

Attachment 2 to Staff Report for September 28, 2021 Richmond City Council Meeting

Landscape Analysis – Review of Existing City Policies

Below is a non-exhaustive list of community benefits policies the City already has in place, organized by category:

Category 1. Community benefits provided by developers of large public/private projects.

- 1. Fair Chance Access Affordable Housing** This ordinance governs how affordable housing providers operating within the City can use criminal history information when making housing decisions. In short, affordable housing providers cannot discriminate against housing applicants for certain kinds of conviction history at any point in the application process. Furthermore, housing providers cannot run a background check or inquire about criminal conviction history until the provider has determined the applicant is otherwise qualified and has received a conditional lease agreement. The purpose of this policy is to increase equity by removing barriers to housing for individuals with past convictions ([RMC 7.110](#)).
- 2. Green Building** This ordinance seeks to improve sustainability throughout the City by adding green building design, construction, and maintenance requirements to all public-private development projects: (1) with more than 5,000 sq/ft of floor area or projects, or (2) where the developer receives more than \$300,000 in subsidies or aid from the City or is located on city land. This policy's goals include improving resource conservation, reducing construction waste, boosting energy efficiency, and promoting public health and welfare of all City residents, workers, and visitors ([RMC 6.45](#)).
- 3. Percent for Arts** This ordinance establishes a public art appropriation for public-private capital improvement projects. Developers of private-public projects whose budgets are \$300,000 or larger, including bond measure projects, must contribute 1.5% of total project development costs towards the City's Public Art Program. Developers' contribution to public art through these fees will improve the beautification of public spaces within the City, which will allow the City to entice and maintain businesses, and in turn, result in increased economic benefits for the City ([RMC 6.50.020](#)).

Category 2. Community benefits required as terms of City procurement contracts [and franchise agreements].

- 1. Ban the Box (Fair Chance Hiring)** This ordinance applies to all “contractors, lessees, recipients of City financial aid, and their respective subcontractors that employ the equivalent of ten (10) or more full-time employees in their total workforce and who wish to contract with the City,” and governs how they can use criminal history information when making hiring decisions. Relevant employers may not ask about an applicant’s prior criminal convictions in initial application documents or at any point in the application process. However, this policy does not apply to employers who are mandated to run background checks during the hiring process per State or Federal law ([RMC 2.65](#)). In 2018, a similar law was passed at the state level that applies to all businesses who operate in the state that have five or more full-time employees ([California Department of Fair Employment & Housing webpage](#)).

- 2. Business Opportunity** This policy establishes that the City must allocate a minimum of 25% of its contracts to Richmond-based businesses, 10% of which must be allocated to certified local small businesses or small nonprofits. The three types of contracts governed by this policy include: “(1) construction and construction-related contracts valued at or above \$100,000.00; (2) service contracts valued at or above \$50,000.00; (3) contracts for the procurement of goods, materials, equipment, furnishings or supplies valued at or above \$25,000.00.” The purpose of this ordinance is to increase opportunities for Richmond-based small businesses and nonprofits, many of whom have been historically disadvantaged in public procurement. Additionally, the City maintains sheltered bidding on small contracts (above \$5,000 but below \$100,000 for construction, below \$50,000 for services, and below \$25,000 for purchasing) to Richmond-based small businesses and nonprofits ([RMC 2.50](#)).

- 3. Environmentally Preferable Purchasing** This policy was adopted to use the City’s purchasing power to incentivize suppliers to become more environmentally sustainable. With some exemptions, this ordinance applies to all City procurement contracts. ([City of Richmond Environmentally Preferable Purchasing webpage](#)) In the bidding process, the City outlines the following standards that guide how they decide the lowest price(s) for products containing recycled materials (non-cumulative): “(1) Total aggregate purchase of \$10,000.00 or less. The City shall consider an eight percent preference for products containing 30 percent or more post-consumer recycled content; (2) Total aggregate purchase of \$5,000.00 or less. The City shall consider a ten percent preference for products containing 30 percent or more post-consumer recycled

content; (3) Total aggregate purchase of \$1,000.00 or less. The City shall consider a ten percent preference for products containing 30 percent or more post-consumer recycled content” ([RMC 2.52.344 b](#)).

- 4. Living Wage** This ordinance requires certain City contractors, lessees, recipients of City financial aid, and respective subcontractors to provide wages and time-off, that exceed minimum wage standards. Its purpose is to improve the economic self-sufficiency of workers who reside within the City using City contracts requirements ([RMC 2.60](#)).

Developers who must adhere to this policy include: “(a) For-profit vendors... which employ ten (10) or more full-time employees and receive contract(s) for \$25,000 or more in a twelve-month period...[for] any employees who spend 25% or more of their compensated time engaged in work directly related to the said contract(s); (b) Non-profit vendors... which employ ten (10) or more full-time employees and receive contracts of \$100,000 or more in a twelve-month period... [for] any employees who spend 50% or more of their compensated time engaged in work directly related to a City contract; and (c) Lessees of public property, licensees, concessionaires and franchisees, which employ twenty-five (25) or more full-time employees and generate \$350,000 or more in annual gross receipts...[for] any employees who spend twenty-five percent (25%) or more of their compensated time on the leased property, or engaged in work directly related to the license, concession or franchise” ([RMC 2.60](#)).

- 5. Local Employment** This ordinance was created to reduce unemployment and improve equitable employment opportunities for City residents through City projects, whether public works or service contracts. It applies to all developers or contractors “involved in Public works or service contracts with the City that has a value of \$100,000 or more, or a subsidized project with a subsidy from the City of \$100,000 or more.” Covered developers or contracts must follow the following standards, depending on project type: (a) Public Works Projects: minimum of 25% of total work hours must be completed by City residents. Minimum of 25% of all new hires must be City residents; (2) Retail: Minimum of 35% of total workforce must be City residents and minimum 35% of new hires must be City residents; (3) Office, Administrative, and Other: Minimum of 35% of total workforce must be City residents and minimum 35% of new hires must be City residents ([RMC 2.56](#)).

Category 3. Community benefits components of City's land use and housing regulation.

- 1. Accessory Dwelling Units (ADUs) & Junior Accessory Dwelling Units (JADUs)** This policy outlines criteria under which ADUs and JADUs may “be located, developed, and operated,” in certain types of residential zoning ([RMC 15.04.610.020](#)). As of 2021, the state has produced updated guidance around ADU construction and is providing financial incentives to encourage ADU and JADU construction. The purpose of this community benefits policy is to incentivize increased housing production in single-family or lower-density multi-unit zoning ([California Department of Housing & Community Development webpage](#)).
- 2. Affordable Housing Density Bonus.** This law incentivizes developers to set aside a certain number of affordable units for seniors or moderate, low, very low, or extremely low-income households by providing a number of incentives, such as (but not limited to) increased building height or reduced required parking spots. Its purpose is to incentivize increased affordable housing production ([RMC 15.04.602](#)). In 2021, AB 2345 went into effect at the state level which increases incentives to build low-income and senior affordable housing ([California Assembly Bill 2345](#)).
- 3. Inclusionary Housing and Linkage Fee** This ordinance instates requirements for developers including affordable housing in their projects, with the purpose of increasing affordable housing production across the City. To make up for the required cost of affordable housing, the City can offer incentives such as waiver of building permit, expedited entitlement review and permit processing, and density bonuses ([RMC 15.04.603](#)).

All residential development and residential parts of mixed-use projects of 10 units or more must include affordable housing units. This can be satisfied several ways: “(a) 17% or more of housing units available to moderate-income households; or (b) 15% or more of housing units available to low-income households; or (c) 10% or more of housing units available to very low-income households; or (d) 12.5% or more of housing units available to a combination of very low and low-income households; or (e) 25% percent or more of housing units available to very low or low-income senior households” ([RMC 15.04.603](#)).

Alternatively, non-residential projects and non-residential parts of mixed used development projects must pay a linkage fee in-lieu of providing affordable housing units, which will go towards the City’s “very low and low-income affordable housing fund” ([RMC 15.04.603](#)).

- 4. Percent for Arts (Private Development)** This policy establishes requirements for private developers within the City to contribute 1% of total development costs towards public art. This can be accomplished through the following means: “(1) Include on-site publicly accessible art valued at one percent of the building development costs...; (2) Pay an in-lieu contribution of one percent of the building development costs to the City's Public Art Projects Account...; or (3) Include a designated public art space by special process...” ([RMC 6.50.030](#)).

Projects that must comply with this policy include: all new commercial or industrial structures, new residential projects of 10 or more units, and all construction of building additions or renovations whose development costs are more than \$500,000, in all zoning districts. Its purpose is to improve the cultural environment of the City for residents and visitors, support economic viability of artists' occupations and sustainability of arts organizations, and increase beautification of public spaces which will allow the City to entice and maintain businesses, and in turn, will result in increased economic benefits for the City ([RMC 6.50.030](#)).

- 5. Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection** This law was established “to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Richmond by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring Landlords a fair and reasonable return on their investment and protecting homeowners.” This ordinance includes the following components:

a. Rent Control: This part of the ordinance caps annual rent increases for some (not all) residential housing units within the City and applies to housing providers of multi-unit properties with building permits before 1995. Compliance with this law includes paying a Rental Housing Fee, enrollment of property, and registration of each new tenant ([RMC 11.100.070](#)).

b. Just Cause for Eviction: This part of the ordinance establishes that management or landlords of certain housing such as, multi-unit properties build before and after 1995, properties with one housing unit, government subsidized housing, and ADUs, must have a just cause for eviction. Just causes a landlord may cite include: “Failure to pay rent, breach of lease, nuisance, failure to give access, temporarily vacate in order to undertake substantial repairs, owner-move-in/owner relative move-in, withdrawal from the rental market (Ellis Act), and/or

temporary tenancy.” Additionally, landlords must enroll the property, register each new tenancy and pay a partial Rental Housing Fee ([RMC 11.100.50](#)).

c. Homeowner Protection: The purpose of this policy is to protect and benefit homeowners by allowing the following: (a) temporary rentals, (b) exemption of small, second units from the ordinance’s regulations, if in compliance with other laws, (c) exemption of renting a room, where tenant shares bathroom or kitchen with homeowner, from the ordinance’s regulations ([RMC 11.100.040](#)).

6. Tenant Anti-Harassment. This law increases existing protections of all tenants residing in the City by banning “tenant harassment by landlords in all residential rental units, including single-family residences and condominiums.” It seeks to give tenants improved legal recourse and increase tenant stability ([Ordinance 11-21 NS](#)).

7. Transport Demand Management (TMD) This ordinance establishes that certain developers must follow a set of requirements to further the transportation goals of the various transportation-focused regional and county plans, including reducing total vehicle miles traveled, expanding mobility, and maximizing transportation systems efficiency, in order to promote environmental sustainability. This law seeks to encourage “the use of transit, ridesharing, bicycling, walking, flexible work hours and telecommuting as alternatives to solo driving; Incorporating these objectives into the development review process.” It applies to “(a) new multi-unit development of ten units or more, (b) new nonresident development of 10,000 sq/ft or more, and (c) establishment of a new use, change of use, or change in operational characteristics in a building that is 10,000 square feet or more in size that results in an average daily trip increase of more than ten percent of the current use, based on the most recent Institute of Traffic Engineers (ITE) trip generation rates.” ([RMC 15.04.612](#))

These development projects are subject to performance requirements that discourage single-occupant vehicle travel and decrease Vehicle Miles Traveled. Additionally, projects that follow TDM must obtain GreenTRIP Certification ([RMC 15.04.612.030](#))

8. Vacant Property Registration The purpose of this ordinance is to “protect the health, safety and welfare of our citizens by preventing blight, protecting

property values and ensuring the safe and sanitary maintenance of residential and commercial buildings” and applies to all property owners of vacant dwellings within the City. Property owners must register their vacant property within 10 days after a month of vacancy or 30 days after obtaining the legal title of a vacant property ([RMC 6.38.115](#)).