

Attachment 1 to Staff Report for September 28, 2021 Richmond City Council Meeting

Categories of Community Benefits Policies and Initiatives

There is no established definition of “community benefits,” “community benefits policies,” or “community benefits agreement.” Following is a description of several categories of community benefits policies and initiatives, designed to assist Council, staff, and the public in focusing and clarifying the conversation around community benefits.

The phrase “community benefits” is generally used to reflect policy goals advanced through public actions related to *land use* and *public procurement*, as opposed to the full range of government activities, such as policing or education. Therefore, categories below are organized by the *type of local government action* that establishes community benefits. As will be indicated with examples below, these approaches can be used to promote a wide range of policy goals, such as **local employment, job quality and minimum compensation levels, affordable housing, environmental benefits**, etc.

Many cities in California use most or all of these approaches to advance community benefits; Richmond has utilized each of these approaches in one form or another.

Taken together, the approaches to community benefits described below may be considered a broadly inclusive set of options for additional policy development through a Community Benefits Policy for the City. As discussed below, staff recommends focus on a subset of these approaches, within the context of the range of existing City programs.

Category 1. Community benefits provided by developers of large public/private projects. This is the category most commonly in mind when people discuss “community benefits” or “community benefits agreements,” and is most clearly part of the Request For Qualifications for our work.

The Richmond Bay Specific Plan Section 6.6 defines “Public/Private Projects” as follows:

1. Projects receiving 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;
2. Projects for which the City is transferring ownership of or leasing right to occupy any real property, including rights-of-way or street vacation, whether at or below market rate; and
3. Projects for which the City is entering into a development agreement.

Broadly, this captures large projects for which the City is *negotiating* terms of project development and City support/involvement, rather than *regulating* a purely-private development. This context is generally considered as the strongest legal and political context for negotiation of community benefits.

Included in this category: Laws and policies that set minimum benefits requirements for public/private projects (e.g. the City's green building requirements and local employment requirements); and benefits negotiated proactively by the City without a policy -- like a developer contribution to workforce development, etc.

Not included in this category: benefits to the community that are inherent in project development, without additional negotiation or policies needed (e.g. activation of space; improved tax base, etc.). These are valid benefits to the public, of course appropriate for public consideration, but they are considered in the overall development approval process, and do not require additional policies or procedures.

Community benefits policies in this category can include both *minimum community benefits* requirements (e.g. local employment requirements), and enhanced public process requirements (e.g., Richmond Bay Specific Plan sec. 6.6, Detroit CBA Policy (each described below).

The Richmond Bay Specific Plan contains both minimum community benefits requirements and enhanced public process requirements, each applicable to public/private projects. This cohesive approach, developed and applied locally, is a natural starting point for Council consideration of a City-wide Community Benefits Policy.

Category 2. Community benefits required as terms of City procurement contracts [and franchise agreements]. Leveraging public expenditures [and franchise agreements] to maximize community benefits is a well-established community benefits approach. Most large cities in California have some community benefits required of city contractors. These often include:

- living wage requirements;
- local employment requirements;
- “fair chance” or “ban the box” policies;
- employee benefits requirements; etc.

The City has numerous such policies on the books (see Attachment 2). A Community Benefits Policy might include regular review and possible adjustment or strengthening of implementation such policies; or ensuring that these policies are fully developed if intended to apply to Public/Private Projects as described above.

Category 3. Community benefits components of City's land use regulation. In addition to large, negotiated development projects, many people think of community benefits in land use through the lens of *local government regulation of private development*: through zoning laws, impact fees, conditional use permits, tenant protection laws, and so forth. Policies often considered as part of a city's community benefits approach include:

- inclusionary housing requirements;
- commercial linkage fees;
- public art requirements;
- other impact fees;
- open space requirements;

In addition, project-specific imposition of terms of conditional use permits provide a powerful tool for local government to shape land use development and activities. Some may consider tenant protection legislation and zoning reform as part of a city's approach to community benefits and land use.

Richmond has established many policies that fall into this category. (We are including at least some of the City's policies in our landscape scan; see Attachment 2.) Each of these initiatives comes with its own set of policy challenges and opportunities, and often presents legal concerns to be navigated. Reviewing and proposing an approach in this complex field would be an expansion of the scope of Community Benefits Policies we have seen.

Category 4. Financing Mechanisms. The consulting team will provide information regarding certain alternative financing mechanisms for City community benefits.