance the following purposes:
1. provision of local services to improve quality of life and provide economic opportunity;
 2. workforce development and small business assistance at the neighborhood level;
 3. providing amenities for public use;
 4. programming and activation of public space;
 5. support implementing actions of existing city plans (i.e. General Plan, Climate Action Plan, Health in All Policies, etc.);
 6. represent interests of community members demonstrably impacted by proposed developments; and
 7. provision of other public and community services at low-or no cost to beneficiaries, to advance the public good.

15.04.816.070 Competitive Selection Processes

When the City issues a request for qualifications, request for proposals, or other solicitation of materials regarding proposed development projects that may qualify as public-private projects, the City shall require each respondent to provide a document summarizing community benefits it would provide. This document shall be in a form as required by the City, to allow the City and the public to compare responses for a particular solicitation and between different City projects.

15.04.816.080 Exceptions and Limitations

- a. Requirements of this chapter that conflict with requirements imposed by state or federal project funding sources shall not apply.
- b. Noncompliance with this chapter does not invalidate City approval of a proposed project or City Assistance Agreement.
- c. City Council may waive application of one or more provisions of section 15.04.816.040 (Baseline Community Benefits) with a finding that attributes of the proposed project make compliance with the provision(s) infeasible or unnecessary, and that the project as a whole provides appropriate community benefits.
- d. City Council may waive application of one or more provisions of section 15.04.816.050 (Enhanced Transparency and Review Procedures) with a finding that unusual circumstances related to project deadlines make the timeframe of section 15.04.816.050 infeasible, and that alternative notice and approval requirements provide sufficient opportunity for review and analysis of project aspects described in section 15.04.816.050.

Next Steps

- **Consider adoption of the ordinance (second reading) and vote.**
- **Ordinance is effective 30 days after its final passage and adoption.**

Recommend Action:

- **ADOPT an ordinance (second reading) for a city-wide community benefits policy**

Questions and Discussion