



# **RICHMOND BUSINESS RECOVERY ACTION PLAN**

**HR&A**  
Analyze. Advise. Act.

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# CONTENTS

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Executive Summary	3
Introduction	6
Impacts of COVID-19	10
Business Recovery Actions	23
Appendix	41
<i>Economic Development Partners</i>	
<i>Funding Sources for COVID-19 Recovery</i>	

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# Executive Summary

# EXECUTIVE SUMMARY | To support its long-term economic health, Richmond needs an action plan to support business recovery from COVID-19.

Richmond is a small city with a growing economy, though economic indicators lag statewide trends. The City of Richmond and its economic development partners took steps early in the pandemic to provide resources, information, and technical assistance to businesses to adapt to meet emergency needs and access recovery funds. As the pandemic nears the one-year mark, however, the City needs an action plan to coordinate ongoing support to Richmond businesses through recovery to build a more equitable and resilient economy. HR&A Advisors is working with the City of Richmond on a two-phase effort to address the acute needs of Richmond businesses to recover from the impacts of COVID-19 and identify longer-term strategies to support economic resilience and equitable growth. The Business Recovery Action Plan focuses on near-term actions the City can take to address the recovery needs of local businesses while planning for longer-term economic development strategies.

**\$68,400**

RICHMOND MEDIAN HOUSEHOLD INCOME  
(COMPARED TO \$75,200 FOR CALIFORNIA)

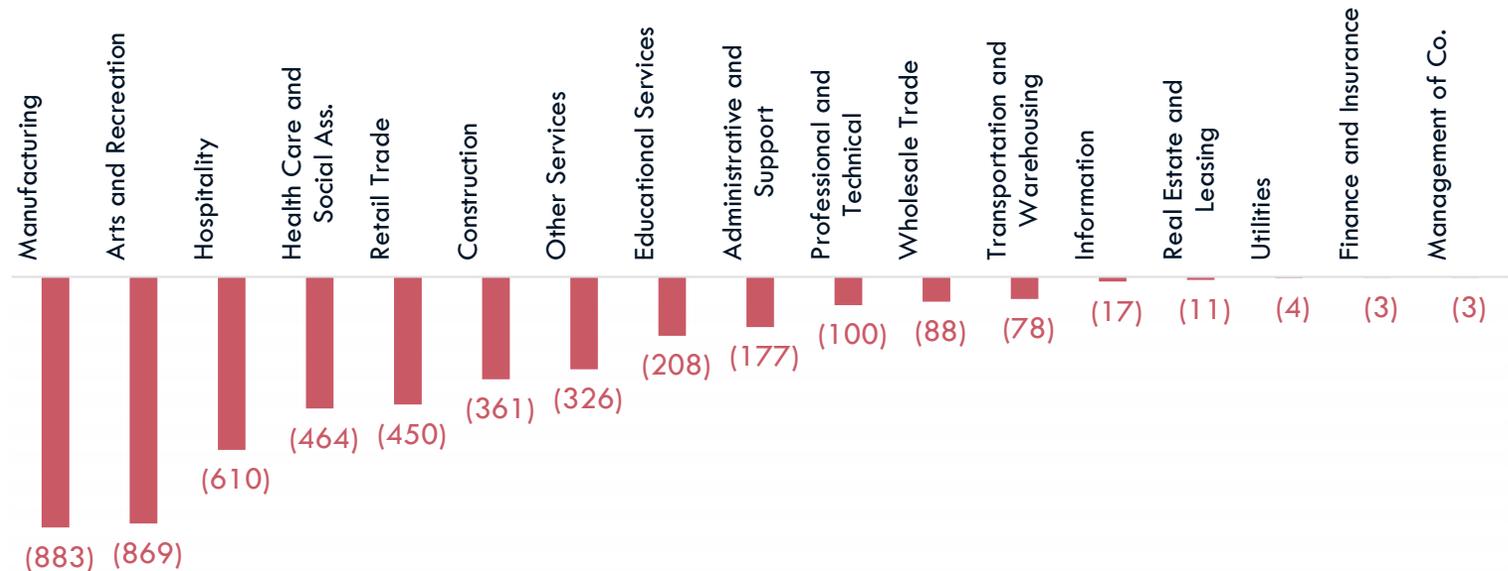
**6.4%**

RICHMOND POP GROWTH 2010 – 2019  
(COMPARED TO 6.1% FOR CALIFORNIA)

**16%**

RICHMOND JOB GROWTH 2010 – 2019  
(COMPARED TO 21% FOR CALIFORNIA)

**ESTIMATED JOB LOSSES IN RICHMOND BY INDUSTRY, FEB – SEPT 2020**



# EXECUTIVE SUMMARY | The City has identified three strategies to overcome the City’s recovery challenges, informed by guiding principles for an equitable recovery.

## GUIDING PRINCIPLES FOR INCLUSIVE RECOVERY

- **Community Driven** | The City must set and stick to community priorities that address longstanding inequities. This will require building an infrastructure for thoughtful, multi-pronged, and change-oriented outreach and engagement with a range of Richmond businesses.
- **Capacity Building** | The City should pursue partnerships with local and regional economic development organizations to gather and leverage capacity in order to support outreach activities and deploy recovery assistance quickly where it is needed the most.
- **Equitable** | The City should prioritize actions that remove or mitigate barriers to equitable economic growth. In the near term, this should include addressing issues of unequal access to information and power in City processes and targeting financial assistance where it is most needed.
- **Growth Oriented** | The City should pursue recovery actions that encourage local economic growth and access to opportunity. This should include designing and implementing public investments and initiatives that create community and economic benefits for marginalized communities.

## BUSINESS RECOVERY ACTION PLAN

STRATEGY	RECOVERY ACTIONS
<b>Strategy 1: Collaborate and consolidate information about available resources and technical assistance</b>	1A. <i>Economic Development Working Group</i> 1B. <i>Website Management</i> 1C. <i>Business Outreach</i>
<b>Strategy 2: Provide near-term support to businesses to help reduce closures</b>	2A. <i>"Buy Local" Campaign</i> 2B. <i>Regulatory Accessibility</i> 2C. <i>Business Recovery Grants</i>
<b>Strategy 3: Capitalize on emerging or likely state and federal recovery programs</b>	3A. <i>Capital Projects</i> 3B. <i>Workforce Recovery</i>

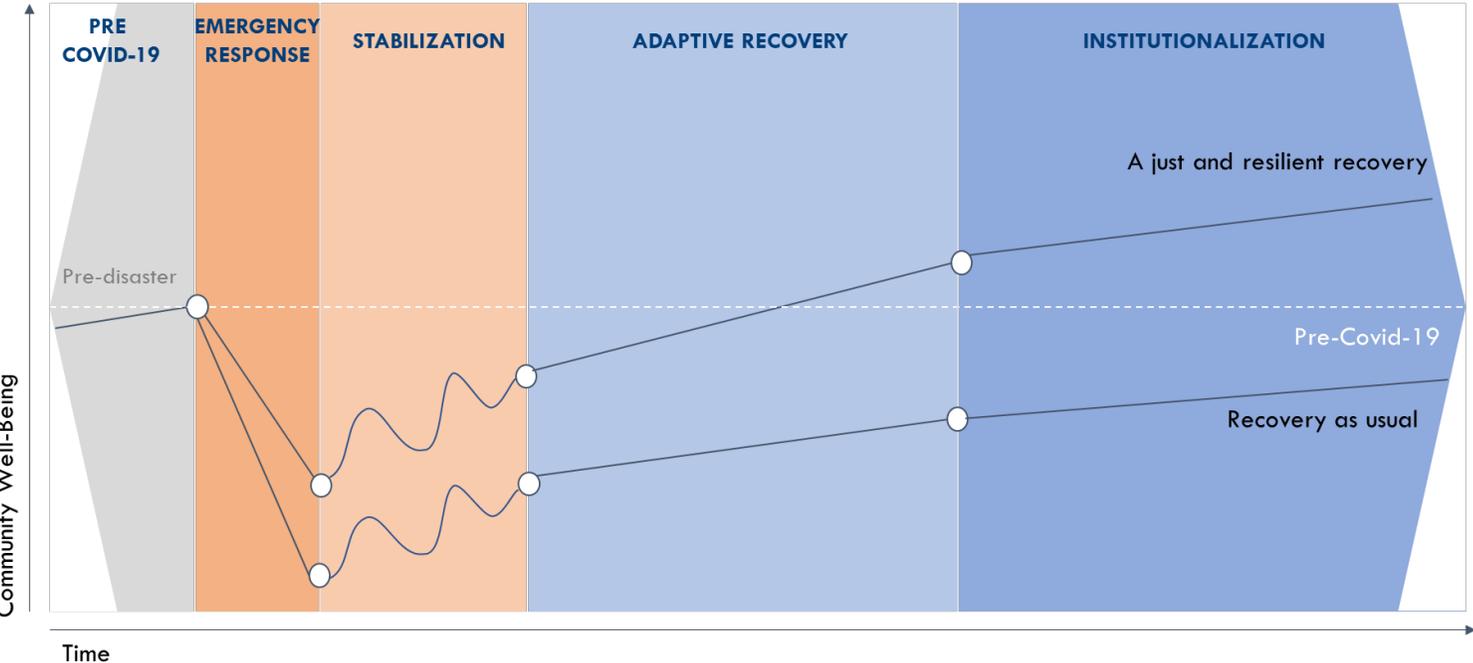
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# Introduction

# PROJECT BACKGROUND | To support its long-term economic health, Richmond needs an action plan to support business recovery from COVID-19.

The COVID-19 pandemic has presented a range of challenges to communities and businesses nationwide, as health care systems have been taxed, stay-at-home orders have changed consumer spending patterns, and social distancing requirements have required new ways of doing business. Unemployment numbers nationwide hit record highs in spring 2020, and though they have since fallen, data indicate that recovery so far has not been equitably distributed. New approaches are needed that address near-term challenges and support equitable recovery.

## A JUST AND RESILIENT RECOVERY



A **Just and Resilient Recovery** improves the well-being of all community members by addressing pre-existing inequities to increase resilience.

The City of Richmond and its economic development partners took steps early in the pandemic to provide resources, information, and technical assistance to businesses to adapt to meet emergency needs and access recovery funds. **As the pandemic nears the one-year mark, however, the City needs an action plan to coordinate ongoing support to Richmond businesses through recovery to build a more equitable and resilient economy.**

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# PROJECT BACKGROUND | The Business Recovery Action Plan is part of a larger economic development planning effort.

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HR&A Advisors is working with the City of Richmond on a two-phase effort to address the acute needs of Richmond businesses to recover from the impacts of COVID-19 and identify longer-term strategies to support economic resilience and equitable growth.



## Phase I: Business Recovery Action Plan

- Evaluate the impacts of COVID-19 on Richmond's economy
- Conduct outreach to Richmond business
- Engage the City's economic development partners
- Identify actionable near-term strategies to support a just and resilient business recovery



## Phase II: Economic Development Action Plan

- Analyze demographic and economic trends
- Identify existing strengths and challenges in Richmond's economy and business environment
- Continue engagement of economic development partners
- Provide strategies for long-term equitable economic development

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## DISCOVERY PROCESS | The planning process included quantitative and qualitative analysis to identify business recovery needs and potential actions.

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### Quantitative Analysis

The quantitative analysis included a review of pre- and post-COVID demographic and economic data to understand industry growth, employment trends, demographics, and business impacts due to COVID-19. This included:

- Demographic and economic trends pre-COVID
- Unemployment trends
- Estimate of job losses by industry due to COVID-19
- Sales tax revenue trends

### Engagement with Economic Development Partners

HR&A conducted interviews with the City's economic development partners including Richmond Main Street Initiative, Renaissance Center, the Port of Richmond, CoBiz, the Economic Development Commission, and the Chamber of Commerce to understand the impacts of COVID-19 on Richmond businesses and the ways in which the City's partners had adapted to address those impacts.

In addition, HR&A provided regular updates to the City's Economic Development Commission and solicited feedback on business recovery goals and early findings.

### Local Business Outreach

To develop a more nuanced understanding of the unmet recovery needs of a diverse range of Richmond businesses, HR&A conducted phone interviews with local business owners. Questions included:

- What is the greatest challenge for your business currently?
- What resources have you accessed since the beginning of the pandemic?
- What kind of support or funding do you need but have been unable to access?
- What do you think should be the City's top priority for supporting business recovery?

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# Impacts of COVID-19

BASELINE | Richmond is a small city with a growing economy, though economic indicators lag statewide trends.

**109K**  
RICHMOND  
RESIDENTS

**30,800**  
RICHMOND  
WORKERS

**6,600**  
MFG. JOBS IN  
RICHMOND  
2019

**3.5%**  
RICHMOND  
UNEMPLOYMENT  
JAN 2020

**\$68,400**

RICHMOND MEDIAN HOUSEHOLD INCOME

**\$104,900**

BAY AREA MEDIAN HOUSEHOLD INCOME

**\$75,200**

CALIFORNIA MEDIAN HOUSEHOLD INCOME

**6.4%**

RICHMOND POP GROWTH 2010 - 2019

**7.8%**

BAY AREA POP GROWTH 2010 - 2019

**6.1%**

CALIFORNIA POP GROWTH 2010 - 2019

**16%**

RICHMOND JOB GROWTH 2010 - 2019

**28%**

BAY AREA JOB GROWTH 2010 - 2019

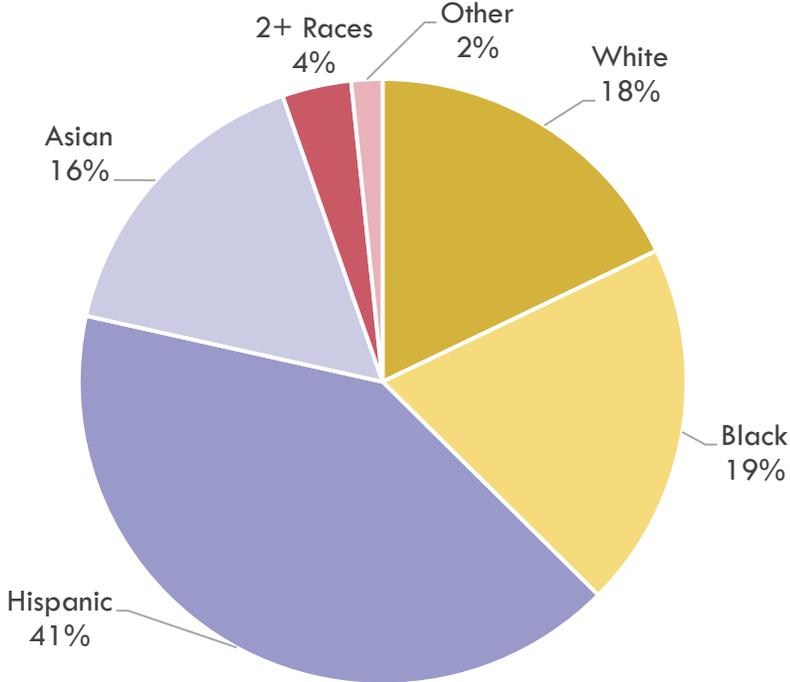
**21%**

CALIFORNIA JOB GROWTH 2010 - 2019

**BASELINE | Richmond has an ethnically diverse population, but access to economic opportunity has not been shared equally.**

Socioeconomic indicators including income, unemployment, and homeownership vary greatly by race and ethnicity. White nonhispanic and Asian households have incomes and homeownership rates higher than the median, while Black and Hispanic households are below the median on both measures.

**RICHMOND POPULATION BY RACE**



**MEDIAN INCOME**

**UNEMPLOYMENT**

**HOMEOWNERSHIP**

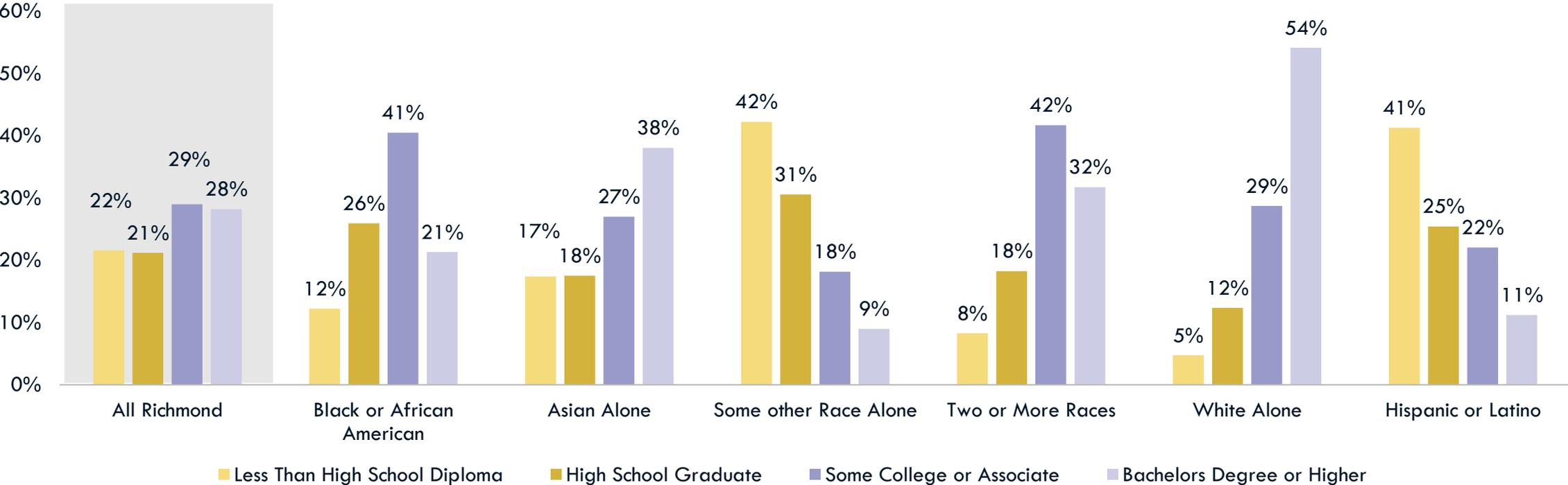
<p><b>\$83,000</b></p> <p>WHITE NONHISPANIC</p>	<p><b>6%</b></p>	<p><b>65%</b></p>
<p><b>\$50,500</b></p> <p>BLACK</p>	<p><b>11%</b></p>	<p><b>44%</b></p>
<p><b>\$52,600</b></p> <p>HISPANIC</p>	<p><b>6%</b></p>	<p><b>39%</b></p>
<p><b>\$86,100</b></p> <p>ASIAN</p>	<p><b>7%</b></p>	<p><b>70%</b></p>

Sources: ACS 5-year 2018

# BASELINE | Educational attainment varies greatly by race; Hispanic or Latino residents and other races have the lowest education levels.

Citywide, approximately 57% of residents have at least some college education, and 25% have a bachelors degree or higher. However, educational attainment varies widely. Although most Black residents have at least some college education, education levels for white residents are much higher than for other races, and the Hispanic population in particular has lower than average educational attainment.

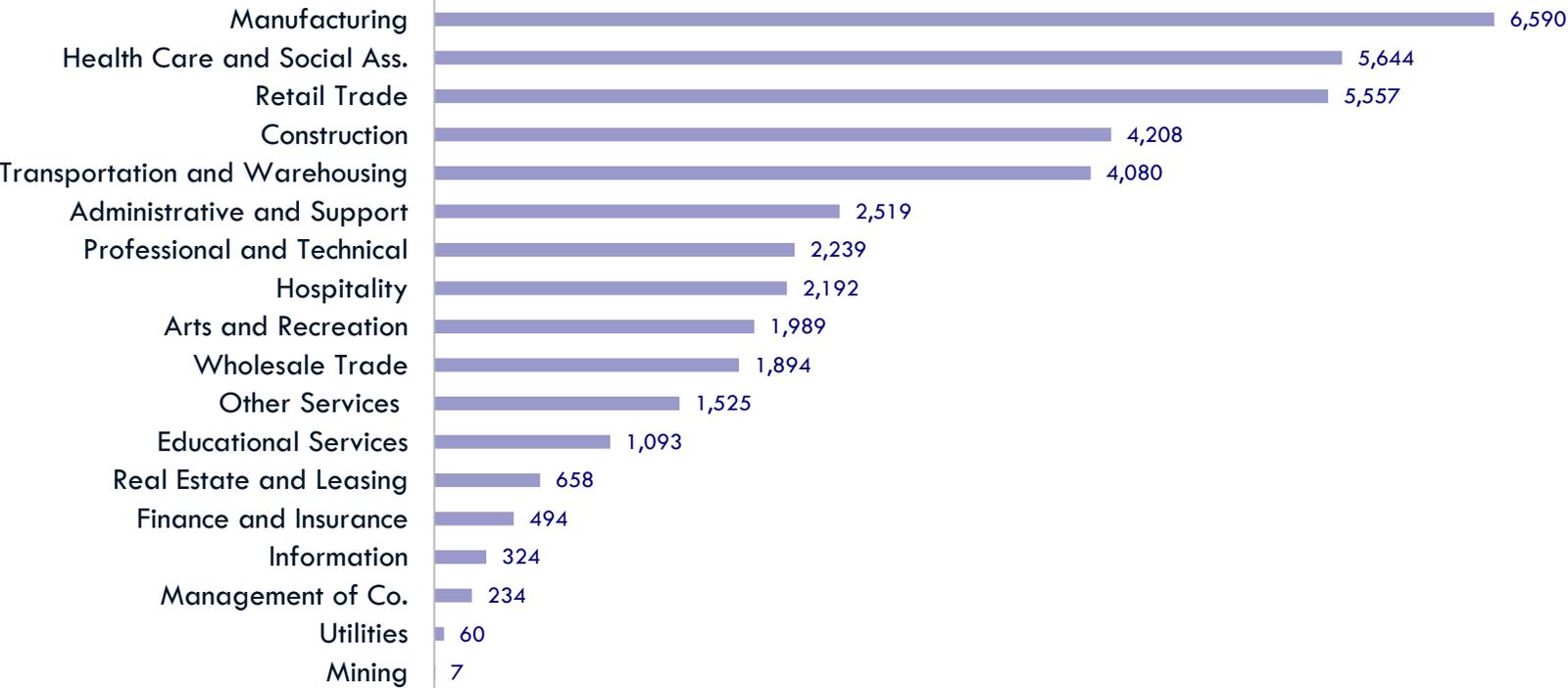
## EDUCATIONAL ATTAINMENT BY RACE



Sources: ACS 5-year estimates for Richmond City

**BASELINE | Richmond’s major industries include manufacturing, transportation and warehousing. The city’s economy appears to be diversifying.**

**RICHMOND AREA EMPLOYMENT BY INDUSTRY**

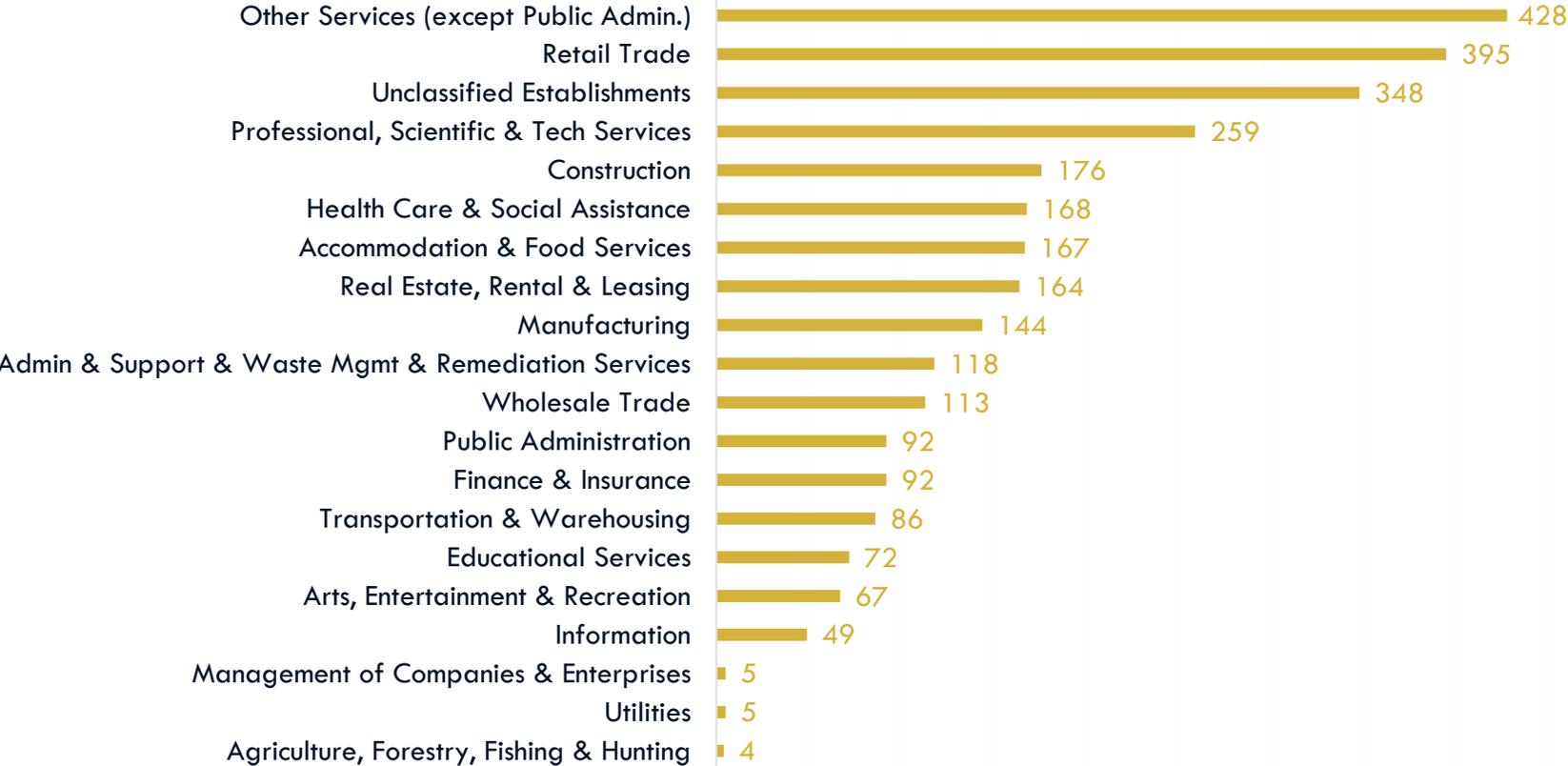


Major employers in Richmond include Chevron, Bay Area Rapid Transit, Santa Fe Pacific Pipelines, and Broadspectrum Americas. The concentration of jobs in petrochemical-related industries may be an area of risk for Richmond’s economy, however recent growth in the transportation, warehousing, and distribution industry (which grew 55% since 2010), as well as other manufacturing industries such as Food Manufacturing, Chemical Manufacturing and Machinery Manufacturing, indicate emerging areas of strength and diversification of the City’s economy.

Sources: EMSI; Zip Codes: 94801,94802,94804,94805,94806,94807,94808,94850

**BASELINE | Richmond has almost 3,000 total business establishments, primarily in services and retail.**

**NUMBER OF ESTABLISHMENTS BY INDUSTRY**



Business sizes in Richmond follow national trends; 70% of businesses in the City have fewer than 10 employees, compared with 72.5% nationally.

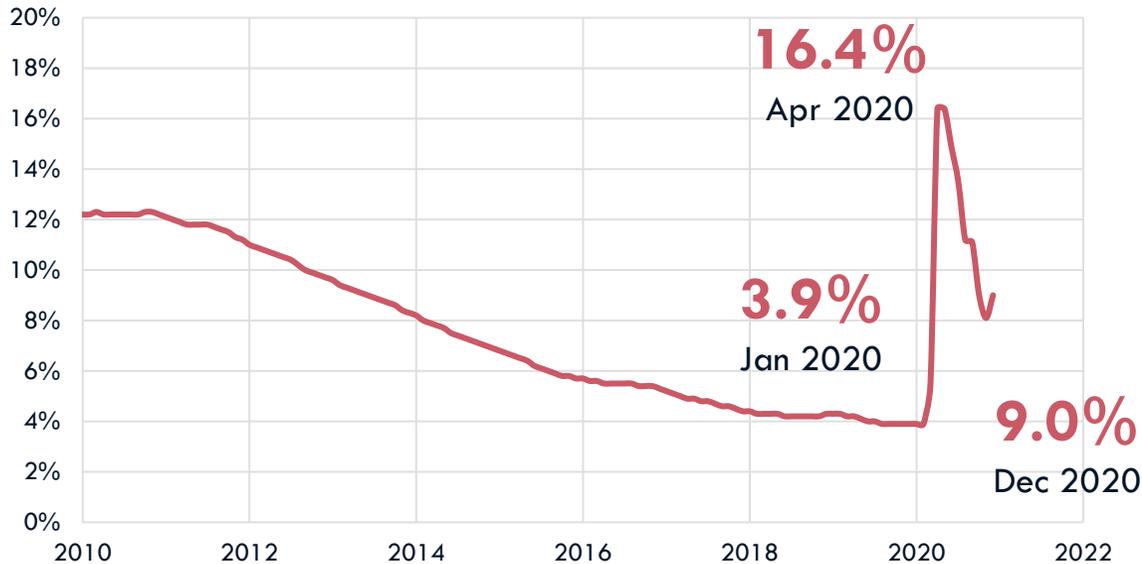
Businesses in Contra Costa County owned by people of color (POC) account for 26.6% of total businesses but only 5.7% of economic output.

Retail trade has one of the highest number of establishments at 395, second only to Other Services.

Source: Esri, Census Bureau County Business Patterns (2018)

# COVID-19 IMPACTS | Richmond saw a spike in unemployment due to COVID-19, and recovery has been slower than statewide unemployment.

## CALIFORNIA UNEMPLOYMENT RATE



## RICHMOND UNEMPLOYMENT RATE

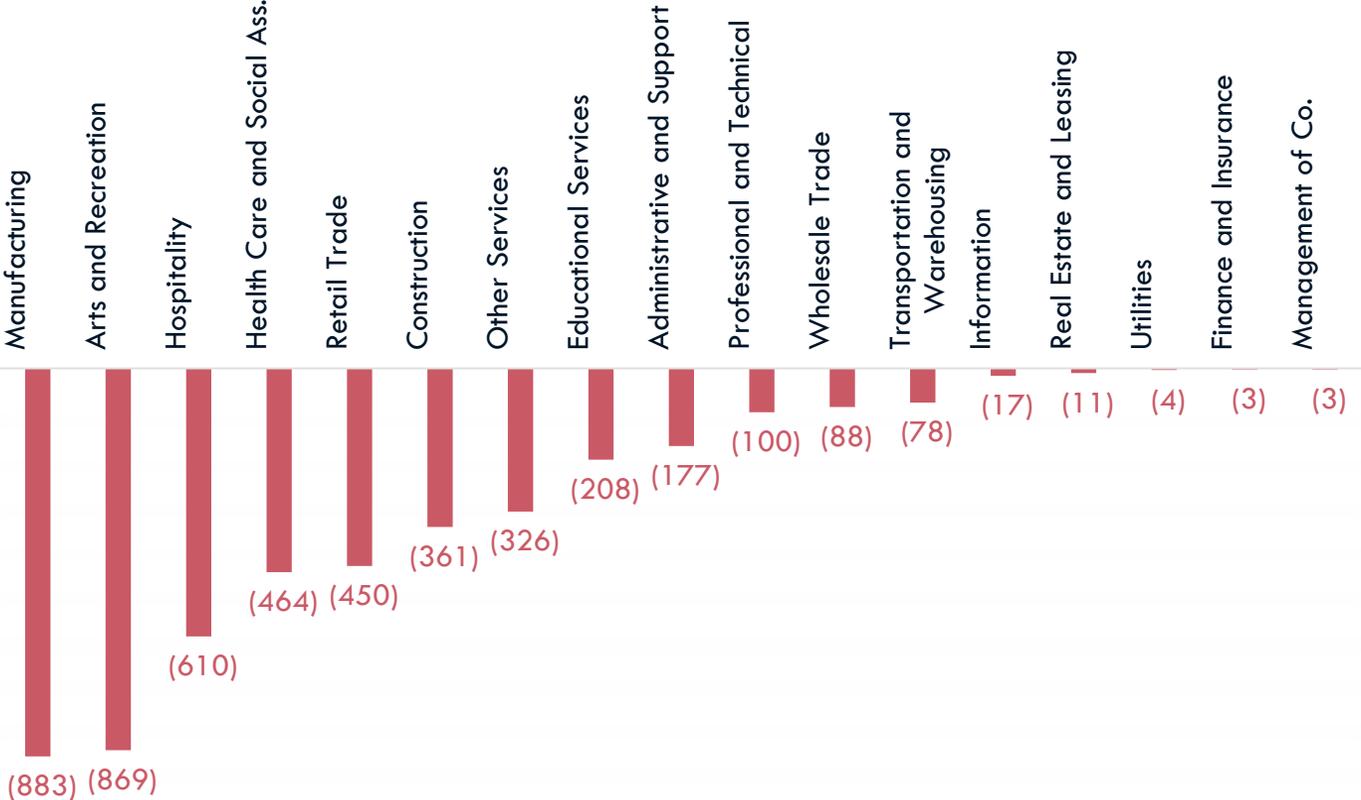


Pre-COVID, unemployment in Richmond was slightly lower than statewide unemployment. Unemployment reached a high of 17.1% in April 2020, higher than the statewide unemployment rate of 16.4%. Unemployment has been trending downward since April, and is now below 2010 levels. However, the City's unemployment rate remains high relative to statewide unemployment.

Sources: U.S. Bureau of Labor Statistics, LAUS

# COVID-19 IMPACTS | The majority of job losses in Richmond occurred in the manufacturing, arts and recreation, and hospitality industries.

**ESTIMATED JOB LOSSES IN RICHMOND BY INDUSTRY, FEB – SEPT 2020**



Based on Current Employment Statistics (CES) from the Bureau of Labor Statistics (BLS) for Alameda and Contra Costa Counties which was applied to industry trends for Richmond, job losses due to COVID-19 likely occurred throughout Richmond’s economy, but the greatest losses were likely felt in manufacturing, arts and recreation, and hospitality. Together, these three industries account for approximately 51% of all job losses.

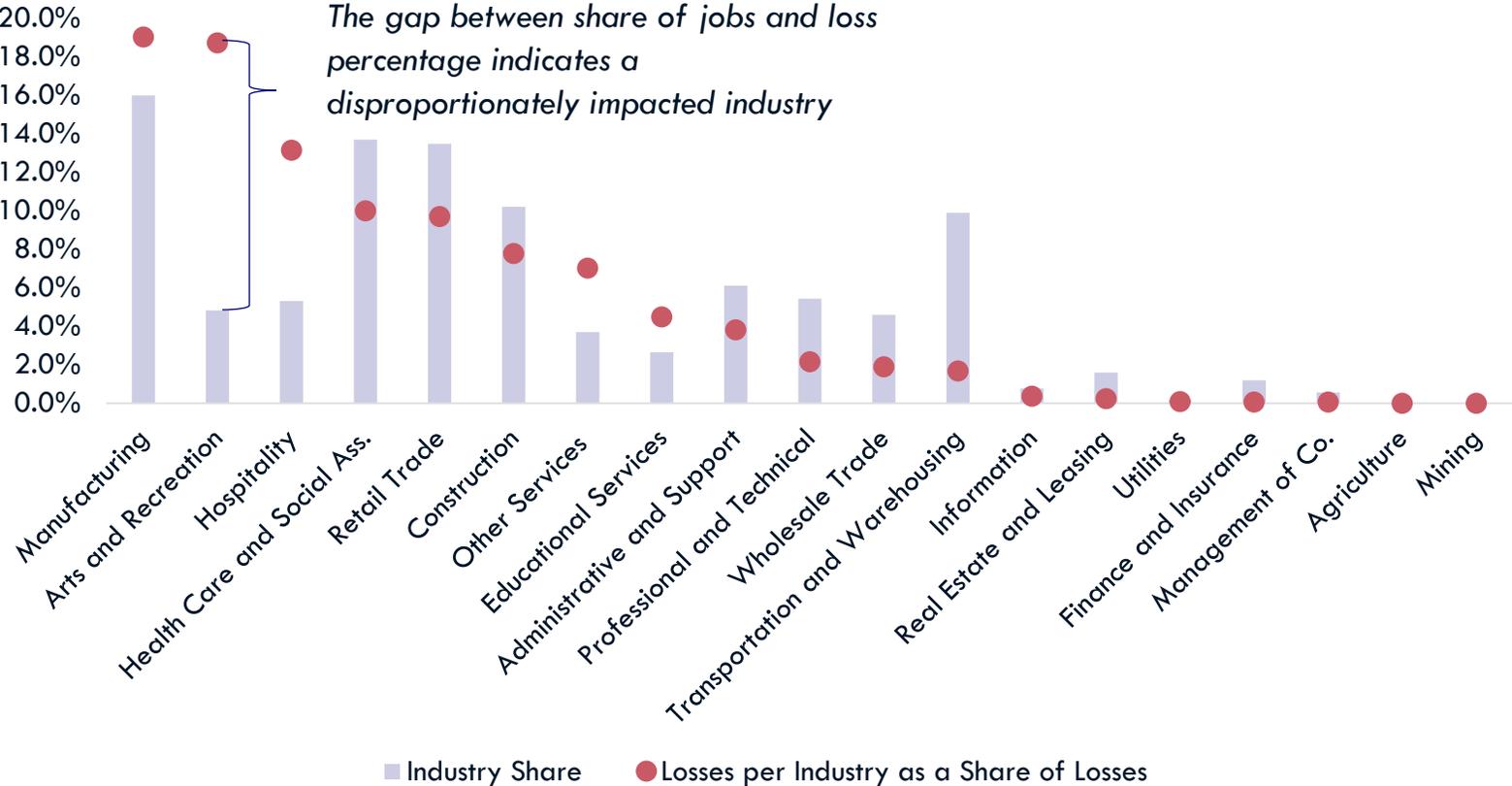
Manufacturing losses have been dependent on changing consumer trends nationally. Some manufacturers have had to increase production, while others have lost business as their products become less necessary or more costly to produce during the pandemic. Some manufacturing businesses have had difficulty retaining employees, who took jobs with essential services manufacturers.

About one third of jobs in Richmond’s arts and recreation industry pre-COVID were in fitness and recreational sports, an industry that faces complications in continuing operations during the pandemic.

Sources: BLS LAUS, BLS CES, EMSI Industry Tables

# COVID-19 IMPACTS | These industries were also the most disproportionately impacted by job losses due to COVID-19.

## DISPARITY BETWEEN JOB LOSSES AND PROPORTION OF INDUSTRY



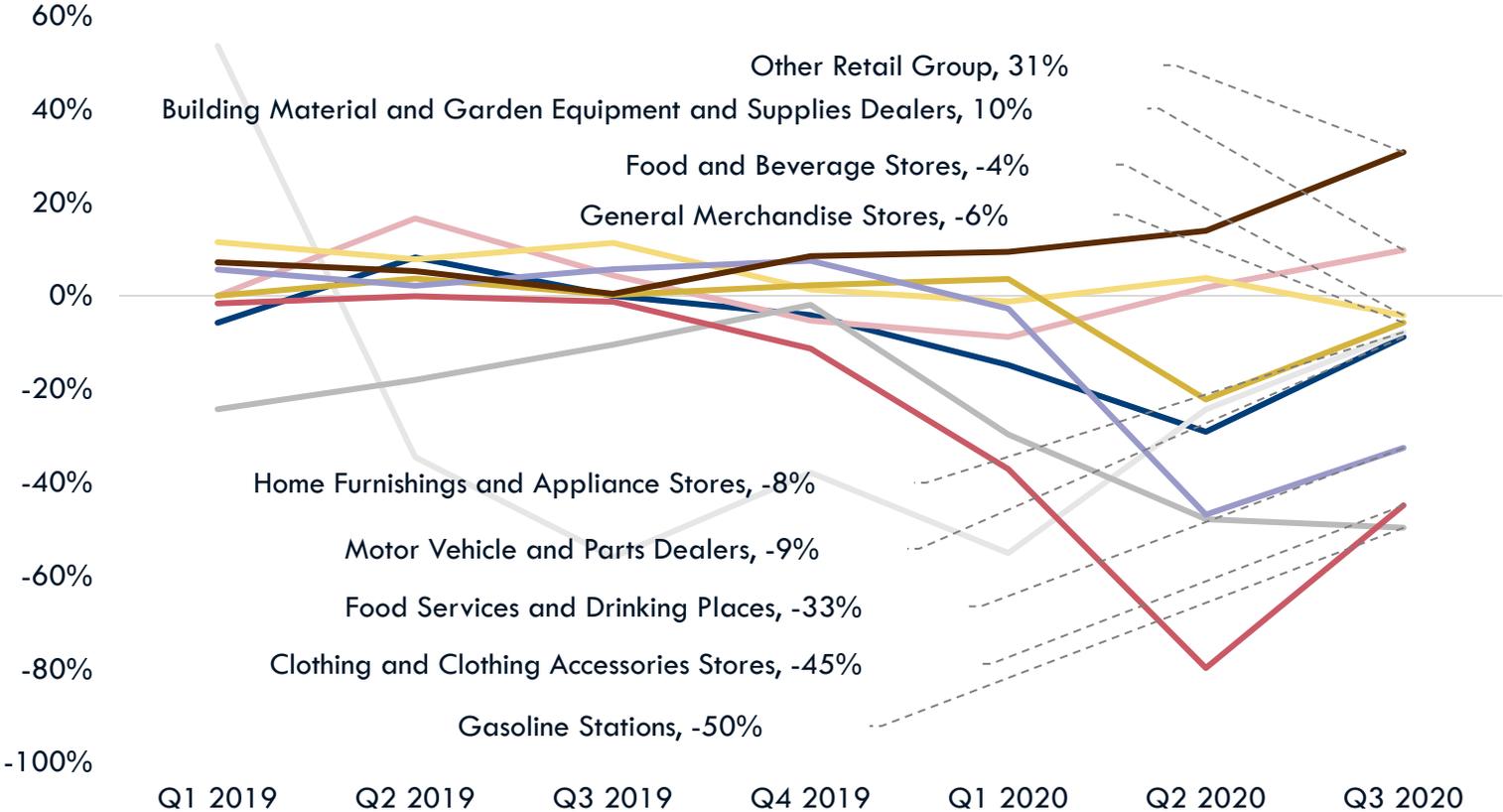
The largest disproportionate job losses (that is, the share of job losses in the industry compared with total losses in Richmond is greater than the share of pre-COVID employment the industry represented to Richmond’s economy) occurred in arts and recreation and hospitality.

Among Richmond’s largest industries such as manufacturing, health care, retail, construction, and transportation, only manufacturing saw an outsized impact of COVID-19. Transportation and warehousing in particular had minimal job losses.

Sources: BLS LAUS, BLS CES, EMSI Industry Tables  
 HR&A Advisors, Inc.

# COVID-19 IMPACTS | Richmond’s retail sector saw differing impacts by type, though many major retail categories saw sharp declines in 2020.

## YEAR OVER YEAR CHANGE IN TAXABLE TRANSACTIONS



Retail categories including gasoline stations, clothing stores, and food service establishments have seen significant declines in taxable transactions in 2020 compared with the same quarter in 2019, though many retail sectors showed improvement in the third quarter of 2020. Other retail, which may include online retailers, and building materials retailers both showed increases, while food stores and general merchandise remain close to 2019 levels.

General merchandise stores and motor vehicle parts represented the largest percent of total 2019 revenue, together accounting for almost half of sales tax revenue. Though these industries had smaller declines, they may impact local budgets more significantly. Gasoline stations represented a further 21% of tax revenue, and had a decrease of 50% in Q3 compared with revenue from the same quarter in 2019.

Sources: CDTFA Taxable Sales in California, Richmond City  
 HR&A Advisors, Inc.

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# COVID-19 IMPACTS | The pandemic has amplified existing challenges for small business owners in addition to bringing new recovery needs.

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The City and its partners have moved to support businesses to adapt to COVID-19 and meet recovery needs, and many businesses have successfully adapted to work in the pandemic environment. However, challenges persist for many businesses.

## ADAPTING TO REMOTE WORK AND SOCIAL DISTANCING

**Description** Many businesses needed to adapt early in the pandemic to support remote work by employees, accommodate social distancing and other protective measures for in-person activities, move goods and services online, and make other changes. Some Richmond businesses are changing their business models or introducing new products.

**Existing Programs** The **Contra Costa County Micro-Enterprise Relief Fund** provides grants to small businesses for a range of needs including safety infrastructure. **Richmond Main Street Initiative** has supported businesses in transitioning to online businesses.

**Opportunity** Continued support for Richmond residents and businesses in safety protocol, COVID-19 best practices, and vaccine access.

## ACCESS TO CAPITAL

**Description** Access to capital is a persistent challenge for many small business owners. It has become a greater challenge as revenue streams are disrupted and many business owners are wary of taking on new debt in an uncertain business environment. Many businesses applied for and accessed loans and grants, but some reported that these processes were complex.

**Existing Programs** The **Contra Costa County Micro-Enterprise Relief Fund**, operated by the Renaissance Center, provides grants to small businesses for a range of needs including salaries and other operational costs. Businesses in Richmond have accessed federal programs including **Paycheck Protection Program** loans and **Small Business Administration** loans.

**Opportunity** Grant programs are more likely than loan programs to provide needed recovery support to Richmond businesses. The City's funds and capacity to implement a grant program are limited, but the City can support the expansion of existing programs and help businesses access available funds.

## REGULATORY CHALLENGES

<b>Description</b>	Both pre- and post-COVID, businesses and business support organizations note that navigating City approvals and permits can be a significant challenge. The City's permitting processes are decentralized and can be difficult to understand; many business owners do not know which office to ask for assistance. In addition to regulatory barriers, business license fee costs have been a challenge for businesses, particularly for existing businesses struggling during the pandemic and new businesses. Regulatory challenges and associated costs can hinder the City's economic competitiveness and cause businesses to relocate.
<b>Existing Programs</b>	The City has worked to provide some regulatory relief, including allowing <b>temporary use permits</b> so businesses can use private parking lots for outdoor activity.
<b>Opportunity</b>	Regulatory relief, including the deferral of business license fees, could help existing and new businesses adapt to changing circumstances, keep costs low, and continue to pursue new opportunities.

## CHANGING CONSUMER PATTERNS

<b>Description</b>	Essential businesses are doing well through the pandemic, but loss of foot traffic has been difficult for many retailers. Though some retailers have been able to open online stores, a few reported that their business models were better suited to in-person shopping. As more retail activity moves online, local businesses may continue to struggle due to lost revenues.
<b>Existing Programs</b>	<b>Richmond Main Street Initiative</b> is supporting businesses by publishing a directory of open businesses, providing information on how to shop downtown safely and support local businesses, and continuing other marketing efforts for downtown.
<b>Opportunity</b>	There is a need and opportunity to expand marketing efforts to encourage residents to “shop local”, highlight local businesses, and host safe outdoor events or other campaigns.

## COMMUNICATION & INFORMATION

### Description

Richmond's businesses need access to information and consistent communication from trusted sources to access available resources, understand pandemic safety measures, and navigate applications processes with the City as well as other sources including grants and federal programs. Many businesses have had challenges connecting with City staff to get answers or information, or receive updates on outstanding applications. Some reported that the only way they could prompt a response was through direct outreach to the Mayor. This means that those businesses with better access to City officials are better positioned to receive City services; a significant barrier to equitable economic opportunity.

### Existing Programs

The City has a **website** that provides information and lists available resources. **Richmond Main Street Initiative** also maintains a website of COVID-19 recovery resources. Economic development partners including **Richmond Main Street Initiative**, the **Renaissance Center**, the **Chamber of Commerce**, **CoBiz** and others conduct outreach and engage with Richmond businesses to provide technical assistance and access to information.

### Opportunity

Though its economic development partners engage with & serve Richmond's entrepreneurs and small businesses, the City could engage more directly with businesses & property owners to build trust and better respond to business needs. Communication materials should be available online as well as by phone and from other sources, and should be multilingual, to ensure broad accessibility.

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# **Business Recovery Actions**

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# RECOVERY OVERVIEW | To address its recovery challenges Richmond must proactively develop local and regional partnerships and plan for a just and resilient recovery.

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## THE CHALLENGE

Richmond faces several challenges in supporting economic stabilization and adaptive recovery while building a just and resilient economy:

### Financial Challenges

Local funding is limited, and federal funding is uncertain. Future rounds of federal recovery funding may be delayed in reaching those who need it most.

### Capacity Challenges

The City has limited staff and capacity to develop and implement new programs or to engage meaningfully with businesses. Capacity challenges also accessibility of City staff to businesses and residents looking for information about business assistance and other City programs.

### Business as Usual

In communities nationwide, public budgeting processes tend to default to the pre-disaster status quo following the emergency response. In addition, consensus around priorities can decay as focus shifts from immediate to long-term needs.

## THE OPPORTUNITY

Richmond's recovery strategies must maximize available resources:

### Financial Resources

State and county programs already exist that can serve Richmond's residents and businesses. Community Development Finance Institutions (CDFIs) and philanthropic organizations provide recovery grants and loans. The City should work to use available funds, partner regionally to access additional funding, and support businesses in applying for grant and loan programs. Planning now for future federal recovery funds will help Richmond access and deploy these funds quickly.

### Capacity Resources

The City has a strong ecosystem of economic development partners already serving local businesses. Intentionally partnering with local and regional organizations will help to extend the City's limited capacity and increase the impacts of existing and future programs.

### New Approaches

In-depth engagement with a broad set of stakeholders, including marginalized networks and their advocates, will be crucial to enable community-led planning and recovery. Intentional goal-setting, paired with stronger partnerships and deepened engagement, will help the City set and stick to community-defined recovery priorities.

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# RECOVERY OVERVIEW | A framework of inclusive recovery will help Richmond develop a stronger and more equitable economy.

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## GUIDING PRINCIPLES FOR INCLUSIVE RECOVERY

The recovery action plan outlines an approach for Richmond to meet immediate needs while supporting a just and resilient recovery. To be successful the City must set and stick to community priorities that address longstanding inequities using limited available funding.

### Community Driven

The City must set and stick to community priorities that address longstanding inequities. This will require building an infrastructure for thoughtful, multi-pronged, and change-oriented outreach and engagement with a range of Richmond businesses.

### Capacity Building

The City should pursue partnerships with local and regional economic development organizations to gather and leverage capacity in order to support outreach activities and deploy recovery assistance quickly where it is needed the most.

### Equitable

The City should prioritize actions that remove or mitigate barriers to equitable economic growth. In the near term, this should include addressing issues of unequal access to information and power in City processes and targeting financial assistance where it is most needed.

### Growth Oriented

The City should pursue recovery actions that encourage local economic growth and access to opportunity. This should include designing and implementing public investments and initiatives that create community and economic benefits for marginalized communities.

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## RECOVERY OVERVIEW | There are four primary types of action that can support business recovery and stabilization.

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A review of COVID-19 recovery planning efforts across the country identified four key types of recovery actions the City and its partners can take to support businesses and promote economic recovery. A robust stabilization and relief effort should include interventions across a range of action types.

<b>TYPE</b>	<b>PURPOSE</b>	<b>EXAMPLES</b>
<b>Information, Marketing &amp; Capacity Building</b>	Ensure effective and equitable distribution and accessibility of resources and information	<i>“Buy Local” campaign; informational materials; technical assistance</i>
<b>Financial Support</b>	Provide grants, loans, and tax relief, particularly to businesses with barriers to accessing traditional financing or federal support	<i>Operating or capital improvement grants or loans; deferred business license fees</i>
<b>Regulatory Relief</b>	Enhance accessibility and flexibility of business processes and operations, increasing the pace of business ecosystem adaptation	<i>Short-term suspension of some regulations; temporary use permits to allow outdoor dining or other activities; streamlined licensing processes</i>
<b>Workforce Support</b>	Address gaps in workforce by providing trainings, connecting workers to opportunities and reducing barriers to employment	<i>Workforce training or re-training; match programs for unemployed workers and local businesses; childcare support for essential workers and remote workers</i>

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## RECOVERY OVERVIEW | The recommended strategies and actions of the Business Recovery Action Plan are those best suited to the City’s capacity and recovery needs.

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From an initial list of potential recovery actions the City and its partners could implement to meet the business recovery needs identified, including information and marketing; financial support; regulatory relief; and workforce development actions, the Business Recovery Action Plan identifies three primary strategies and eight recovery actions. The process of defining this list of priority actions focused on two important questions:

1. Can the City and its partners implement this action within six months? Are there timing or capacity constraints that would make it better suited as a longer-term economic development action?
2. Does this action align with at least three of the guiding principles for an inclusive recovery? Is it community driven, capacity building, equitable, and growth oriented?

The answers to these questions helped to identify those business recovery actions best suited to support an immediate and equitable recovery for Richmond businesses while building capacity for longer-term economic development efforts.

### **How to Use this Plan**

The plan provides an overview of each recommended action, including summarizing the current status of relevant existing programs or activities in Richmond, specifying the timeframe and next steps for implementation, identifying the anchor organization, whether the City or one of its partners, and any other organizations that provide support for implementation, and listing metrics to track to measure the success of implementation. The anchor for each recommended action will be responsible for gathering data and reporting on metrics to the City, which will report on metrics across all recommended actions, including by providing continuous updates on the City’s Transparent Richmond portal.

## RECOVERY OVERVIEW | Three strategies are best suited to overcome the City’s recovery challenges and support an equitable recovery.

STRATEGY	DESCRIPTION	RECOVERY ACTIONS
<b>Strategy 1: Collaborate and consolidate information about available resources and technical assistance</b>	The intent of this strategy is for the City to begin to build a more robust approach to collaborating with its local and regional economic development partners, and to engaging with local businesses to build trust and provide opportunities for better communication. This will help to disseminate recovery resources more efficiently and equitably, and support longer-term opportunities for equitable engagement.	<ul style="list-style-type: none"> <li>1A. <i>Economic Development Working Group</i></li> <li>1B. <i>Website Management</i></li> <li>1C. <i>Business Outreach</i></li> </ul>
<b>Strategy 2: Provide near-term support to businesses to help reduce closures</b>	The City has limited financial resources and capacity to add new programs for business recovery. This strategy includes actions to increase the impact of existing programs to support Richmond’s local businesses and coordinate efforts to address the most pressing current business recovery challenges, and to help remove barriers for businesses with challenges accessing capital and City resources.	<ul style="list-style-type: none"> <li>2A. <i>"Buy Local" Campaign</i></li> <li>2B. <i>Regulatory Accessibility</i></li> <li>2C. <i>Business Recovery Grants</i></li> </ul>
<b>Strategy 3: Capitalize on emerging or likely state and federal recovery programs</b>	Though the timing and exact nature of future rounds of federal funding are unknown, it is likely that recovery funding will continue to be made available. Federal recovery funding frequently focuses on capital projects, and is also likely to emphasize larger national development priorities including green infrastructure and job creation. This strategy will enable the City to plan ahead for projects that serve its recovery and equitable economic development needs so that when funding becomes available the City can apply quickly to access and deploy funds.	<ul style="list-style-type: none"> <li>3A. <i>Capital Projects</i></li> <li>3B. <i>Workforce Recovery</i></li> </ul>

## Action 1A | Economic Development Working Group

<b>DESCRIPTION</b>	The City should launch a working group of its local and regional economic development partners to coordinate the provision of programs and ensure that local businesses have information about available resources. The working group should meet twice monthly to build a practice of collaboration and launch recovery actions. This collaboration might include sharing information about ongoing activities and identifying areas for support or joint programming across organizations, cross-advertising business services and events, and ensuring that efforts are not duplicated between the City and its partners. Following the recovery period, meetings may become less frequent but should continue to address economic development needs. Proactive collaboration with these partners will help to expand the City's capacity to serve local businesses and deliver recovery services more efficiently.
<b>CURRENT STATUS IN RICHMOND</b>	The City has local and regional economic development partners that provide a range of outreach and business development services from coordinating information about business recovery resources and managing marketing efforts to providing grants, technical assistance, and other services. The City has not historically partnered proactively with these groups to coordinate resources or align economic development efforts.
<b>PROPOSED ANCHOR AND PARTNERS</b>	City staff Economic development partners incl. Contra Costa County Conservation & Development Department, Contra Costa Small Business Development Center (SBDC), the Council of Business and Industries, Richmond Main Street Initiative, Cooperative Richmond, CoBiz, Renaissance Center, 23 <sup>rd</sup> Street Merchants Association, Port Richmond Business Association Chamber The Economic Development Commission should also nominate a liaison to the Economic Development Working Group
<b>TIMEFRAME</b>	March 2021
<b>METRICS</b>	Formation of a working group; number of meetings held; number of groups participating; activities or initiatives as an outgrowth of meetings
<b>NEXT STEPS</b>	<ul style="list-style-type: none"><li>Extend outreach to potential working group members in Richmond and Contra Costa County to describe the intent of the working group and schedule the first meetings.</li></ul>

## Action 1B | Website Management

<b>DESCRIPTION</b>	<p>A clearly organized, easily accessible, and comprehensive website summarizing available recovery resources will be crucial to enabling Richmond’s businesses to access available assistance, though additional resources may be needed for business owners without internet access. Information on the COVID-19 website should be presented clearly for ease of navigation and should help businesses find different types of resources (e.g. grants, loans, temporary use permits, technical assistance, industry-specific resources). Resources should be organized by type (e.g. general financial support; e-commerce assistance, etc.). Each resource should include a brief description of the program, eligible businesses, and available support, as well as links to access application materials, technical assistance and other relevant information. In addition to available local and county programs and regulatory processes, the website should provide information about state and federal programs and resources from local nonprofits.</p> <p>The City should work with the Economic Development Working Group to coordinate existing efforts to provide COVID-19 information online, and identify a single organization whose website can be the central source for Richmond Businesses to access information. All Working Group members should provide easy-to-locate links directing visitors to the central site, and assist in ensuring that information is timely and accurate. The City should consider paying a small fee to the organization that manages the central website.</p>
<b>CURRENT STATUS IN RICHMOND</b>	<p>The City's website includes a list of COVID-19 resources, but the list is not comprehensive, contains limited information about what each resource is for, and the page can be difficult to locate on the City's website. RMSI also maintains a list of resources on its website but could provide brief descriptions of each resource.</p>
<b>PROPOSED ANCHOR</b>	<p>Economic Development Working Group</p>
<b>TIMEFRAME</b>	<p>March 2021</p>
<b>METRICS</b>	<p>Website traffic; number of resources with brief descriptions and links to application materials and support; frequency of updates</p>
<b>NEXT STEPS</b>	<ul style="list-style-type: none"> <li>• Coordinate with RMSI as a proposed anchor for website management.</li> </ul>
<b>EXAMPLE</b>	<p>San Francisco’s Office of Economic and Workforce Development <a href="#">website</a> provides detailed and easy-to-navigate information.</p>

## Action 1C | Business Outreach

<b>DESCRIPTION</b>	The City needs to build trust and lines of communication with local businesses. Thoughtful and meaningful outreach, not just the dissemination of information, but engagement with opportunities for feedback, involvement in planning processes, and tangible benefit to participating businesses, will be essential to build this trust. The City and its partners should conduct ongoing outreach to impacted businesses, and ensure that business owners without internet can access the resources and information on the City’s website through phone contacts, in-person, and via printed materials. Through this outreach effort, the City and its partners should build a network of local businesses as well as the organizational capacity to sustain outreach beyond COVID. Business outreach and engagement will be crucial in the near term to support equitable access to City services and recovery programs, and in the longer term to build trust and rapport between the City and the business community, and can create a conduit for feedback about City programs and business needs.
<b>CURRENT STATUS IN RICHMOND</b>	The City primarily relies on its economic development partners (including the Economic Development Commission (EDC), Workforce Development Board and Richmond Main Street Initiative) to conduct outreach & disseminate information. Many businesses feel a lack of trust in the City or lack of access to City staff to navigate permitting and other challenges.
	Economic Development Commission outreach committee
<b>TIMEFRAME</b>	Within 1-2 months
<b>METRICS</b>	Number of businesses engaged with, total and by type, size, location, and owner demographics; policy changes or updates made as a result of outreach activities; number of businesses assisted or referred to service providers or City departments
<b>NEXT STEPS</b>	<ul style="list-style-type: none"> <li>• Contact EDC committee members to begin discussing potential strategies for outreach (City).</li> <li>• Develop a list of resources and contacts to refer businesses to needed assistance.</li> <li>• Begin conducting outreach and collecting feedback from engaged businesses.</li> </ul>

## Action 2A | "Buy Local" Campaign

<b>DESCRIPTION</b>	<p>The City should consolidate existing "buy local" events and resources under an umbrella campaign designed to highlight and advertise Richmond businesses and encourage residents to support local businesses, with branding and materials posted in commercial districts, online, and at prominent businesses or local events.</p> <p>As a part of this effort, the City can draw on outreach conducted by the EDC and existing resources produced by members of the Economic Development Working Group to develop a directory of local businesses. These efforts would likely be focused on retail, dining, and personal services businesses, but the City should also develop a directory of local manufacturers, construction companies, and business service providers to encourage local business-to-business purchasing. A coordinated marketing and "buy local" campaign would reinforce the City's engagement activities while increasing the visibility of local businesses to potential customers within the community.</p>
<b>CURRENT STATUS IN RICHMOND</b>	<p>The City has several disconnected efforts to support local businesses, including an interactive online map of restaurants and marketing campaigns connected to the farmer's market and Christmas shopping. Richmond Main Street Initiative has a "buy local" campaign for the Main Street area and a directory of local businesses. Other organizations such as the Port Richmond Business Association also maintain business directories.</p>
<b>PROPOSED ANCHOR AND PARTNERS</b>	<p>Economic Development Working Group City Staff (City Manager's Office, Economic Development) Economic Development Commission</p>
<b>TIMEFRAME</b>	<p>Within 1-2 months</p>
<b>METRICS</b>	<p>Creation of an umbrella campaign or brand; creation of a citywide business directory; number of businesses on directory, by type, location, and demographics of owner; number of events held</p>
<b>NEXT STEPS</b>	<ul style="list-style-type: none"><li>Engage with the Economic Development Working Group to identify potentially impactful near-term strategies such as expanding and consolidating existing business directories and creating an umbrella marketing campaign for a diverse range of Richmond businesses.</li></ul>

## Action 2A | "Buy Local" Campaign (continued)

### BEST PRACTICES & EXAMPLE

Buy local campaigns work best when hosted by an "independent business alliance" or other highly visible group, embrace businesses in every sector (not just restaurants) and in diverse locations in the community (not just main streets or downtowns). It is important that cherished and visible local businesses display "buy local" campaign materials in visible areas of the storefront to grow visibility of the Buy Local program among consumers and that the host organization be proactively engaged in advocating for the interests of local independent businesses.

- **Portland Buy Local** began in 2006 as an effort to preserve local businesses and counteract the growing influence of national chains in Portland, Maine. The Portland Independent Business & Community Alliance runs the campaign, which is chaired by local business owners, and advocates for buy-local in a wide variety of sectors. A now national model for Buy Local, the campaign is a visible brand with sufficient business community buy-in and political capital to have successfully advocated for additional allowable activities for non-essential businesses early in the COVID-19 pandemic. The campaign has over 400 independent businesses in a range of sectors, offers discounted advertising through a Media Partnership program, member-to-member discounts and authorized use of the well-recognized "go local" campaign logo.

## Action 2B | Regulatory Accessibility

<b>DESCRIPTION</b>	<p>To ensure that all businesses have equitable access to City staff for permitting, licensing, and other approvals, the City should take steps to enhance accessibility, provide clear guidance, and improve communication with businesses about approvals processes (including business licenses, building permits, and development approvals). Wherever possible, the City should provide information in multiple languages. The City should also consider deferring business license fees for local businesses impacted by COVID-19.</p> <p>In the near term, the City should offer direct support in the form of regular virtual office hours, with rotating departments attending, and advertise these office hours on its website, through outreach, and through its Economic Development Partners. These office hours should provide opportunities for businesses and others with permitting and licensing questions to check on the status of applications, review application requirements, and get other assistance. In addition, to serve businesses that cannot access or prefer not to use online resources, the City should designate and consistently staff a central phone line and provide prompt referrals to relevant City departments, as well as providing printed resources. As pandemic restrictions ease, the City can provide in-person office hours.</p> <p>The City should also work to make all permitting processes available online, and create a one-stop website that helps businesses clearly identify what permits they need, the forms and documentation they need to provide, and which City offices to contact with inquiries.</p>
<b>CURRENT STATUS IN RICHMOND</b>	<p>Different City offices oversee applications and approvals for different permits, licenses, and approvals. Businesses have reported that it is often unclear which office they should contact for which application, and that staff can be difficult to reach, particularly during COVID when phone lines are not reliably staffed. Those that have access to staff in positions of power receive replies, those without such contacts have difficulty accessing services and information, which creates a barrier to equitable business development. To improve the clarity of information, the City is creating a new business brochure to provide information to businesses about required approvals.</p>
<b>PROPOSED ANCHOR AND PARTNERS</b>	<p>City Staff (City Manager's Office, Economic Development) City Staff (Planning, Engineering, Fire, Richmond Rent Program, Police, etc.)</p>
<b>TIMEFRAME</b>	<p>Brochure draft available for internal review and begin regular office hours March 2021 One-stop website within 6 months</p>

## Action 2B | Regulatory Accessibility (continued)

<b>METRICS</b>	Number of application processes available online; total time spent in virtual office hours; number of businesses assisted through office hours, total and by type and owner demographics; number of businesses receiving license fee deferrals, total and by business type and owner demographics
<b>NEXT STEPS</b>	<ul style="list-style-type: none"><li>• Designate City staff to attend virtual and in-person office hours, with rotating departments attending.</li><li>• Reach out to economic development partners to publicize the office hours, and to identify what other information or changes might be helpful and feasible in the near term, particularly related to the development of a one-stop website.</li></ul>
<b>BEST PRACTICES</b>	<p>Best practices for regulatory processes such as business licenses and building permits include:</p> <ul style="list-style-type: none"><li>• Designate a <b>single point of contact</b> (a City staff person or member of a relevant public board or commission) to work with applicants across a range of permitting types and coordinate interactions with relevant City departments.</li><li>• Develop a <b>user's guide and quick reference</b>, including clear process flow charts and checklists, relevant contact information, and likely time to complete each step, available online and in print in multiple languages. The guide should also describe a range of possible permits or approvals, the fee for each, and the circumstances under which each would be required.</li><li>• Allow <b>concurrent applications for multiple permit or approval types</b>, and allow combined public hearings to address multiple approvals if appropriate.</li><li>• Create a <b>schedule of business license fees</b> that reduces fees for micro-enterprises. Consider discounting the first year license for all new businesses.</li></ul>
<b>EXAMPLE</b>	Boulder Colorado's <a href="#">Self Service landing page</a> clearly provides a central location for resources and user guides related to permitting, licenses, and inspections, as well as an online application portal, fee payment portal, and records search. The structure allows ease of navigation, making it easier for residents to identify needed information and reducing demand on City staff.

## Action 2C | Business Recovery Grants

### DESCRIPTION

Many small businesses in Richmond are wary of taking on debt to support operations, so grants to support small business recovery have the most potential benefit to support small businesses and prevent closures. Grant funds are available, and the City should work with the Economic Development Working Group and the Economic Development Commission to ensure that Richmond businesses are aware of available funding they may be eligible for (particularly through the website and outreach actions) and have the technical assistance needed to submit applications and access funding. This will be particularly important for historically marginalized small business owners such as POC business owners and owners with language or technology barriers.

The City should work with the Economic Development Working Group to promote the funding available through the State's Small Business COVID-19 Relief Program and other State programs and provide technical assistance to help small businesses apply for assistance.

The City also should work with the Renaissance Center to help accelerate the distribution of available grant dollars through the Contra Costa County Micro Enterprise Relief Fund. This may include advertising the program and encouraging Richmond businesses to apply, including through EDC outreach. The City may also consider encouraging the Renaissance Center to partner with a local Community Development Finance Institution (CDFI) to facilitate or supplement the processing of applications and distribution of grant funds.

Fundraising from philanthropic and local corporate donors is a third potential source of funding for a recovery grant program. The City can reach out to potential donors to expand the Richmond Rapid Response Fund to further increase local funding for businesses.

### CURRENT STATUS IN RICHMOND

The City has limited access to local funding and limited capacity to start new funding programs to support business recovery grants or loans, but numerous local and regional funds already exist which can be leveraged to support Richmond businesses.

In February 2021, the California Legislature passed a package of immediate actions to provide relief to residents and businesses. This plan includes \$2.1 billion for the Small Business COVID-19 Relief Program (which provides grants from \$5,000 to \$25,000 to eligible small businesses and nonprofits) with \$50 million allocated for non-profit cultural institutions. The package also includes business license fee relief for restaurants, bars, hair salons, and other state license holders.

The Renaissance Center manages the Contra Costa County Micro-Enterprise Relief Fund, a program that received a \$500,000 allocation of Community Development Block Grant recovery funds that provides small grants of \$1,000 to \$10,000 to businesses with up to 5 employees and less than \$250,000 in net annual revenue. Grants can be used to pay for safety improvements or operating expenses

## Action 2C | Business Recovery Grants (continued)

<b>CURRENT STATUS IN RICHMOND (CONT'D)</b>	<p>such as salaries and commercial rent. As of December 2020, the Renaissance Center had disbursed \$100,000. A second round of funding opened in April 2021.</p> <p>The Richmond Rapid Response Fund (R3F) is a local nonprofit-operated fund that has raised \$1M to date to support a range of recovery needs and may be able to support business recovery through micro-grants.</p> <p>Community Development Financial Institutions (CDFIs) can be excellent partners to administer grant and loan funds because they are accustomed to overseeing financial transactions and have the existing infrastructure to distribute funds. Working Solutions is a CDFI that provides loans and technical assistance to small businesses and microenterprises in the Bay Area. Pacific Community Ventures is a statewide CDFI based in the Bay Area that provides similar services to later stage small businesses.</p>
<b>PROPOSED ANCHOR AND PARTNERS</b>	<p>Economic Development Working Group  Renaissance Center, Contra Costa County, R3F  City Staff  Working Solutions, Pacific Community Ventures, and other CDFIs</p>
<b>TIMEFRAME</b>	<p>Within 1-3 months</p>
<b>METRICS</b>	<p>Number of Richmond businesses receiving Small Business COVID-19 Relief Grants, total and by owner demographics; number of Richmond businesses receiving Contra Costa Micro-Enterprise Relief funds, total and by owner demographics; number of Richmond businesses receiving technical assistance in applying for grants, total and by owner demographics; Total funds disbursed through the Contra Costa Micro-Enterprise Relief program and Richmond Rapid Response Fund.</p>
<b>NEXT STEPS</b>	<ul style="list-style-type: none"> <li>• Engage with the Economic Development Working Group to develop an outreach plan to connect local businesses with available funding from the State’s Small Business COVID-19 Relief Program.</li> <li>• Reach out to the Renaissance Center, Contra Costa County, and R3F to identify potential areas for support and collaboration, including marketing support and assistance in identifying and applying for new funding sources.</li> <li>• Engage with CDFIs to identify opportunities to partner to administer local grant programs and to connect businesses with loans.</li> </ul>

## Action 3A | Capital Projects

<b>DESCRIPTION</b>	<p>The City should begin to identify capital investment opportunities with the potential to support economic growth and community resilience; that may align with priorities for federal capital improvement funds (e.g. green infrastructure and energy, corridor improvements); and can be advanced toward "shovel-ready" status. Conducting community engagement and planning work now will help position the City to capitalize on expected long-term federal recovery programs when funds become available. The City should develop a framework to support equitable growth without displacement, using existing frameworks such as the city's draft Race Equity Action Plan. This will include identifying community priorities through inclusive engagement and setting goals for inclusive growth, such as prioritizing projects that relate to equitable physical development. To expand its capacity to implement this work, the City can identify federal and philanthropic planning grants that may support a portion of staff time to pursue the planning and grants application work related to these capital projects.</p>
<b>CURRENT STATUS IN RICHMOND</b>	<p>The City has capital projects planned that could be advanced toward "shovel-ready" status, including the San Francisco Bay Trail extension, a Community Resilience Center, street improvements on Harbor Way, and energy efficiency upgrades.</p>
<b>PROPOSED ANCHOR</b>	<p>City Staff</p>
<b>TIMEFRAME</b>	<p>Within 6 months</p>
<b>METRICS</b>	<p>Number of shovel-ready projects identified; number of community engagement events or opportunities held; definition of community priorities for equitable development; total federal and state funding awarded; metrics for community goals (e.g. M/WBE contracting)</p>
<b>NEXT STEPS</b>	<ul style="list-style-type: none"> <li>• Define a list of potential projects and assess project readiness</li> <li>• Draw on work done with the Government Alliance on Race and Equity (GARE) and through Health in All Policies (HiAP) to define a list of goals to support equitable development (e.g. local hiring or contracting, M/WBE contracting, evaluating job creation &amp; economic mobility potential, aligning investments with affordable housing programs to limit displacement, support for SB 535 disadvantaged communities, engagement with community members to discuss &amp; evaluate potential projects)</li> </ul>

## Action 3B | Workforce Recovery

<b>DESCRIPTION</b>	<p>Workforce development programs exist at the City, County, and regional levels that rely on partnerships between the public sector, employers, and educators. The City can coordinate with these existing organizations and partnerships to pursue state and federal recovery funding for new or existing workforce development programs aimed at connecting Richmond residents to employment.</p> <p>This effort should focus on funding to support near-term workforce reskilling and apprenticeships to help Richmond residents, particularly those who have experienced job losses due to COVID-19, to access employment in growing industries, particularly including manufacturing, transportation and distribution, wholesale trade, and construction. Partnership with local and regional employers, workforce training providers, and educational institutions will help improve the effectiveness and potential impacts of this action.</p>
<b>CURRENT STATUS IN RICHMOND</b>	<p>In January 2021, Governor Newsom proposed a plan for equitable recovery in California as part of the 2021 budget. This plan includes \$353 million to support workers adapting to economic changes as a result of COVID-19, including through apprenticeships and training partnerships.</p> <p>Many existing organizations work at the City, County, and regional levels to support workforce development. These include the City's RichmondWorks staff and the Workforce Development Board of Contra Costa County (WDBCCC)</p>
<b>PROPOSED ANCHOR AND PARTNERS</b>	<p>City Staff (RichmondWorks) Workforce Development Board of Contra Costa County Local employers and educators</p>
<b>TIMEFRAME</b>	<p>Within 6 months</p>
<b>METRICS</b>	<p>Funds awarded for workforce recovery programs; number of Richmond residents completing workforce training or job placement programs, total and by demographics (race, gender, income, educational attainment, etc.)</p>
<b>NEXT STEPS</b>	<ul style="list-style-type: none"><li>• Continue to monitor potential funding sources including State and Federal recovery programs for workforce recovery programs.</li><li>• Engage with the Workforce Development Board and local employers to identify &amp; meet skill gaps among Richmond's residents, particularly those that relate to growing industries.</li></ul>

## Action 3B | Workforce Recovery (continued)

### EXAMPLE

In spring 2020, the City of Oakland applied for grants funded by the federal **Workforce Innovation and Opportunity Act (WIOA)** and administered by California State's Employment Development Department (EDD) after significant layoffs in the restaurant and hospitality sector due to the COVID-19 pandemic. **The WIOA is not a pandemic-era relief fund** but a pre-existing workforce development policy signed into law in 2014 and meant to fund training, education, and job placement opportunities to reskill American workers. Oakland won three separate WIOA-funded grants totaling \$1,328,000: the Emergency Additional Assistance Grant (\$402,000), the National Employment Recovery Grant (\$800,000) and the Additional Assistance Grant (\$126,000).

- In partnership with the Alameda County Labor Council, the City is using the **Emergency Additional Assistance Grant** to design workforce development programming that serves laid-off, low-wage union workers in retail, hospitality, and tourism. The City partnered with America's Job Centers of California (AJCC) to deliver job search, training, and job placement services. The program is prioritizing these efforts in marginalized neighborhoods of East Oakland, Fruitvale, and West Oakland. The grant is also supporting custom healthcare training respiratory therapists, nurses, and allied health workers.
- The **National Employment Recovery Grant** broadens the availability of workforce training & placement services initiated with the Emergency Additional Assistance Grant to laid-off non-union workers. This grant additionally connects workers and businesses to on-the-job training and apprenticeship programs.
- The **Additional Assistance Grant** provides a one-time, \$800 per person cash assistance to subsidize the cost of basic needs, enabling workers laid-off due to COVID-19 to focus on job search activities.

The City of Oakland realized the likely long-term trajectory of the pandemic and the need to reskill workers for pandemic-safe work. The WIOA grant funding allowed the City to quickly put funding toward an immediate recovery effort.

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# Appendix

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## ECONOMIC DEVELOPMENT PARTNERS | Local and regional economic development organizations provide a range of services and will be important partners in recovery interventions.

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<b>23rd St. Merchants Association</b>	The Merchants Association supports the diverse businesses on Richmond's 23rd Street corridor and serves the broader Hispanic business community.
<b>City of Richmond Economic Development Commission (EDC)</b>	The EDC is a public commission for the City of Richmond that makes recommendations to City Council for long-term economic development goals. The EDC has been involved in local community events like Taste of Richmond and prioritizes a transparent, hand-in-hand working relationship with other departments within the City to create an attractive business environment that brings in new business & retains existing, successful Richmond businesses. The EDC has a recently-formed outreach committee to cultivate relationships with Richmond businesses.
<b>CoBiz</b>	CoBiz is a coworking space, incubator, and innovation hub geared toward information sharing and the provision of collaborative, peer-to-peer business support for entrepreneurs.
<b>Contra Costa Conservation &amp; Development Department</b>	The Contra Costa Conservation & Development Department oversees the County's Community Development Block Grant program. The CDBG program provides funding for housing, infrastructure and economic opportunities for low-income communities.
<b>Contra Costa Small Business Development Center (SBDC)</b>	The Contra Costa Small Business Development Center provides no cost services including one-on-one advising, training and workshops, and other resources to help connect small businesses and entrepreneurs with financing and information to support their operations. The SBDC receives some funding from the U.S. Small Business Administration.
<b>Cooperation Richmond</b>	Cooperation Richmond provides coaching, incubation, and other services to support the operation of diverse cooperative enterprises in Richmond to build community-controlled wealth for low-income communities and communities of color. Services include: technical assistance services, including workshops on cooperative economics and financial literacy; business assessments; coaching, networking; and capital financing connections.

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<b>Pacific Community Ventures (PCV)</b>	PCV is a Community Development Financial Institution (CDFI) based in the Bay area that operates statewide. PCV provides loans from \$10k-\$250k and technical assistance to small businesses. PCV regularly receives referrals from the Renaissance Entrepreneurship Center. PCV is accessible to a range of potential borrowers because they use nontraditional and flexible underwriting requirements and provide comprehensive technical assistance.
<b>Port of Richmond Business Association (PBRA)</b>	The PRBA facilitates networking opportunities, collaborative marketing opportunities and advocates on behalf of Point Richmond businesses. Their membership ranges from small local retail stores to Chevron and Mechanics bank.
<b>Renaissance Entrepreneurship Center</b>	The Renaissance Center is a business assistance resource center that offers small business loans, one-on-one consultations, and workshops. The Renaissance Center has partnered with RMSI to offer free business workshops.
<b>Richmond Chamber of Commerce</b>	The Chamber of Commerce is a membership organization that serves West Contra Costa businesses by offering a range of services including advocacy and marketing to foster growth in the business community.
<b>Richmond Main Street Initiative (RMSI)</b>	RMSI is a community-based nonprofit that manages the Downtown Richmond BID and works with businesses citywide, with particular focus on downtown businesses, to support retention and economic growth through technical assistance and other resources. Pre-pandemic, RMSI hosted networking events, workshops, and a series of downtown festivals to revitalize the downtown district. RMSI has also conducted business outreach during the Pandemic and provides the business community with information on grant opportunities.
<b>West Contra Costa Council of Business &amp; Industries</b>	The Council of Business & Industries is a member-based organization that advocates for West Contra Costa businesses at the local, county and state level. The Council works collaboratively with economic development organizations like the 23rd Street Merchant Association on legislation like Richmond's Measure U and AB 617.
<b>Workforce Development Board Contra Costa County (WDBCCC)</b>	WDBCCC coordinates human resources, education, job search, and recruitment services by working with employers, educators, and job seekers throughout the county.
<b>Working Solutions</b>	Working Solutions is a non-profit CDFI that works primarily with early-stage businesses and microenterprises, providing loans and technical assistance. Working Solutions has a flexible approach to assessing financial readiness for loans, which means they can lend to businesses that may have difficulty accessing traditional financing. They have worked with the Renaissance Center to deliver loans to underserved businesses.

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# FUNDING SOURCES FOR COVID-19 RECOVERY

Leveraging resources from state & federal recovery programs and other funding sources will be crucial Richmond's recovery.

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## State & Local Funding Resources

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### **California Arts Council grants**

California Council of Arts 2021 grants fund operational costs, fellowships, and project-based activities. Priority grant recipients are small, economically vulnerable organizations impacted by the pandemic with operating revenues of \$250k. As of mid-March, 2021, the 2021 grants applications have yet to be announced.

### **California Rebuilding Fund**

This non-forgivable loan fund is the product of a private-public partnership between philanthropic, private, and public sectors to offer capital to small businesses as they recover from the COVID-19 pandemic. The fund is administered by multiple private sponsors. California's community-based CDFIs including Pacific Community Ventures, provide pre- and post-loan advisory to support loan recipients. Among other requirements, qualifying businesses will have had 50 or fewer employees prior to March 2020 and gross revenue less than \$2.5M in 2019.

### **California Small Business COVID-19 Relief Grant Program**

Administered by the California Office of the Small Business Advocate, the program offers \$5k - \$25k grants to small businesses with revenues less than \$2.5M, and nonprofits impacted by the pandemic and related health and safety restrictions. The first round of funding closed in January, 2021. In February 2021, the California Legislature passed a relief package benefitting businesses and residents which included an additional \$2.1 billion for the Small Business COVID-19 Relief Program.

### **Contra Costa County Micro-Enterprise Relief Fund**

Administered by the Renaissance Entrepreneurship Center and funded by Contra Costa County through its Community Development Block Grant allocation, the fund offers grants of \$1k -10k to Contra Costa microbusinesses impacted by COVID-19 to support a range of recovery needs. The second round of funding opens in April 2021 and is available to businesses in good standing with the County with less than \$250k in revenue and five or fewer employees.

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## State & Local Funding Resources

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### **ICA Rapid Response Liquidity Fund (RRLF)**

The RRLF is an invite-only, zero-interest loan program with \$1.2M in available funds to date, and loans currently ranging from \$25k to \$150k. The loan fund program is administered by ICA, a Bay Area venture capital firm that accelerates, educates and invests in local Bay Area businesses with the goal of closing the racial wealth gap. The loan fund program is available to Bay Area companies invited by ICA partners and includes technical assistance from ICA staff to support businesses during the pandemic.

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### **IBank Disaster Relief Loan Guarantee Program**

This loan guarantee program is generally available for Disaster Relief and currently offered as a source of capital for small businesses impacted by the COVID-19 pandemic, including low-wealth and immigrant community businesses. Loans can be guaranteed up to 7 years and cover up to 95% of the total loan amount. Loan guarantees are processed by IBank's partner Financial Development Corporations, which include Bay Area CDFI's Working Solutions, Pacific Community Ventures and MEDA are IBank partner FDCs.

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### **Richmond Rapid Response Fund (R3F)**

Administered by West Contra Costa COVID Community Care, which includes leaders from City of Richmond, The RYSE Center, The Ed Fund, Richmond Promise, and Building Blocks for Kids, the Richmond Rapid Response Fund has raised at least \$1M to date and is providing \$500 one-time direct cash assistance to Richmond residents. The fund is in Phase 1 of grantmaking which focuses on financial assistance provision including direct cash and rental assistance to prevent displacement and homelessness. Meant to continue beyond the COVID-19 pandemic, R3F intends to fund access to wraparound services addressing food insecurity, housing & homelessness, health, education, and social and legal services and invest in racially just community transformation.

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### **Richmond Revolving Loan Fund**

The Richmond Revolving Loan Fund is administered by Community First Lending and provides loan funding for operational costs, machinery and equipment expenses, fixed asset improvements or purchases, and façade improvements which range from \$5k – \$100k. The revolving loan fund is open to existing Richmond businesses & businesses planning to relocate to the city with the goal of fostering local economic growth through new business development and expansion of existing businesses.

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## State & Local Workforce Development & Business Recovery Resources

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<b>California EDD Unemployment Insurance Work Sharing Program</b>	Administered by the state Employment Development Department, the Work Sharing program enables employers to maintain their workforce with reduced business productivity. Employees of approved Work Share Program employers receive Unemployment Insurance benefits while keeping their current job.
<b>COVID-19 Hotline for Business &amp; Job Seekers</b>	Workforce Development Board staffs this hotline which answers business-related questions regarding COVID-19 safety operations and support resources every weekday from 8:30am – 5pm.
<b>Free Square E-Commerce Website</b>	Richmond Main Street Initiative is hosting an online program to help businesses establish an E-commerce site and integrate E-commerce operations into traditional pre-pandemic business operations. The program is free to Richmond businesses and features training webinars, virtual office hours and may offer free square e-readers.
<b>Skillup Contra Costa</b>	The Workforce Development Board hosts virtual courses on Skillup Contra Costa in response to the COVID-19 pandemic to support career pivots. Through the Metrix E-Learning System platform that hosts free online trainings, jobseekers can earn a range of certificates such as Project Management, HIPPA, Human Resources, and Accounting, and IT-specific certificates including Networking, CompTIA , Adobe, and Information Security.

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## Federal Funding Resources

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### **Economic Injury Disaster Loan Program (EIDL)**

Administered by the U.S. Small Business Administration, this loan program provides economic relief to small businesses and nonprofit organizations experiencing loss of revenue due to COVID-19. Collateral is required for loans over \$25k and payments can be deferred up to one year. The March 2021 Biden Administration pandemic relief package allocates an additional \$15B to the COVID-19 Targeted EIDL Advance, which provides up to \$10k to businesses located in low-income communities that have previously applied for EIDL Advance funds and did not receive a grant due to lack of funds or received less than \$10k in funding.

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### **Paycheck Protection Program**

Administered by the U.S. Small Business Administration, This forgivable loan program has been extended through March 31, 2021. Intended to prevent layoffs, the revised program expands covered expenses, and fund expenses are now tax deductible. This simplified loan forgiveness application is only one page long and limits required documentation for businesses borrowing less than \$150k.

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### **Small Business Association Loan Subsidies**

The CARES Act originally required the Small Business Administration to subsidize up to 6 months of loan payments for specific loan types including 7(a), 504, and microloans. Under the December 2020 relief package, the SBA is now required to subsidize 14 months of loan payments for these qualifying businesses.

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### **Shuttered Venue Operators Grant**

Administered by the Small Business Administration, this program provides grants for closed arts venues including theatres, live venues, and cultural institutions. The March 2021 Biden relief bill includes an additional \$1.25 billion dollars in funding. Loans can equal up to 45% of gross earned revenue with a maximum grant award of \$10 million.

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# **RICHMOND BUSINESS RECOVERY ACTION PLAN**

**HR&A**  
Analyze. Advise. Act.

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# RICHMOND BUSINESS DEVELOPMENT STRATEGY



HR&A  
Analyze. Advise. Act.

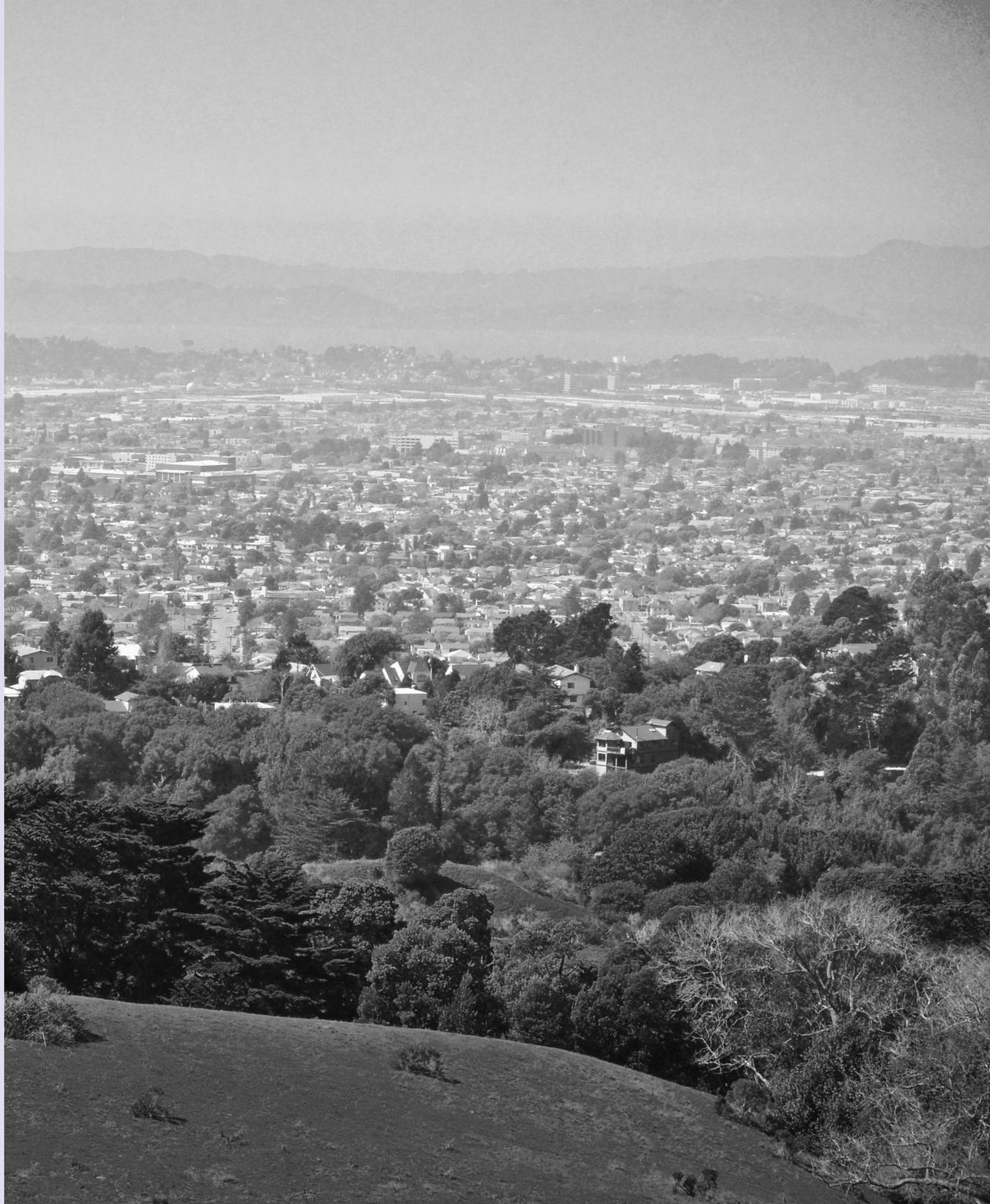
# CONTENTS

EXECUTIVE SUMMARY **2**

INTRODUCTION **5**

RICHMOND'S ECONOMY **11**

STRATEGIC PLAN **39**



# EXECUTIVE SUMMARY



## Purpose of the Plan

The Richmond Business Development Strategy outlines actions the City will take to promote equitable economic growth and support business investment and attraction. The City and its partners provide a range of services to support new and existing businesses and help residents access employment, but the City recognizes the need to do more to improve the impacts and equitable outcomes of its economic development activities, address long-standing challenges to Richmond's businesses and commercial districts, and promote economic growth and economic mobility. The Business Development Strategy identifies strategies and actions to attract private investment, support local employment, increase the accessibility of services to businesses and property owners, and enhance the business environment, with a focus on promoting inclusive and equitable growth.

## Guiding Principles for Inclusive Growth

A framework of inclusive recovery and business development will help Richmond build a stronger and more equitable economy. To be successful the City must set and stick to priorities that address community needs and longstanding inequities using available funding and organizational capacity. **A set of guiding principles informed and shaped the strategies and actions of the Business Development Strategy.** Actions must be:

- Community Driven** The City must set and stick to community-defined priorities that address longstanding inequities.
- Capacity Building** The City should pursue partnerships with local and regional economic development organizations to extent its capacity.
- Equitable** The City should prioritize actions that remove or mitigate barriers to equitable economic growth.
- Growth Oriented** The City should pursue actions that encourage economic growth and diversification, capitalize on emerging areas of strength, and expand access to opportunity.

## OPPORTUNITIES & CHALLENGES

### Opportunities

- Richmond has a growing economy with legacy and emerging industry strengths.
- Richmond has a strong ecosystem of economic development and business service organizations.
- Richmond has relatively low property costs and rents
- COVID recovery resources will likely provide an opportunity to fund capital projects to support resilience in equity.
- The City has made a commitment to creating equitable access to economic opportunity for residents.

### Challenges

- COVID-19 has had impacts throughout Richmond's economy; small businesses, some larger businesses, and residents who lost jobs are still struggling to recover.
- The City needs to overcome past practices that have limited its capacity for economic development.
- There is a significant trust deficit, arising from problems with transparency, capacity, and accessibility.
- Richmond's built environment hinders business growth and investment.

## GOAL:

**Support business investment and attraction while enhancing equitable outcomes for Richmond residents and business owners**

**The strategic plan identifies ways for Richmond to support business development**, including improved services to existing businesses of all sizes, and strengthened business attraction and retention. Where possible, the strategic plan identifies opportunities to leverage external capacity and funding, however **the City must expand its economic development staff to ensure the successful implementation of the strategic plan.**

## STRATEGIES AND ACTIONS

### 1. City & Capacity

Create a culture of partnership and build trust with the City's stakeholders.

- A. Develop consistent processes for ongoing engagement with residents and businesses.
- B. Continue working the Economic Development Working Group to collaborate on major initiatives.
- C. Build regional partnerships to support economic development.

### 2. Businesses & Residents

Strengthen the City's business environment to attract, retain, and support a range of businesses, with a focus on priority industries.

- A. Partner to pursue funding for workforce training and reskilling, through partnerships with training providers and employers.
- B. Streamline the City's regulatory processes and provide clear guidance to applicants.
- C. Support continued growth and diversification of Richmond's manufacturing sector.
- D. Expand local incentives to reduce the cost of doing business, retain and attract priority industries, and build economic mobility.
- E. Establish a pop-up storefront space in downtown Richmond to provide a venue for start-up retail businesses and artists.

### 3. Buildings & Infrastructure

Use local, federal, and private funding to make needed investments in infrastructure and improvements to the built environment.

- A. Pursue recovery funding for capital projects that enhance community resilience and attract private investment.
- B. Provide support for small businesses in finding or making necessary improvements to brick-and-mortar space.
- C. Engage with property owners through a range of means to encourage investment and reduce vacancy.
- D. Build relationships with commercial and industrial property brokers to increase marketing and leasing of available properties.

# INTRODUCTION

COBIZ



## INTRODUCTION | Acknowledgements

### ACKNOWLEDGEMENTS

A diverse range of stakeholders and community representatives provided input on business development priorities and needs in Richmond throughout the planning process.

#### City Staff

- Shasa Curl, Deputy City Manager, Economic Development
- Thomas Omolo, Management Analyst
- Samantha Carr, Management Analyst
- Gabino Arredondo
- Laura Snideman, City Manager
- Charita Patterson, Richmond Works
- Bouakhay Phongboupha, Richmond Works

#### City Council

- Tom Butt, Mayor
- Nathaniel Bates
- Claudia Jimenez
- Demnlus Johnson III
- Eduardo Martinez
- Gayle McLaughlin
- Melvin Willis

#### Economic Development Commission

- Ayoka Medlock-Nurse, Chair
- Ahmad Anderson
- Tina Brown
- La'Tanya Dandie
- Brandon Evans
- Kapris James
- James Lee

- Gloria Jean Sewell-Murphy
- Audrey Shields
- Diana Wear
- Orrian Willis
- Reza Yazdi

#### Economic Development Partners

- Gonzalo Ochoa, 23rd Street Merchants Association
- Wesley Alexander, CoBiz
- David P. Derryck, Community Housing Development Corporation
- Monica Edwards, Community First Lending
- Johana Gurdian, Cooperation Richmond
- Princess Robinson, Cooperation Richmond
- Katrinka Ruk, Council of Business & Industry
- Amalia Cunningham, Dept. of Conservation & Design, Contra Costa County
- Michael Katz, East Bay Works
- Jasmin Jones, EdFund West
- Al Gohary, NorCal SBDC Network
- Hyder Shuja, Pacific Community Ventures
- Janie Singleton, Port of Richmond

- Lucero de Leon, Renaissance Center East Bay
- Bret Alexander Sweet, Renaissance Center East Bay
- James Lee, Richmond Chamber of Commerce
- Alicia Gallo, Richmond Main Street Initiative (RMSI)
- Vivian Wong, Richmond Main Street Initiative (RMSI)
- Sara Razavi, Working Solutions

#### Business and Community Stakeholders

- Hakim Johnson, Chevron Richmond Refinery
- Lily Rahnema, Chevron Richmond Refinery
- Victor Viera, Golden Gate Bistro
- David P. Leighton, Kaiser Permanente Richmond Medical Center
- Abdo Nasser, Richmond Property Owner
- Charlie Patterson, Richmond Property Owner
- Kimberly Aceves-Iniguez, RYSE Youth Center
- Kanwarpal Dhaliwal, RYSE Youth Center

# INTRODUCTION | Planning Context and Process

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## Background

**From 2010 to 2019 Richmond saw strong growth in both population and jobs, 6.4% and 16% respectively. Despite this progress, these trends have lagged those of both the Bay Area and California.** The impacts of COVID-19 on Richmond businesses created a near-term challenge which the City of Richmond (the “City”) will address through the Short-Term Local Business Recovery Action Plan. However, longer-term solutions are needed to build the City’s capacity to support businesses and to increase access to economic opportunity for Richmond business owners and residents.

## Purpose of the Plan

**The Richmond Business Development Strategy outlines actions the City will take to promote equitable economic growth and support business investment and attraction.** The City and its partners provide a range of services to support new and existing businesses and help residents access employment, but the City recognizes the need to do more to improve the impacts and equitable outcomes of its economic development activities, address long-standing challenges to Richmond’s businesses and commercial districts, and promote economic growth and economic mobility. The Business Development Strategy identifies strategies and actions to attract private investment, support local employment, increase the accessibility of services to businesses and property owners, and enhance the business environment, with a focus on promoting inclusive and equitable growth.

## Planning Process

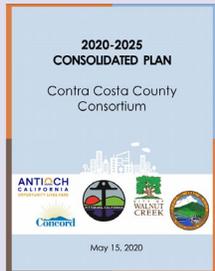
**The City of Richmond engaged HR&A Advisors** to support the development of the Short-Term Local Business Recovery Action Plan to identify and address the near-term challenges of local businesses in the wake of COVID-19, and a longer-term Business Development Strategy to determine strategies to improve Richmond’s business environment, attract new businesses and support existing businesses and residents.

The Business Development Strategy reflects an analysis of past planning efforts in the City and region, analysis of trends in demographics and employment, engagement with businesses, economic development organizations, nonprofits, and other stakeholders, and an analysis of Richmond’s business environment. The consulting team worked closely with City staff and the Economic Development Commission to evaluate existing conditions and to identify, refine, and prioritize strategies for business and economic development in Richmond.

# INTRODUCTION | Planning Context and Process

## PRECEDENT PLANS

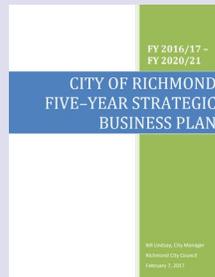
The City and other regional entities have advanced several citywide, regional, and neighborhood planning initiatives in recent years. These precedent plans provided important context to inform the vision and opportunity for development in Richmond. The Business Development Strategy builds on work already executed to tie into initiatives Richmond plans to pursue moving forward, including expanding an educated workforce, providing quality jobs, and equitably building Richmond's economy by focusing on opportunities for existing residents.



*2020-2025  
Consolidated Plan  
May 2020*



*Futures Final  
Report  
January 2020*



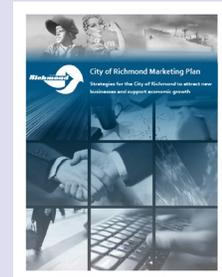
*5-Year Strategic  
Business Plan  
February 2017*



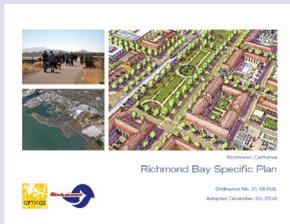
*Plan Bay Area  
2040  
July 2017*



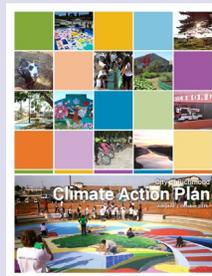
*Richmond, CA Final  
BrandPrint Creative Report  
August 2017*



*City of Richmond  
Marketing Plan*



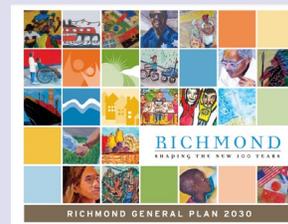
*Richmond Bay  
Specific Plan  
December 2016*



*City of Richmond  
Climate Action Plan  
October 2016*



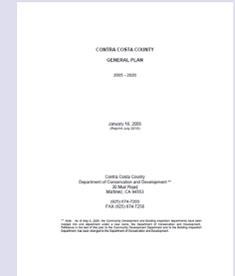
*Health in All  
Policies Report  
2015*



*Richmond General  
Plan 2030  
April 2012*



*Community and  
Economic  
Development Strategy  
May 2006*



*Contra Costa  
General Plan  
January 2005*

## Stakeholder Engagement

**Interviews with community organizations, businesses, and other local stakeholders provided valuable insight throughout the planning process.** HR&A conducted interviews with over 30 stakeholders between December 2020 and May 2021 to understand Richmond's business environment and community priorities for business development.

In addition to this stakeholder engagement, HR&A conducted interviews with 13 local business owners as part of the Short-Term Local Business Recovery Action Plan process to understand local businesses recovery needs following COVID-19. These businesses represented a range of industries including dining, retail, manufacturing, construction, and tech.

## STAKEHOLDER INTERVIEWS

### Economic Development Partner Organizations

- 23rd Street Merchants Association
- CoBiz
- Community Housing Development Corporation
- Community First Lending
- Cooperation Richmond
- Council of Business & Industry
- Dept. of Conservation & Design, Contra Costa County
- East Bay Works
- EdFund West
- NorCal SBDC Network
- Pacific Community Ventures
- Port of Richmond
- Renaissance Center East Bay
- Richmond Chamber of Commerce
- Richmond Main Street Initiative (RMSI)
- Working Solutions

### Businesses and Community Stakeholders

- Chevron Richmond Refinery
- Golden Gate Bistro
- Kaiser Permanente Richmond Medical Center
- Richmond Commercial Property Owners
- RYSE Youth Center

## INTRODUCTION | Guiding Principles

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A framework of inclusive recovery and business development will help Richmond build a stronger and more equitable economy. To be successful the City must set and stick to priorities that address community needs and longstanding inequities using available funding and organizational capacity.

In communities nationwide, public budgeting and policy processes tend to default to the pre-disaster status quo following an emergency response. In addition, consensus around priorities can decay as focus shifts from immediate to long-term needs. In order to sustain a commitment to supporting a just recovery and building a more resilient and inclusive economy, **the Business Development Strategy has been developed with a set of guiding principles that informed and shaped the strategies and actions. These guiding principles will also be used to measure the success of implementation.**

### GUIDING PRINCIPLES FOR INCLUSIVE GROWTH

#### Community Driven

The City must set and stick to community-defined priorities that address longstanding inequities. This will require building an infrastructure for thoughtful, multi-pronged, and change-oriented outreach and engagement with a range of Richmond businesses and residents.

#### Capacity Building

The City should pursue partnerships with local and regional economic development organizations to gather and leverage capacity in order to support outreach activities and deploy recovery assistance quickly where it is needed the most.

#### Equitable

The City should prioritize actions that remove or mitigate barriers to equitable economic growth. In the near term, this should include addressing issues of unequal access to information and power in City processes and targeting financial assistance where it is most needed.

#### Growth Oriented

The City should pursue actions that encourage economic growth and diversification, capitalize on emerging areas of strength, and expand access to opportunity. This should include designing and implementing public investments and initiatives that create community and economic benefits for marginalized communities, and targeting business attraction and development efforts to businesses and industries that align with areas of opportunity for Richmond's economy.

# RICHMOND'S ECONOMY



## RICHMOND DEMOGRAPHIC AND ECONOMIC SNAPSHOT

**109K**

Richmond Residents

**30,800**

Richmond Workers

**6,600**

Mfg. Jobs in Richmond 2019

**3.5%**

Richmond Unemployment Jan. 2020

**\$68,400**

Richmond Median Household Income

**\$104,900**

Bay Area Median Household Income

**\$75,200**

California Median Household Income

**6.4%**

Richmond Pop Growth 2010 - 2019

**7.8%**

Bay Area Pop Growth 2010 - 2019

**6.1%**

California Pop Growth 2010 - 2019

**16%**

Richmond Job Growth 2010 - 2019

**28%**

Bay Area Job Growth 2010 - 2019

**21%**

California Job Growth 2010 - 2019

Source: American Community Survey 5-year estimates (2019), EMSI, Longitudinal Employer-Household Dynamics

## Overview

Richmond is a small city with a growing economy. Richmond's population has been growing slightly faster than statewide trends, and the city had 16% job growth from 2010 to 2019, which resulted in relatively low unemployment at the beginning of 2020. However, economic indicators including median household income and job growth lag regional and statewide trends. **Though it is growing, Richmond has not shared equally in the significant economic growth that has characterized the rest of the Bay area.**

The following section provides a summary of major economic trends in Richmond that have informed the development of the strategic plan. This includes summaries of:

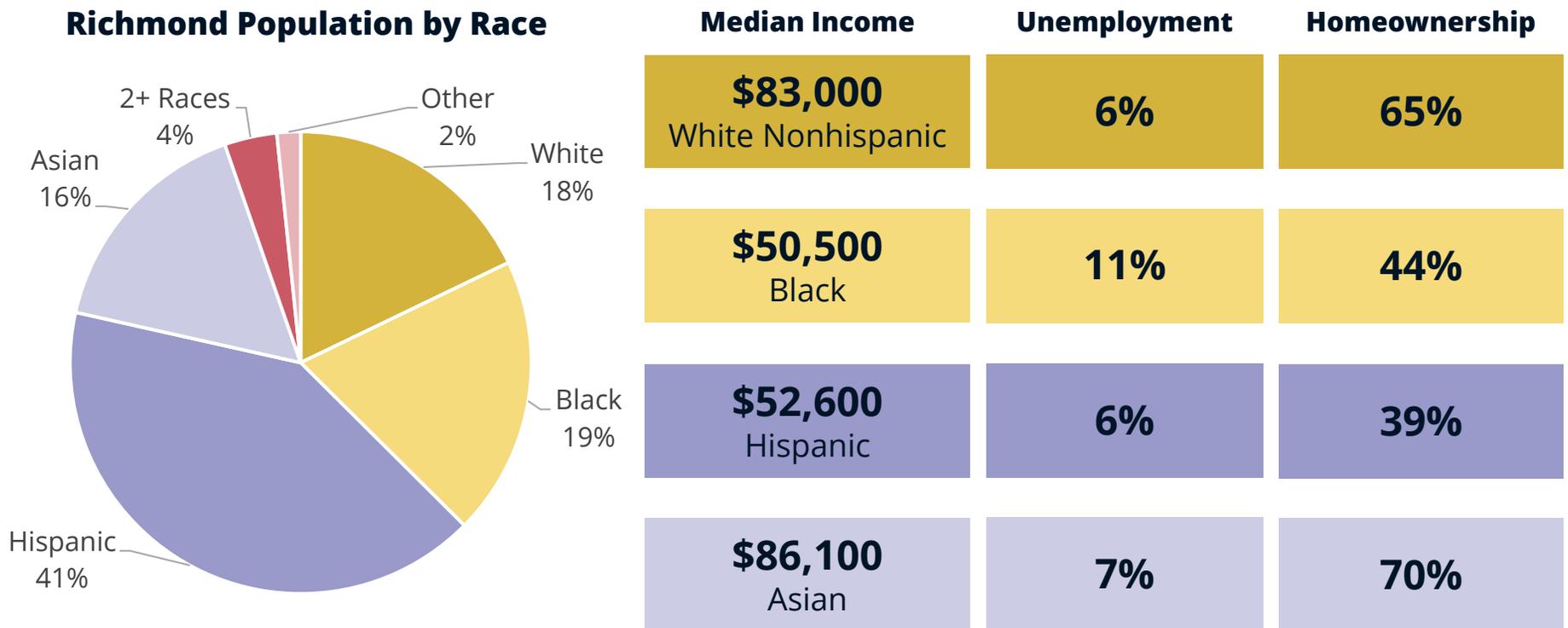
- Demographic Trends
- Industry and Employment Trends
- Small Businesses
- Real Estate and the Built Environment
- Business Environment
- COVID-19 Impacts

# RICHMOND'S ECONOMY | Demographic Trends

**Richmond is a growing and diverse community in the Bay Area, but has not experienced the same boom in population and incomes that have characterized the rest of the region.** Richmond is a small city of around 109,000, though population grew 6.4% from 2010 to 2019, slightly faster than statewide trends but slower than the Bay Area as a whole. Compared to other parts of the Bay Area, Richmond has a relatively diverse population. Incomes in Richmond are also lower on average; median income in Richmond in 2019 was \$68,400 compared with almost \$105,000 for the region as a whole.

## Racial Disparities in Richmond

**Richmond has a racially and ethnically diverse population, but access to economic opportunity has not been shared equally.** Socioeconomic indicators including income, unemployment and homeownership vary greatly by race and ethnicity. White Non-Hispanic and Asian households have incomes and homeownership rates higher than the median, while Black and Hispanic households are below the median on both measures.

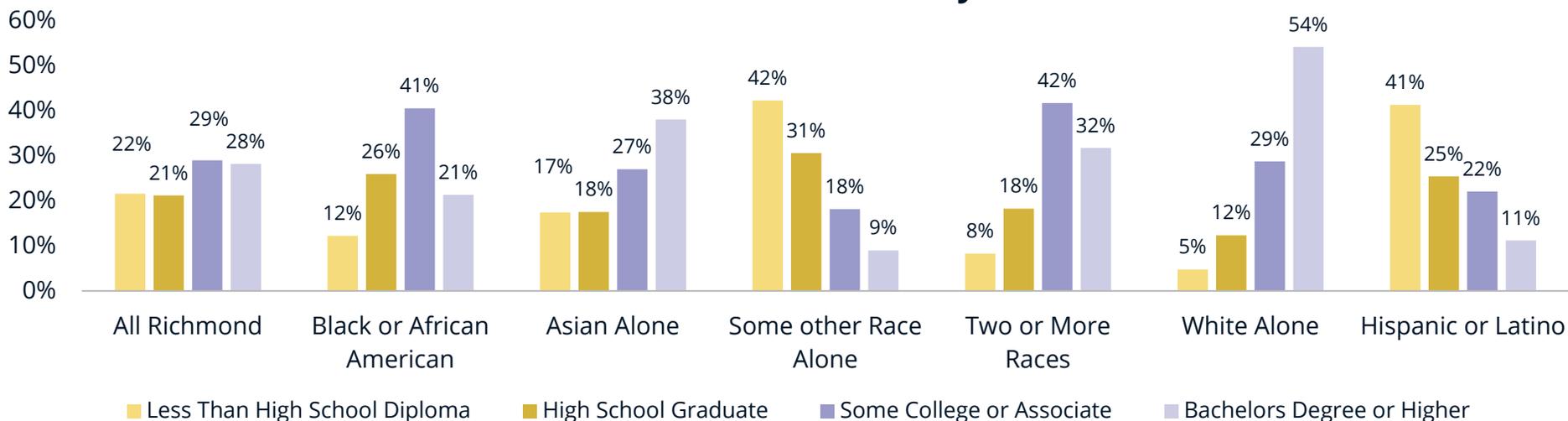


Source: American Community Survey 5-year estimates (2018)

## Educational Attainment

**Educational attainment is an indicator of both workforce skill and access to economic opportunity.** Citywide, approximately 57% of residents have at least some college education, and 25% have a bachelors degree or higher. However, educational attainment varies greatly by race; although most Black residents have at least some college education, education levels for white residents are much higher than for other races, and the Hispanic population has lower than average educational attainment.

### Educational Attainment by Race



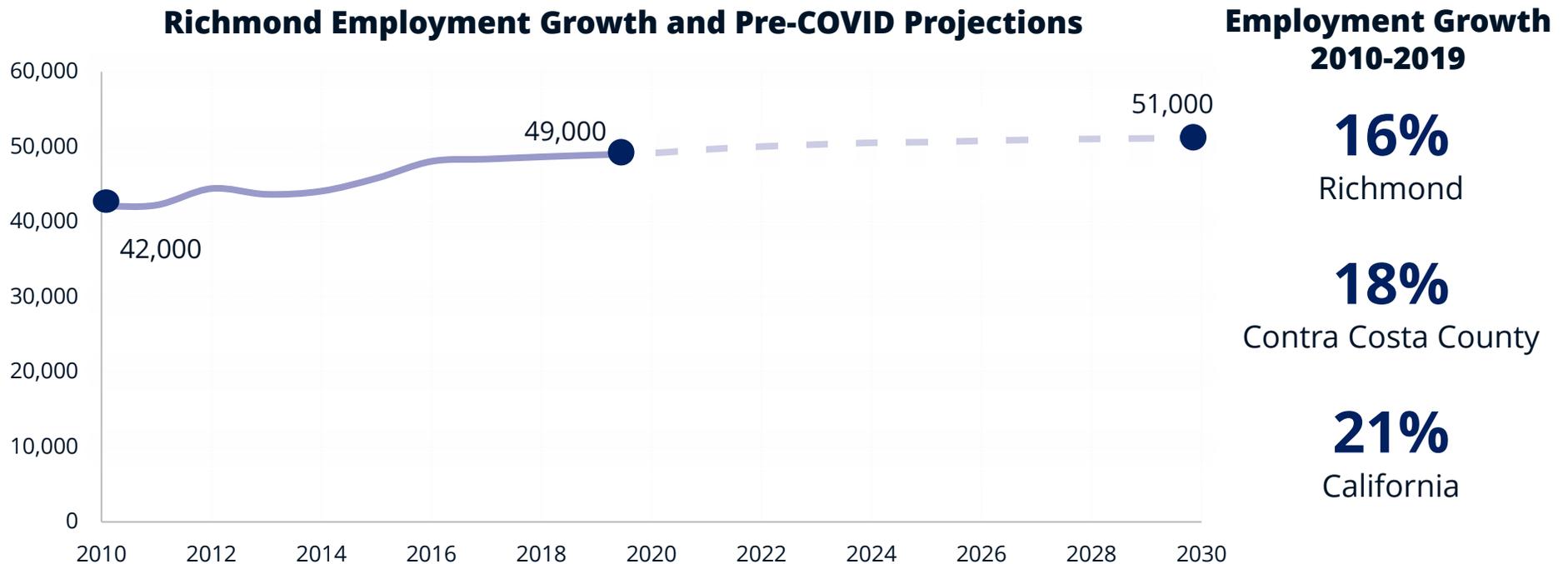
Source: American Community Survey 5-year estimates (2019)

# RICHMOND'S ECONOMY | Industry and Employment Trends

Industry and employment trends illustrate opportunities and economic development needs to grow Richmond's economy while supporting equitable outcomes for Richmond residents and business owners. Employment dynamics including resident employment as well as the trends of employment, wages, and specialization of industries located in Richmond indicate potential areas of strength for Richmond's economy, as well as areas where economic development programming might be targeted to capitalize on opportunities for growth or support business development needs.

## Employment Trends

Though employment is growing in Richmond, employment growth is slower than county and state trends. Pre-COVID projections showed 4.6% annual employment growth in Richmond through 2030. There are approximately 30,800 workers currently employed in Richmond, though only about 11% of the City's workers are local residents. Of the 43,700 workers living in Richmond, the majority are employed in three counties: Alameda (27%), Contra Costa (24%) and San Francisco (19%). Other counties represented less than 7% of worker destinations each. Most residents work in Health Care and Social Assistance, Retail, and Accommodation and Food Services; industries that were disproportionately impacted by the COVID-19 pandemic. All three of these are relatively low earning jobs, with average earnings of \$53K, \$31K and \$19K respectively.

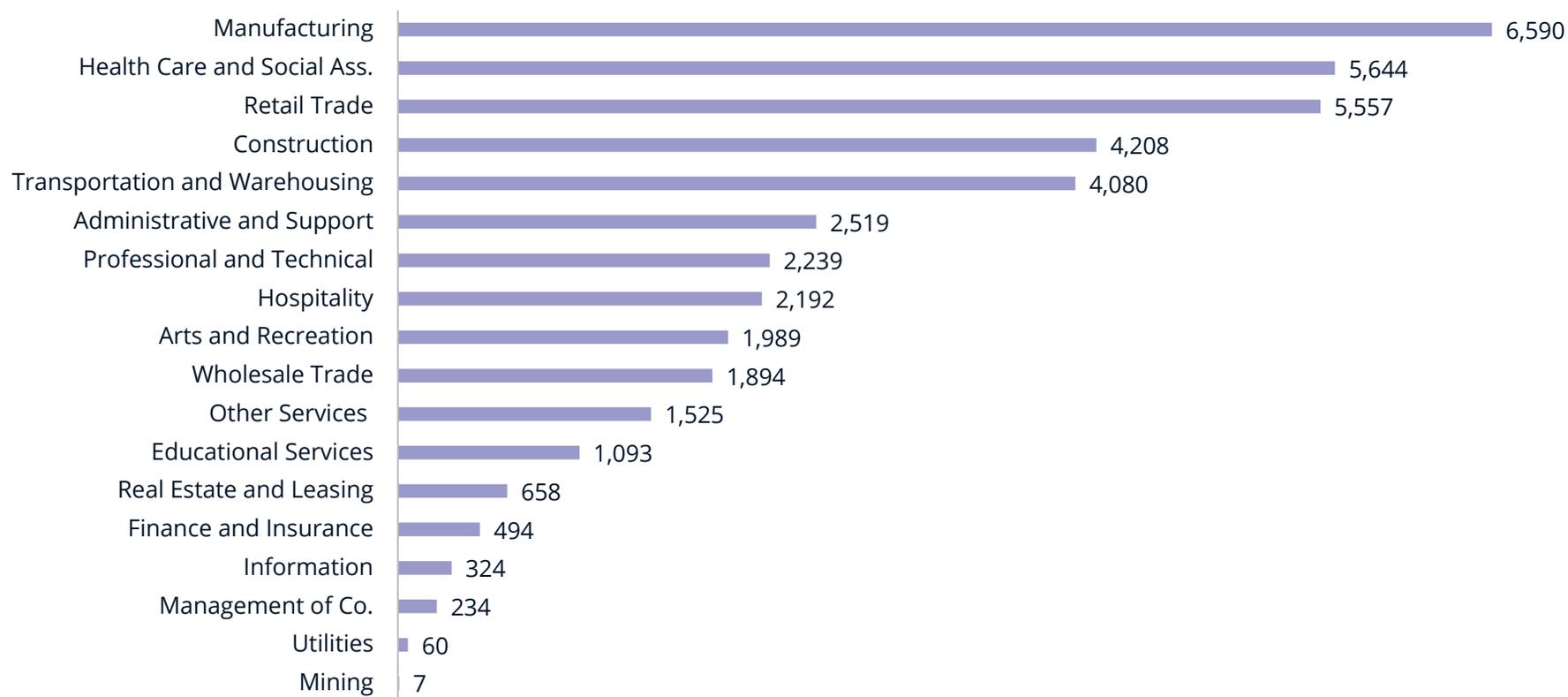


Source: EMSI (zip codes: 94801, 94802, 94804, 94805, 94806, 94807, 94808, 94850), Longitudinal Employer-Household Dynamics

## Richmond Area Employment

**Richmond's major industries include manufacturing, transportation, and warehousing.** Major employers in Richmond include Chevron, Bay Area Rapid Transit, Santa Fe Pacific Pipelines, and Broadspectrum Americas. The concentration of jobs in petrochemical-related industries may be an area of risk for Richmond's economy, however recent growth in the transportation, warehousing, and distribution industry (which grew 55% since 2010), as well as other manufacturing industries such as Food Manufacturing, Chemical Manufacturing and Machinery Manufacturing, indicate emerging areas of strength and diversification of the City's economy.

### Richmond Area Employment by Industry 2019



Source: EMSI 2019 (zip codes: 94801,94802,94804,94805,94806,94807,94808,94850)

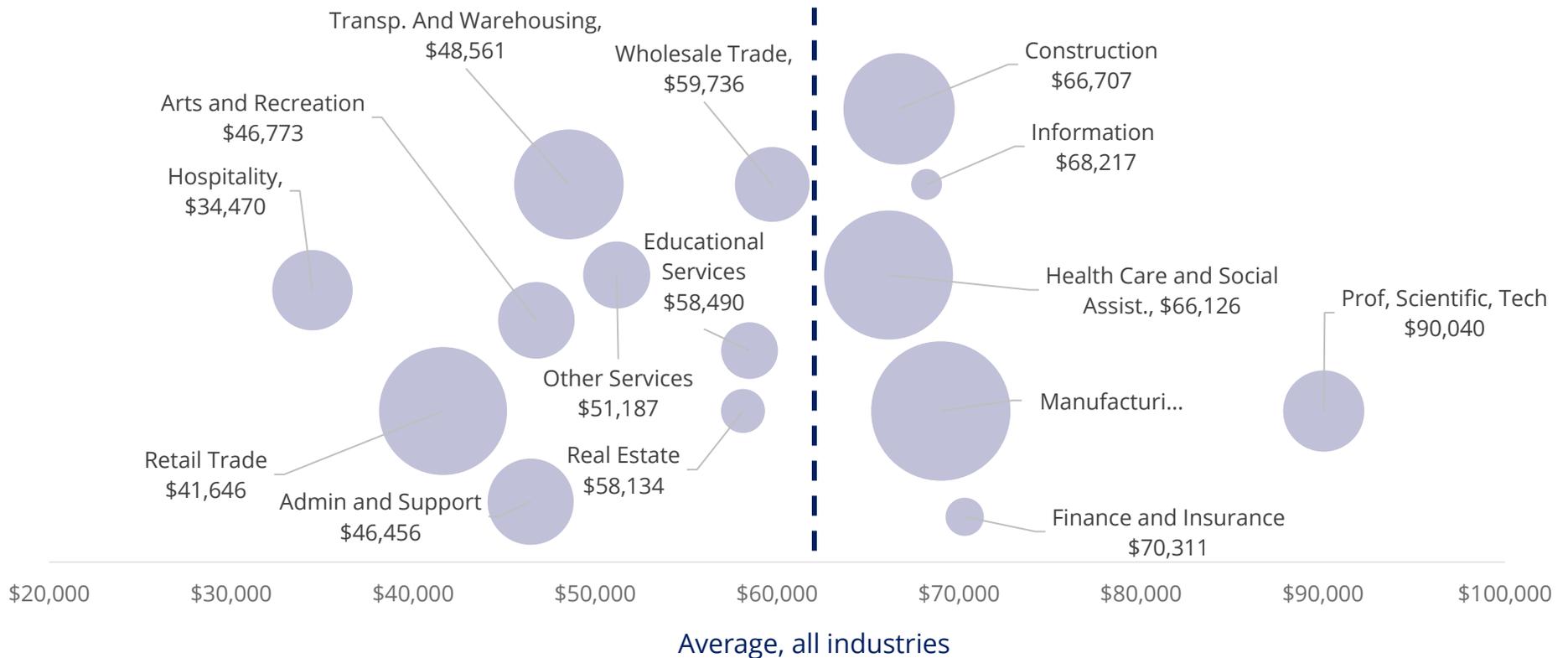
# RICHMOND'S ECONOMY | Industry and Employment Trends

## Local Wages

Many of Richmond's large industries, including construction, manufacturing and health care, pay relatively high wages. Despite this, there are some industries that represent a large number of jobs and provide below average median wages, including retail, administrative support, hospitality, and transportation and warehousing.

Wages are not the only measure of job quality. Some industries provide entry-level jobs while offering benefits and access to opportunity for advancement. Studies indicate that transportation, warehousing, and wholesale industries may provide good access to economic opportunity through advancement. Some industries that have high resident employment in Richmond, such as retail and administrative services, frequently do not provide the same paths to career advancement.

### Median Income by Industry



Source: Quarterly Census of Employment & Wages, Brookings Institution

Richmond Average excludes Utilities and Management of Companies values as they represent less than 1% of total jobs in Richmond

# RICHMOND'S ECONOMY | Industry and Employment Trends

## Industry Specialization

Location quotient is a measure of specialization or concentration. A location quotient greater than 1 indicates concentration of employment relative to the national economy. Richmond has very strong concentration in both **petroleum and coal manufacturing** (75 times the national average) and **water transportation** (22.9 times the national average). **Courier services**, and several **arts** and **manufacturing** industries are also among the City's more concentrated industries; these high-employment industries contribute to the City's economic base.

## Top Industries in Richmond by Location Quotient

NAICS Code	Industry	Total Jobs (2019)	Added (Lost) Jobs (2010-2019)	Location Quotient (2019)
324	Petroleum and Coal Products Manufacturing	2,528	(1,472)	75.0
483	Water Transportation	457	262	22.9
492	Couriers and Messengers	2,138	675	8.4
454	Nonstore Retailers	873	591	4.1
562	Waste Management and Remediation Services	521	126	3.8
711	Performing Arts, Spectator Sports, and Related Industries	894	215	3.4
337	Furniture and Related Product Manufacturing	292	4	2.4
339	Miscellaneous Manufacturing	414	32	2.1
713	Amusement, Gambling, and Recreation Industries	1,053	171	1.9
311	Food Manufacturing	914	437	1.9
236	Construction of Buildings	1,227	252	1.9
325	Chemical Manufacturing	433	350	1.7

Source: EMSI (zip codes: 94801, 94802, 94804, 94805, 94806, 94807, 94808, 94850)

# RICHMOND'S ECONOMY | Industry and Employment Trends

## Competitive Growth

The competitive effect is an estimate of the portion of local job growth within a given industry that is due to local competitive factors. Industries with job growth and a positive competitive effect are growing in Richmond faster than national trends, indicating an emerging specialization. **Wholesale industries, specialty construction, and support activities for transportation** are among the industries with moderate to high employment that are experiencing competitive growth in Richmond. In addition, despite overall manufacturing job losses, **food and machinery manufacturing** are both growing competitively in Richmond.

## Top Industries in Richmond by Competitive Effect

NAICS Code	Industry	Total Jobs (2019)	Employment Change (2010-2019)	Competitive Effect (2010-2019)
454	Nonstore Retailers	873	209%	499
311	Food Manufacturing	914	92%	373
238	Specialty Trade Contractors	2,430	44%	313
611	Educational Services	1,093	62%	294
483	Water Transportation	457	134%	250
423	Merchant Wholesalers, Durable Goods	925	49%	203
424	Merchant Wholesalers, Nondurable Goods	954	39%	197
522	Credit Intermediation and Related Activities	339	61%	120
488	Support Activities for Transportation	376	86%	96
551	Management of Companies and Enterprises	234	67%	52
333	Machinery Manufacturing	393	31%	52
485	Transit and Ground Passenger Transportation	233	89%	51

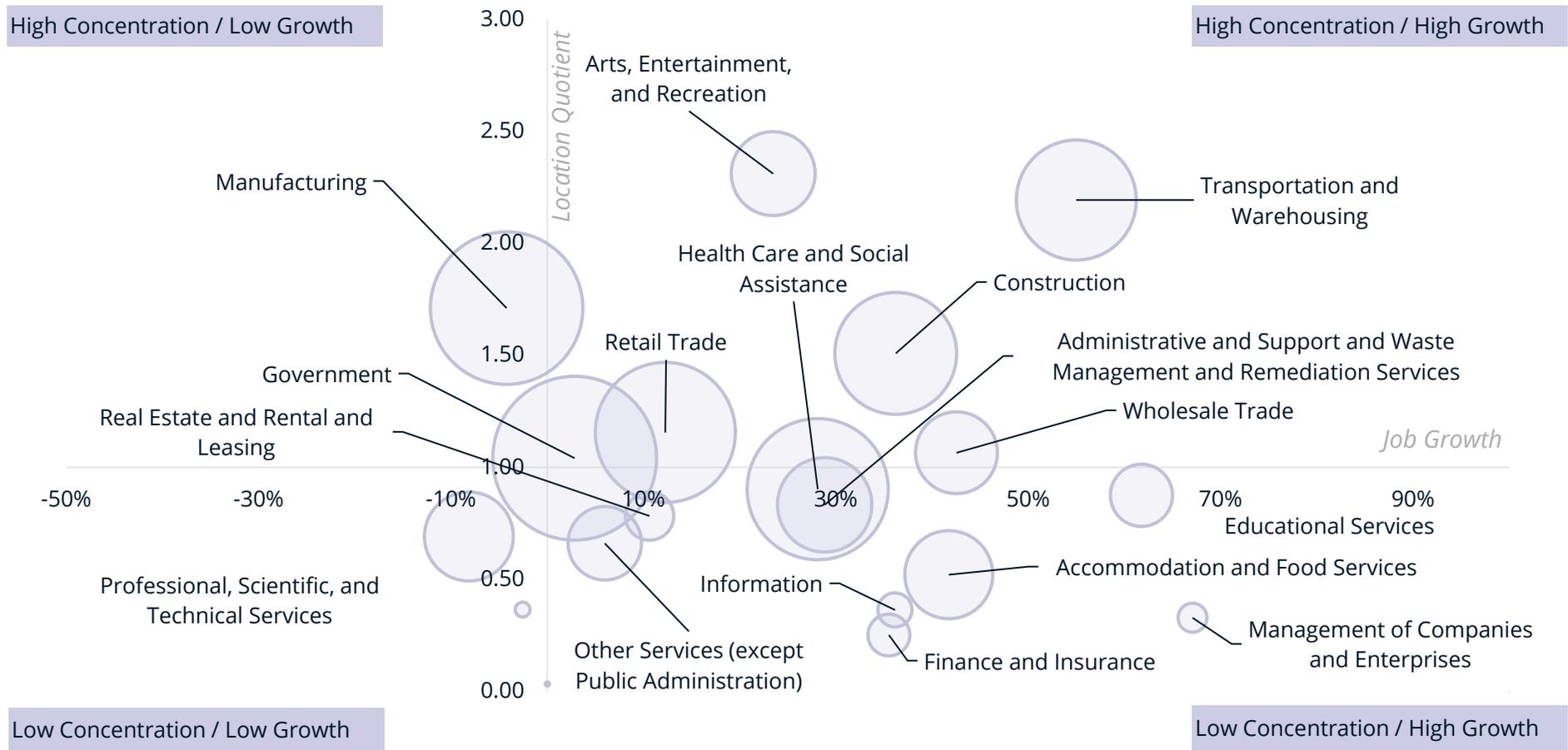
Source: EMSI (zip codes: 94801, 94802, 94804, 94805, 94806, 94807, 94808, 94850)

# RICHMOND'S ECONOMY | Industry and Employment Trends

## Economic Strengths

Comparing concentration (location quotient, a measure of local concentration or specialization compared with national trends) with total employment and job growth creates a picture areas of strength and opportunity in Richmond's economy. The top right quadrant shows areas of concentration and growth, including **transportation and warehousing** industries, **arts and entertainment, construction**, and **wholesale and retail trade**. **Manufacturing**, in the top left quadrant, is still a concentrated industry and major employer, but may not continue to drive employment growth in Richmond.

### Industry Employment, Concentration, and Growth, 2010-2019



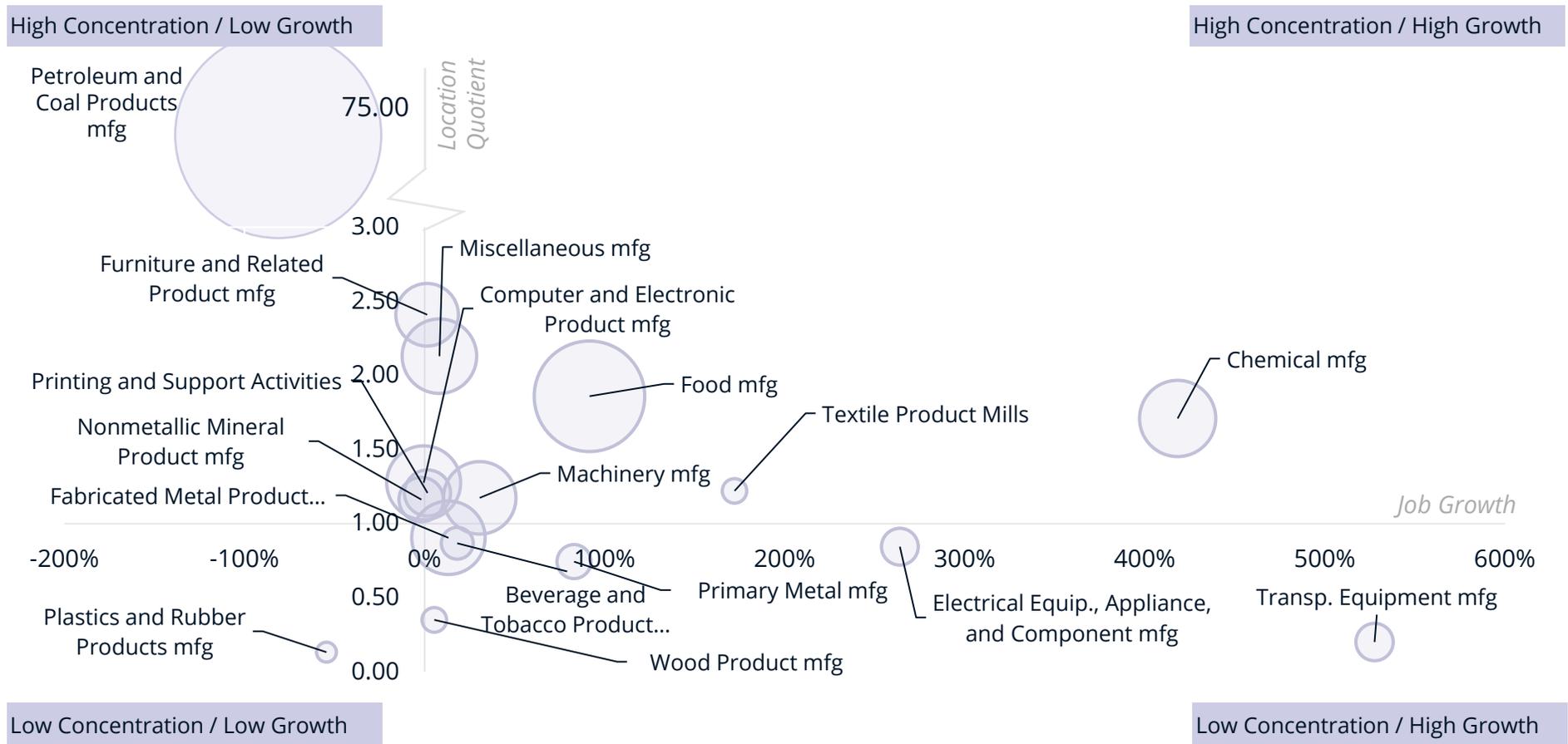
Source: EMSI (zip codes: 94801, 94802, 94804, 94805, 94806, 94807, 94808, 94850)

# RICHMOND'S ECONOMY | Industry and Employment Trends

## Richmond's Manufacturing Sector

A closer look at Richmond's Manufacturing industries show that while the City has a high concentration in **petroleum manufacturing**, which is declining in employment, there are many emerging areas of manufacturing specialization and growth in Richmond. These include **chemical manufacturing** and **food manufacturing**. These trends also indicate a large presence with growth opportunity in Food Manufacturing, and Chemical Manufacturing. Other industries with moderate employment and concentration show potential for growth, including **machinery manufacturing** and **computer and electronic product manufacturing**.

### Manufacturing Industry Employment, Concentration, and Growth, 2010-2019



Source: EMSI (zip codes: 94801, 94802, 94804, 94805, 94806, 94807, 94808, 94850)

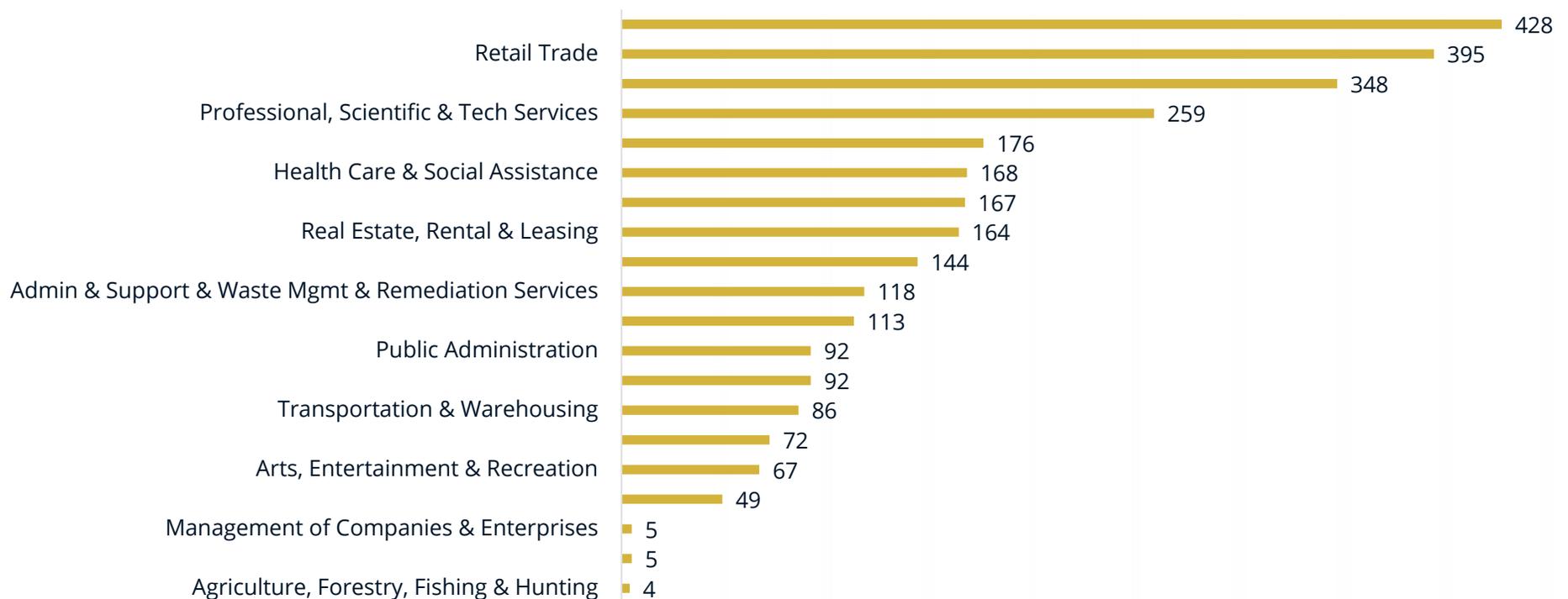
## RICHMOND'S ECONOMY | Small Businesses

**Small and locally-owned businesses are an important part of a diverse economy and help build wealth and economic opportunity for business owners.** Richmond's small businesses span a range of industries and business owners have diverse challenges. Understanding the unique needs of Richmond's small businesses, through interviews with business owners and service providers as well as available data helps to identify areas where the City can better support investment in small business and local entrepreneurship.

### Richmond Establishments

**Business sizes in Richmond follow national trends;** 70% of businesses in the City have fewer than 10 employees, compared with 72.5% nationally. Richmond has almost 3,000 total business establishments, primarily in services and retail. Retail trade has one of the highest number of establishments at 395, second only to Other Services. In Contra Costa County people of color (POC) represent 34.9% of the population, though businesses in Contra Costa County owned by people of color (POC) account for just 26.6% of total businesses and only 5.7% of economic output.

#### Number of Establishments by Industry



Source: Esri, Census Bureau County Business Patterns (2018), Census Bureau PEP 2019, Census Bureau ACS

### Small Business Challenges

Small businesses in Richmond face a range of challenges, including:

- **Regulatory Challenges and Access to City Services:** Businesses and business support organizations in Richmond have said that navigating City approvals and permits can be a significant challenge. The City's permitting processes are decentralized and can be difficult to understand; many business owners do not know which office to ask for assistance. In addition to regulatory barriers, business license fee costs have been a challenge for businesses, particularly for existing businesses struggling during the pandemic and new businesses. Regulatory challenges and associated costs can hinder the City's economic competitiveness and cause businesses to relocate.
- **Access to Capital:** Access to capital is a persistent challenge for many small business owners, not only in Richmond but nationwide. Business owners with barriers to traditional capital, frequently people of color or without documentation, may face particular challenges in starting or growing their businesses if they are unable to take out traditional loans. A number of Community Development Financial Institutions (CDFIs) in the Bay Area offer flexible loan products to help overcome these barriers.
- **Information and Trust** Richmond's businesses need access to information and consistent communication from trusted sources to access available resources, understand pandemic safety measures, and navigate applications processes with the City as well as other sources including grants and federal programs. Many businesses have had challenges connecting with City staff to get answers or information, or receive updates on outstanding applications. Some reported that the only way they could prompt a response was through direct outreach to the Mayor. This means that those businesses with better access to City officials are better positioned to receive City services; a significant barrier to equitable economic opportunity.
- **Difficulty Accessing Brick-and-Mortar Space** There is a lack of move-in ready commercial space for businesses in Richmond. This may be compounded in part by the regulatory challenges: businesses and property owners alike have difficulty navigating the City's building permits process to make needed repairs and improvements to commercial property. Small businesses may be unable to establish permanent locations, or may choose to locate outside of Richmond where space is more readily available.
- **Language and Technology Barriers:** Many business owners in Richmond do not speak English and have limited experience with modern technology. Since most communication regarding financial support or local initiatives comes through e-mail or checking local webpages, these businesses often miss out on opportunities due to the gap in accessible information.

Many nonprofit organizations exist in Richmond to help small businesses address and overcome these challenges through financing, training, technical assistance, and other programs.

### SMALL BUSINESS SERVICE PROVIDERS

A large number of nonprofit and public entities exist to support small and locally-owned businesses in Richmond, through services such as business planning, business incubation, marketing support, training, and technical assistance, through financial and operating support including providing access to low-cost coworking space and affordable financing, and through advocacy and networking. Organizations that support small businesses in Richmond include:

Organization	Description
23rd St. Merchants Association	The Merchants Association supports the diverse businesses on Richmond's 23rd Street corridor and serves the broader Hispanic business community.
City of Richmond Economic Development Commission (EDC)	The EDC is a public commission for the City of Richmond that makes recommendations to City Council for long-term economic development goals. The EDC has been involved in local community events like Taste of Richmond and prioritizes a transparent, hand-in-hand working relationship with the City to create an attractive business environment that brings in new business & retains existing, successful Richmond businesses. The EDC has a recently-formed outreach committee to cultivate relationships with Richmond businesses.
CoBiz	CoBiz is a coworking space, incubator, and innovation hub geared toward information sharing and the provision of collaborative, peer-to-peer business support for entrepreneurs.
Contra Costa Small Business Development Center (SBDC)	The Contra Costa Small Business Development Center provides no cost services including one-on-one advising, training and workshops, and other resources to help connect small businesses and entrepreneurs with financing and information to support their operations. The SBDC receives some funding from the U.S. Small Business Administration.
Cooperation Richmond	Cooperation Richmond provides coaching, incubation, and other services to support the operation of diverse cooperative enterprises in Richmond to build community-controlled wealth for low-income communities and communities of color. Services include: technical assistance services, including workshops on cooperative economics and financial literacy; business assessments; coaching, networking; and capital financing connections.
Pacific Community Ventures (PCV)	PCV is a Community Development Financial Institution (CDFI) based in the Bay area that operates statewide. PCV provides loans from \$10k-\$250k and technical assistance to small businesses. PCV regularly receives referrals from the Renaissance Entrepreneurship Center. PCV is accessible to a range of potential borrowers because they use nontraditional and flexible underwriting requirements and provide comprehensive technical assistance.

### SMALL BUSINESS SERVICE PROVIDERS (CONTINUED)

Organization	Description
Port of Richmond Business Association (PBRA)	The PRBA facilitates networking opportunities, collaborative marketing opportunities and advocates on behalf of Point Richmond businesses. Their membership ranges from small local retail stores to Chevron and Mechanics bank.
Renaissance Entrepreneurship Center	The Renaissance Center is a business assistance resource center that offers small business loans, one-on-one consultations, and workshops. The Renaissance Center has partnered with RMSI to offer free business workshops.
Richmond Chamber of Commerce	The Chamber of Commerce is a membership organization that serves West Contra Costa businesses by offering a range of services including advocacy and marketing to foster growth in the business community.
Richmond Main Street Initiative (RMSI)	RMSI is a community-based nonprofit that manages the Downtown Richmond BID and works with businesses citywide, with particular focus on downtown businesses, to support retention and economic growth through technical assistance and other resources. Pre-pandemic, RMSI hosted networking events, workshops, and a series of downtown festivals to revitalize the downtown district. RMSI has also conducted business outreach during the Pandemic and provides the business community with information on grant opportunities.
West Contra Costa Council of Business & Industries	The Council of Business & Industries is a member-based organization that advocates for West Contra Costa businesses at the local, county and state level. The Council works collaboratively with economic development organizations like the 23rd Street Merchant Association on legislation like Richmond's Measure U and AB 617.
Working Solutions	Working Solutions is a nonprofit CDFI that works primarily with early-stage businesses and microenterprises, providing loans and technical assistance. Working Solutions has a flexible approach to assessing financial readiness for loans, which means they can lend to businesses that may have difficulty accessing traditional financing. They have worked with the Renaissance Center to deliver loans to underserved businesses.

# RICHMOND'S ECONOMY | Real Estate and the Built Environment

Real estate market trends are an important indicator of an economy's performance. Low vacancy paired with development activity for commercial and industrial space illustrate growing demand for space by businesses.

## Real Estate Market Trends

**Retail** vacancy was relatively low and stable before 2020, when it increased sharply, likely due to COVID-19. Retail vacancy was around 17.7% in 2021.

**Industrial** space has seen an increase in absorption, even as several large new developments have been completed. Industrial space does not appear to have been impacted by the effects of the pandemic. Vacancy is low, at 5.5%.

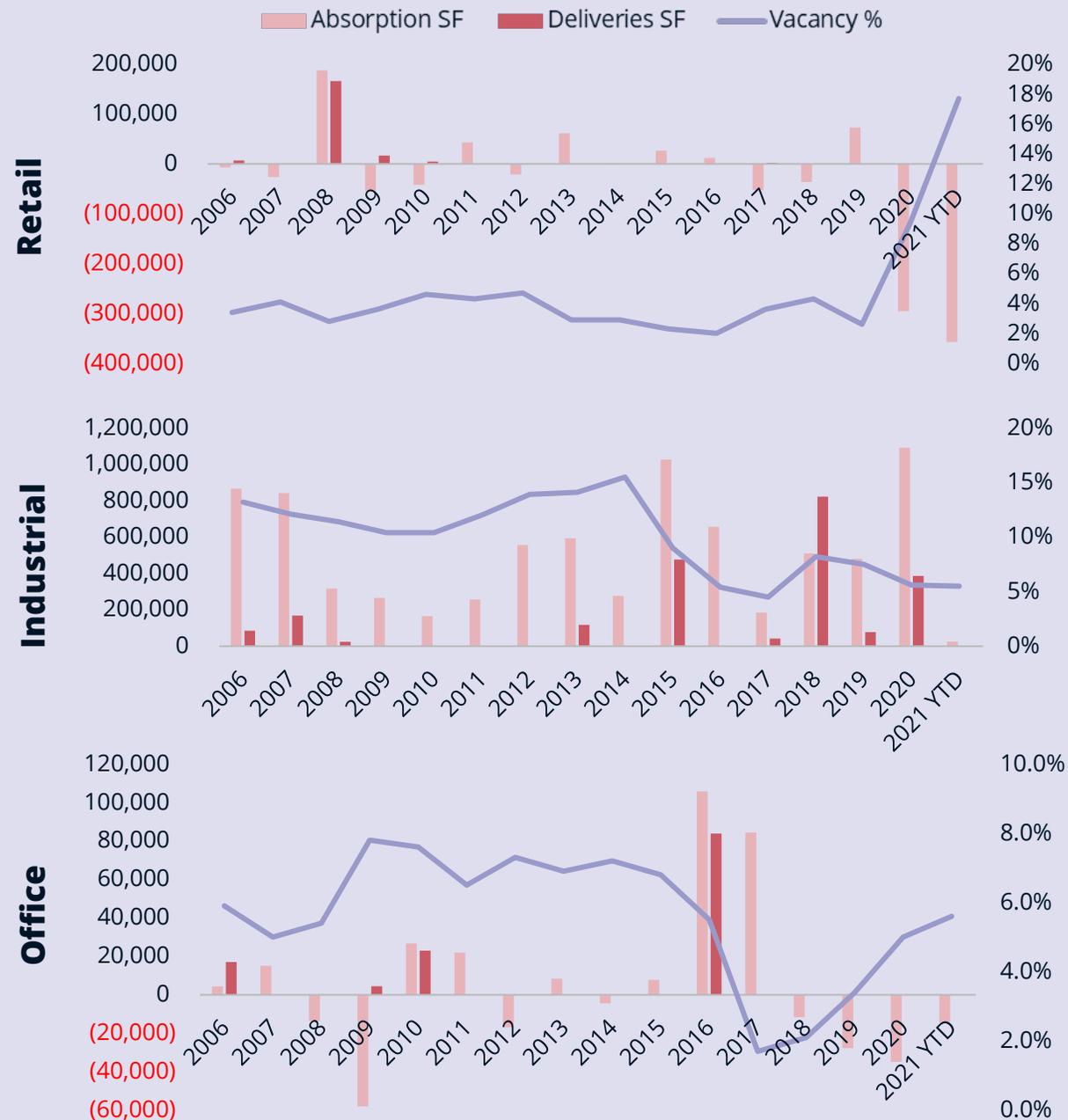
**Office** vacancy is relatively low at 5.6%, though it has been increasing since 2018 due to negative absorption. According to available data, there has been limited new development of office space in Richmond in recent decades.

## Data Challenges

In Richmond, available space is often advertised informally rather than through traditional methods. Because of this, **commercial listing data likely underrepresent the true commercial vacancy rate in Richmond.**

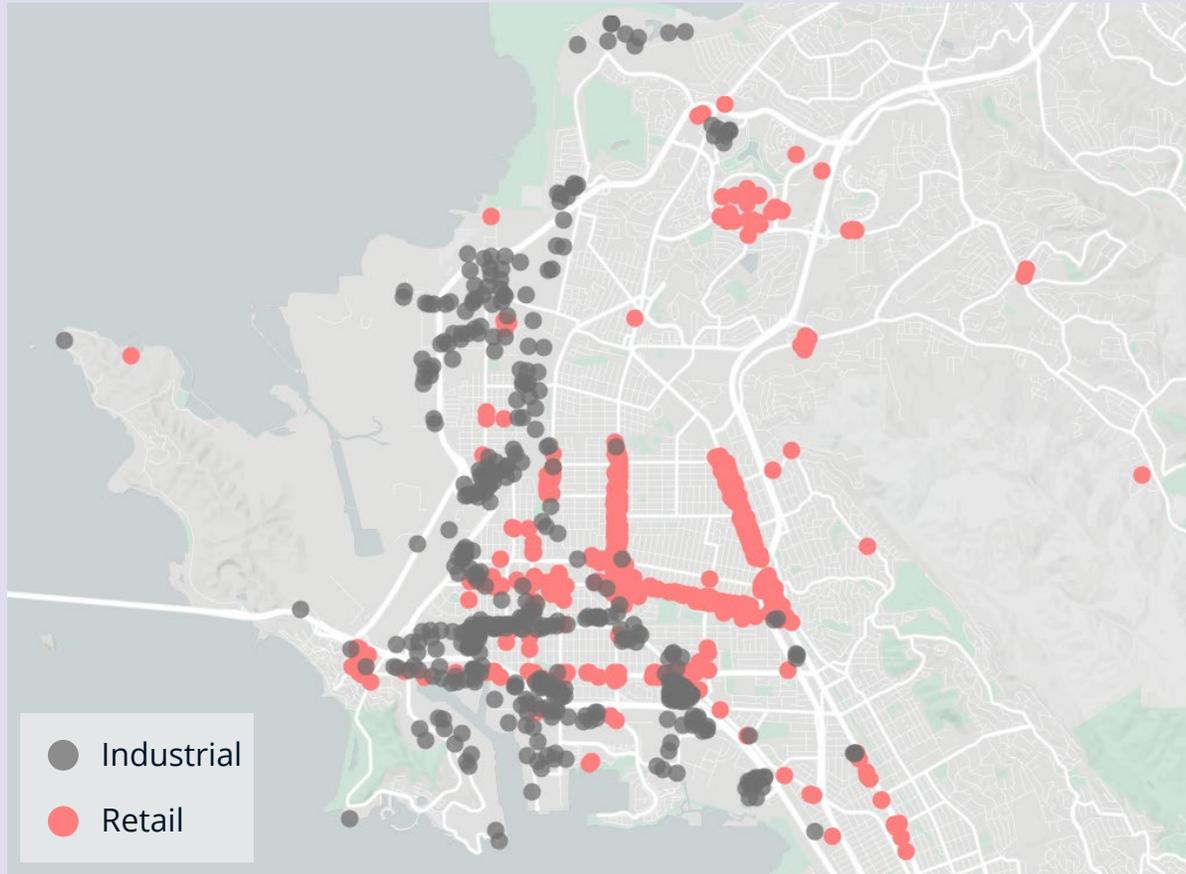
Source: CoStar Commercial Listing Service

## RICHMOND REAL ESTATE VACANCY AND ABSORPTION



## COMMERCIAL AND INDUSTRIAL DISTRICTS

### Retail and Industrial Centers in Richmond



Richmond's major retail corridors are along **23rd Street, Barrett Avenue** and **San Pablo Avenue**. The **Hilltop** area, in the north of the City, is another major concentration of retail space and a potential opportunity for development.

Industrial spaces are concentrated to the west of the city and in the North Richmond Area, close to the rail tracks.

Source: CoStar Commercial Listing Service

## Built Environment Challenges

Properties that are vacant or have deferred maintenance may be a barrier to attracting outside investment in Richmond. In addition to having many properties which are vacant but not listed through traditional commercial listing services, Richmond has several chronically vacant commercial properties, including on major retail corridors. Some of these have deferred maintenance or are not built to current code, and would require significant investment in order to accommodate new tenants.

According to stakeholder interviews, some of the owners of these properties may be absentee investors uninterested in finding tenants, while other owners may not understand commercial leasing trends and practices. This makes it difficult for businesses to find space in Richmond, while contributing to negative perceptions of the city's commercial areas. Interviewees noted that **increased code enforcement activities or other intervention from the City could enhance curb appeal** and help attract business and investment in Richmond.

## RICHMOND'S ECONOMY | Business Environment

**A strong, competitive business environment is crucial to attracting and retaining businesses from a diverse range of industries.** The cost of doing business is a factor in the business environment, as is the availability of land or space for new and growing businesses, suitable infrastructure, and appropriate but not onerous regulations. Incentives can reduce the costs to move or expand, but they are most impactful when aligned with local policy and economic development priorities.

### Business Costs

**Richmond should consider the surrounding competitive environment in which it operates.** Adjacent cities offer similar locational benefits and compete with Richmond for businesses opening or expanding in the region.

**Richmond recently changed the structure by which businesses pay License Taxes.** On November 3, 2020, a City ballot measure (Measure U) passed in Richmond, changing the method for License Tax calculations from a system based on number of employees to one based on Gross Receipts. The new system has rates ranging from 0.06% to 5.0%. The range is dependent on industry and on Gross Receipt value, with higher rates on cannabis, firearms and larger businesses. These new rates go into effect for the City of Richmond on July 1, 2021. It is not yet known how Richmond's new Business License Tax structure will impact costs for businesses in Richmond.

**The cost of office and industrial space in Richmond is relatively low compared to surrounding communities.** However, low availability of move-in ready space or developable sites may hinder business attraction in Richmond. Property taxes in Richmond are 1.4%, higher than those in surrounding cities. Sales taxes in Richmond are comparable to others within the region.

### Rent Per Square Foot

	Richmond	Antioch	Brentwood	Concord	Martinez	Oakley	Pittsburg
Office	\$20.06	\$23.94	\$28.49	\$32.40	\$20.97	\$22.99	\$24.71
Industrial	\$10.91	\$10.54	\$16.22	\$15.93	\$18.15	\$9.18	\$8.35

Source: CoStar Commercial Listing Service, City of Richmond

### THE COST OF DOING BUSINESS

“Cost of doing business” refers to the expenses businesses incur based on their location. This could include:

- **Property costs**, including the availability of space, development costs, and the cost to buy or rent facilities;
- **Workforce costs**, such as the costs to identify, hire, and train employees;
- **Infrastructure costs and utilities**; and
- **Local and state taxes**, including property taxes, business taxes and any additional expenses or fees related to operation of the business.

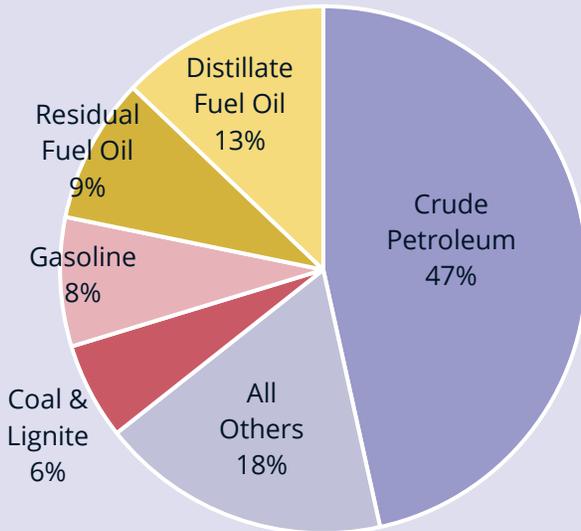
**Local and state incentives can also impact the cost of doing business** by reducing the financial and transactional costs of relocating or expanding a business. These may include:

- **Financial incentives**, such as tax or fee waivers or abatements, or public financing for needed infrastructure improvements and redevelopment;
- **Regulatory incentives**, including assistance with local licensing, zoning, or other approvals; and
- **Transactional support**, such as assistance with site search or hiring.

Incentives can be tied to local policy priorities such as creating high-quality jobs or revitalizing commercial districts.

## PORT OF RICHMOND

### Richmond Port Commodities



### Top CA Water Ports by Tonnage

Port	Tonnage	US Rank (2019)
Long Beach, CA	80.7 M	7
Los Angeles, CA	63.0 M	9
Richmond, CA	28.5 M	24
Oakland, CA	19.3 M	33

Source: Bureau of Transportation Statistics, California Association of Port Authorities

## Infrastructure

**Infrastructure is a crucial part of an attractive business environment.**

This includes a quality transportation network for industrial and commercial users and appealing streetscape for residents and businesses. Cities often pay for infrastructure improvements to secure private investment or support business attraction, such as replacing old utility and road infrastructure to meet the requirements of a new development.

**The Port of Richmond is a major economic asset and important piece of infrastructure for the City.**

The port has five city-owned terminals and ten private terminals, and is the most diversified cargo handler and the prime handler of liquid bulk and automobile tonnage among San Francisco Bay Ports. In 2019 the Port of Richmond executed \$2.01 billion in exports and \$7.51 billion in imports. Top exports included gasoline and other fuels, scrap iron and steel, and coal, and top imports included oil, passenger vehicles, and gasoline and other fuels. The port ranked 24 out of the top fifty of US water ports for tonnage in 2019, but is unranked for metrics such as dry bulk, container cargo, and value of shipments in US Ports. The City is in the process of planning for necessary infrastructure investments and other changes to maintain the Port of Richmond and improve its performance.

**Richmond has planned improvements to the streetscape in major commercial areas,** such as along 23<sup>rd</sup> street and downtown.

Streetscape improvements such as trees, improved pedestrian walkways, street parking for cars and bikes, and signage or planters, create a visual brand and appealing environment for shoppers and businesses. The Downtown Richmond Business Improvement District, which is managed by Richmond Main Street Initiative, supports street cleaning, trash removal, signage, and other programs to enhance the downtown commercial district. The City has supported multiple planning efforts to identify needed streetscape improvements along 23<sup>rd</sup> Street, but businesses report that the implementation of planned improvements has been limited.

### Local Economic and Workforce Development Programs

Like many localities, Richmond offers economic development programs. However, **the specific nature of incentives or resources available and the process to apply for and access them is not clear** on the City's website. This likely limits the effectiveness and accessibility of these programs to businesses locating or expanding in Richmond. Local programs include:

- **On-the-Job-Training** This program administered by RichmondWORKS and funded through a combination of City and State funds provides reimbursement of up to 50% of wages paid for new hires during an initial training period of up to 6 months, with a focus on jobs involving new technologies, production, and services. From 2016 to present, this program has supported training for 64 jobs.
- **Employer Services** RichmondWORKS provides other services to Richmond businesses including support for recruitment.
- **Services for Job Seekers** In addition to the business services listed above, The City also provides a range of services to residents and job seekers through RichmondWORKS, including training, job search assistance, career counseling, and other support. YouthWORKS serves youth in Richmond ages 14-24, providing career development, training and academic support. RichmondBUILD is a public private partnership program that trains workers from disadvantaged communities for jobs in the energy and construction sectors. Contract compliance reviews compliance with City ordinances, also providing guidance and support for implementation of city policies around local hire, local contracting and wages.
- **Richmond Revolving Loan Fund** This City-funded program is administered by Community First Lending and provides loan funding between \$5,000 and \$100,000 to help businesses with operational costs, machinery and equipment expenses, fixed asset improvements or purchases, and façade improvements.

**City-provided programs are almost entirely workforce development programs provided by RichmondWORKS.** This strong suite of services is targeted to businesses is more frequently seen at the county level.

### State Economic Development Programs and Incentives

The California Governor's Office of Business and Economic Development (GO-Biz) is the state's primary provider of economic development services and programs. GO-Biz provides a range of business incentives and programs, including tax credits, support for small businesses, and support for international trade and investment activities. State incentives include:

- **California Competes Tax Credit** This is an income tax credit to support business attraction, retention, and growth in California. It is available to businesses of any industry or size based on factors including job creation, total investment, and strategic economic importance.
- **Manufacturing Sales and Use Tax Exemption** This program provides a 3.9375% exclusion for state sales taxes on up to \$200 million per year in purchases of equipment for uses including manufacturing and research and development.

### Regional and State Economic Development Initiatives

The City can capitalize on regional and state economic development offices and initiatives to expand its business attraction and economic development activities.

- **East Bay Economic Development Alliance** The East Bay EDA is a member-based organization that leads regional marketing and economic development activities including resources for businesses and employers in the East Bay region, regional land use and infrastructure planning, and workforce development. Richmond is not a member of the East Bay EDA.
- **Northern Waterfront Initiative** In 2019 the Northern Waterfront Initiative brought together many of Richmond's neighbors for the common goal of increasing jobs and leveraging existing regional employment trends. These initiatives include developing a sustainable and inclusive regional economy, targeting employment clusters including support for manufacturing, employment training, developing permitting guides, concierge services, and regional transportation initiatives. Richmond did not participate in this initiative.
- **Governor's Office of Business and Economic Development (GO-Biz)** GO-Biz, the state's primary economic development entity, provides free consultation to businesses to help identify available incentives, find a suitable site, and access support with regulatory compliance and assistance with exports or foreign direct investments. GO-Biz also provides resources for regional economic development efforts, for workforce development, and entrepreneurship. In addition, GO-Biz markets the state's benefits to businesses generally and in target industries including manufacturing, and provides industry-specific programs and incentives.

### Opportunity Zones

**Opportunity Zones may provide a source of private investment in business and real estate which the City could attract as part of economic development efforts.** The Opportunity Zone Program, created in 2017, creates a tax benefit for investors in development and businesses within designated Census tracts. A large portion of nearby Opportunity Zone areas are within North Richmond and San Pablo, but there are two census tracts within Richmond that are designated Opportunity Zones. The City of Richmond has identified City-owned and other government-owned properties and vacant parcels that may represent development opportunities within Opportunity Zones.

## RICHMOND'S ECONOMY | Business Environment

### Regulatory Environment and City Capacity

**Regulatory accessibility, access to information, and clarity of information are interrelated challenges in Richmond's regulatory environment that impact property owners and businesses of all sizes,** particularly businesses owned by marginalized populations or without political connections.

- **City staff capacity** is a factor in the City's accessibility challenges. The City has approximately **X** full-time equivalent employees working on economic development activities including business attraction, retention, and outreach to businesses and business providers. The City will need to add additional staff to take on additional economic and business development activity. The City should also evaluate the capacity of other City departments (including RichmondWorks and the community development department) to deliver services including workforce development, code enforcement, planning, and building permits and inspections.
- **The City's regulatory processes** are a frequently-cited challenge for businesses and property owners. These include processes for building permits, zoning approvals, and business licensing. Complicated or unclear processes, limited information, and lack of follow-up or clear and consistent communication from the City all contribute to difficulties for businesses and property owners interested in investing in property improvements or opening new businesses. This may contribute to vacancy of commercial property or cause businesses to locate outside Richmond.
- **Access to and clarity of information** is closely linked to both staff capacity and the regulatory process challenges. Lack of accessible, centralized, and up-to-date information on the City's website may put Richmond at a disadvantage compared to adjacent municipalities. Online resources including license fee calculators, informational guides, property search assistance, and online applications are valuable tools for businesses. Richmond has many of these resources, but they are often difficult to find and navigate on the City's website.

### STAFF CAPACITY

Placeholder – Comparison of FTE positions in Richmond & other cities

## RICHMOND'S ECONOMY | COVID-19 Impacts

Since March 2020, the COVID-19 pandemic has had significant impacts on economies nationwide and globally. High unemployment, changing consumer spending patterns, temporary and permanent business closures, and economic uncertainty have posed challenges in Richmond and other local economies.

### Unemployment

Richmond saw a spike in unemployment due to COVID-19, and recovery has been slower than statewide unemployment. Pre-COVID, unemployment in Richmond was slightly lower than in the state as a whole. Unemployment reached a high of 17.1% in April 2020, higher than the statewide unemployment rate of 16.4%. Unemployment has been trending downward since April, and is now below 2010 levels. However, the City's unemployment rate remains high relative to statewide unemployment.

### UNEMPLOYMENT DURING THE COVID-19 PANDEMIC

#### California Unemployment Rate



#### Richmond Unemployment Rate



Source: U.S. Bureau of Labor Statistics, LAUS

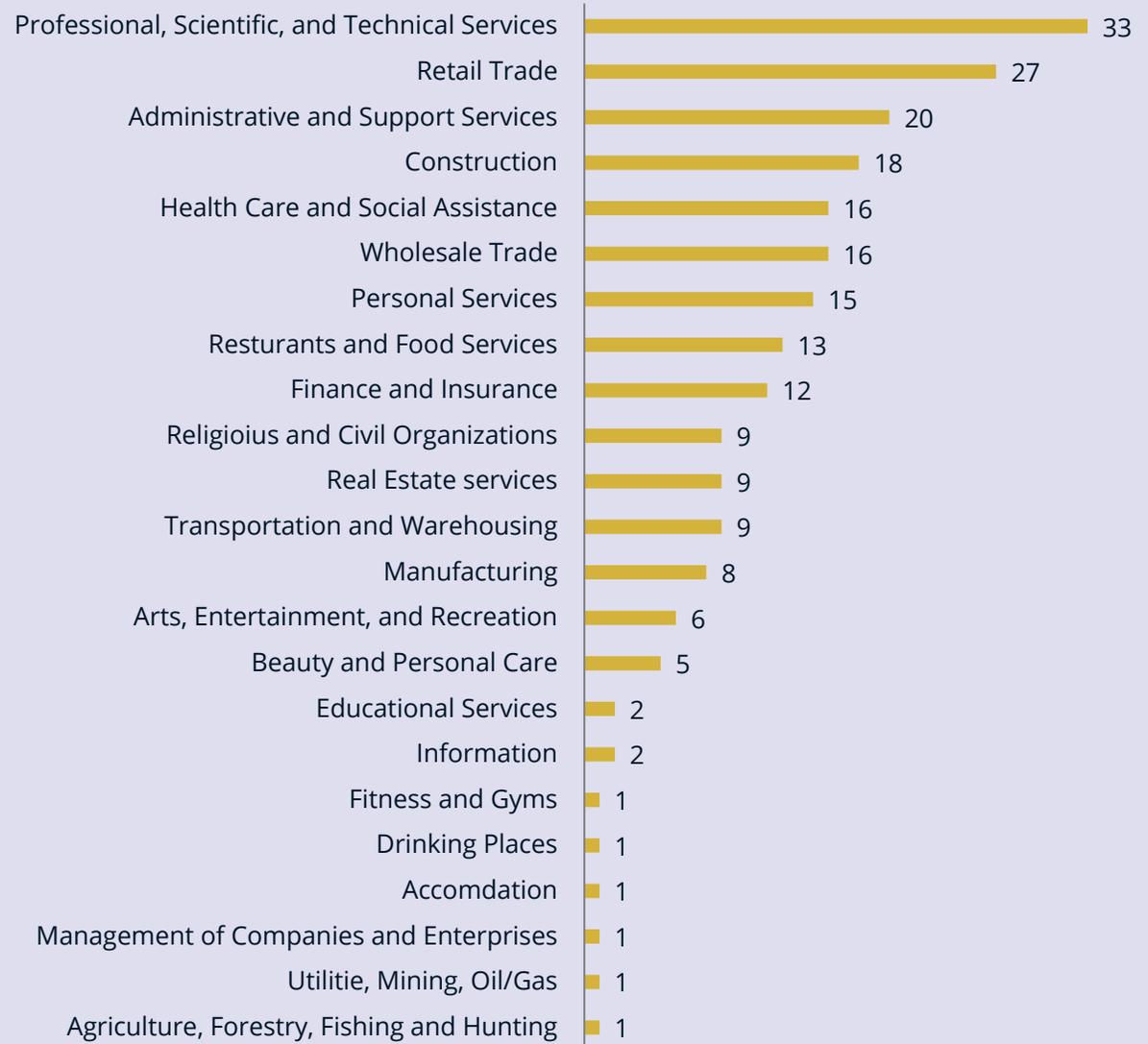
## Richmond Business Closings

**COVID-19 caused the temporary or permanent closure of over 225 businesses in Richmond.** Many of the industries most impacted by closures were those that rely on in-person service, including retail, construction, and personal services. Professional services and administrative services also saw a relatively large number of business closures.

Available information strongly suggests many of these represent small businesses. 89% of businesses that closed between March and December 2020 had between 1 and 9 employees. A similar proportion were single-location businesses, as opposed to a branch or headquarters location.

## BUSINESS CLOSURES IN RICHMOND (MARCH 2020 – DEC 2020)

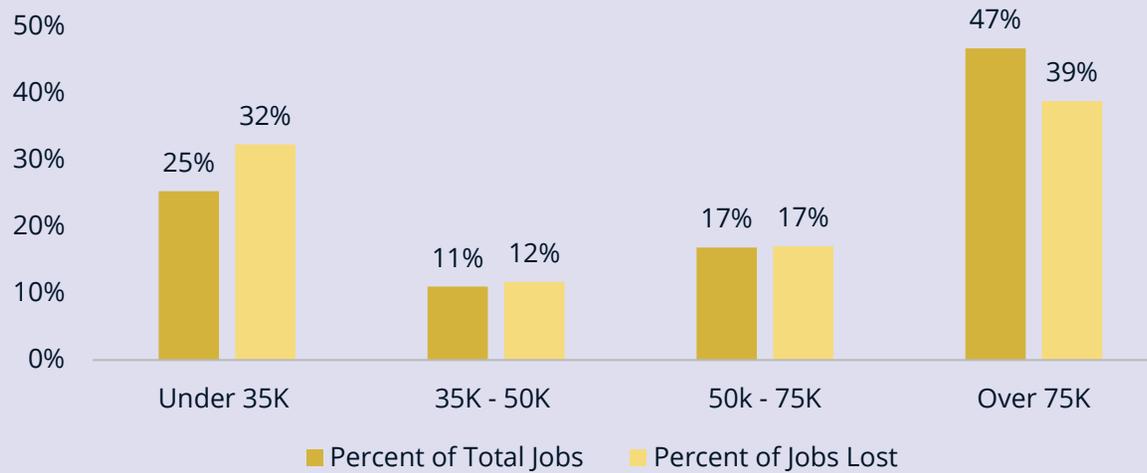
### Business Closures in Richmond by Industry



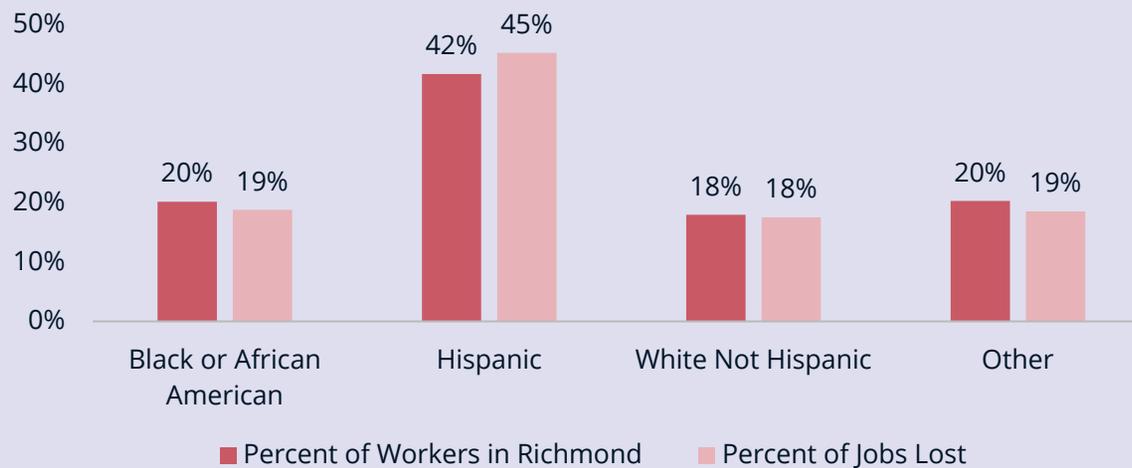
Source: East Bay EDA

## RICHMOND RESIDENTS IMPACTED BY JOB LOSSES

### Job Losses by Income



### Job Losses by Race



Source: BLS LAUS, BLS CES, EMSI Industry Tables, American Community Survey 5-year estimates (2019), PUMS data

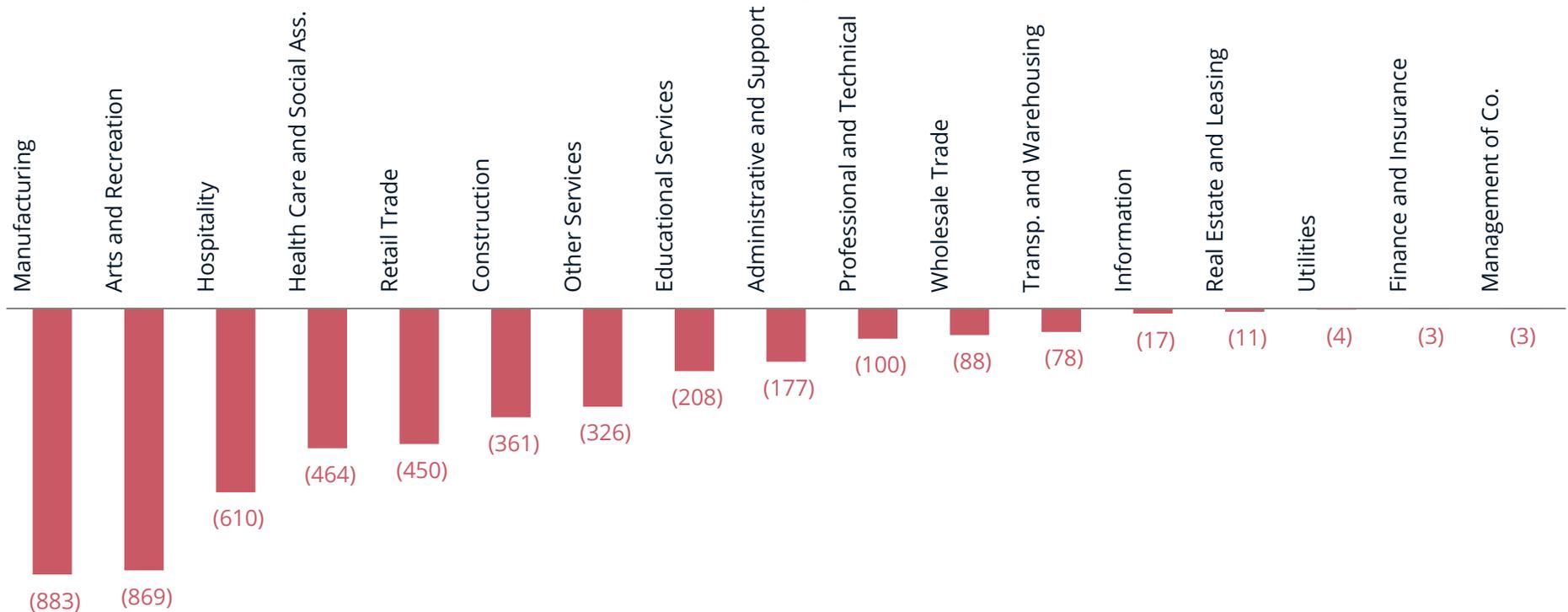
**Job losses due to COVID-19 did not impact all Richmond residents equally, and low-income workers living in Richmond were disproportionately impacted.** Estimates indicate that almost one-third of Richmond residents who lost their jobs due to COVID-19 earned less than \$35,000, though these low-paying jobs accounted for only 25% of total jobs held by Richmond residents. By contrast, Richmond residents earning over \$75,000 were disproportionately likely to keep their jobs through the pandemic.

**However, racial disparities in job losses for Richmond residents do not appear to be as severe as national trends indicate.** The racial and ethnic distribution of Richmond residents who lost their jobs due to COVID-19 appears to be relatively close to the distribution of the population of workers in Richmond overall; Hispanic residents may have been slightly more impacted by job losses than the rest of the population.

## Industry Impacts

**Job losses due to COVID-19 occurred throughout Richmond's economy, but the greatest losses were likely felt in manufacturing, arts and recreation, and hospitality.** Together, these three industries account for approximately 51% of all job losses. Manufacturing losses have been dependent on changing consumer trends nationally. Some manufacturers have had to increase production, while others have lost business as their products become less necessary or more costly to produce during the pandemic. Some manufacturing businesses have had difficulty retaining employees, who took jobs with essential services manufacturers. About one third of jobs in Richmond's arts and recreation industry pre-COVID were in fitness and recreational sports, an industry that faces complications in continuing operations during the pandemic.

**Estimated Job Losses in Richmond by Industry  
Feb - Sept 2020**

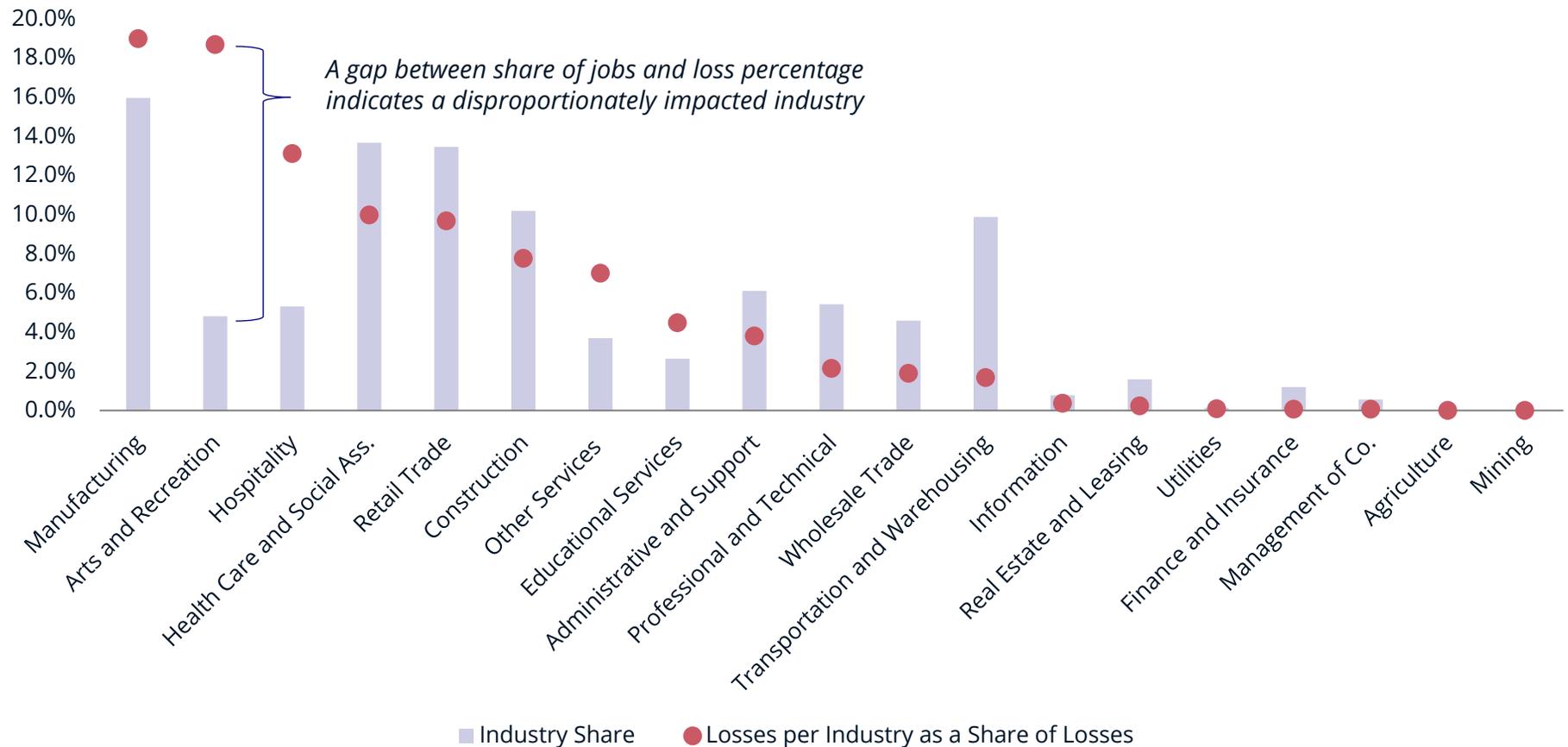


Source: BLS LAUS, BLS CES, EMSI Industry Tables

## RICHMOND'S ECONOMY | COVID-19 Impacts

A comparison of job losses due to COVID-19 with pre-COVID employment illustrates that some industries, such as hospitality and arts and recreation, were disproportionately impacted by the pandemic, while other industries, such as health care, had relatively low job losses when compared with the size of employment overall. The largest disproportionate job losses (that is, the share of job losses in the industry compared with total losses in Richmond is greater than the share of pre-COVID employment the industry represented to Richmond's economy) occurred in arts and recreation and hospitality. The arts and recreation industry in Richmond is primarily comprised of independent artists and fitness and recreation; these jobs were likely the most impacted. Among Richmond's largest industries such as manufacturing, health care, retail, construction, and transportation, only manufacturing saw an outsized impact of COVID-19. Transportation and warehousing in particular had minimal job losses.

### Industry Impacts Compared with Pre-COVID Employment



Source: BLS LAUS, BLS CES, EMSI Industry Tables

# RICHMOND'S ECONOMY | Opportunities and Challenges

## Opportunities

- **Richmond has a growing economy with legacy and emerging industry strengths.** The City has seen overall growth in its population and employment, and diversification of its economy, including growth in new areas of manufacturing like food and chemical products manufacturing, and an emerging cluster of transportation, warehousing, and distribution industries. These industries, as well as construction and others, are likely to continue to grow locally and nationally. The City can also better connect its economic strengths to regional strengths in technology.
- **Richmond has a strong ecosystem of economic development and business service organizations,** including City-run RichmondWorks and nonprofits such as RMSI, Renaissance Center, 23<sup>rd</sup> Street Merchants Association, CoBIZ, the Small Business Development center, and other nonprofits that provide crucial business assistance. In addition, state and regional economic development organizations such as the East Bay Economic Development Alliance provide opportunities for the City to expand its business development capacity.
- **Richmond has relatively low property costs and rents** compared with the rest of the region. Real estate professionals anticipate increased investment from commercial businesses moving to Richmond.
- **COVID recovery resources will likely provide an opportunity to fund capital projects to support resilience in equity.** Significant Federal recovery funding is anticipated for infrastructure projects, workforce training, and other local needs.
- **The City has made a commitment to creating equitable access to economic opportunity for residents.**

## Challenges

- **COVID-19 has had impacts throughout Richmond's economy; small businesses, some larger businesses, and residents who lost jobs may still be struggling to recover.** The Short-Term Local Business Recovery Action Plan outlines actions for the City to support businesses and workers in the near-term, but longer-term efforts are needed to create a just and resilient recovery.
- **The City needs to overcome past practices that have limited its capacity for economic development.** Past leadership was conservative and insular in its approach to economic development, which put the City in a position to be responsive to the private sector, rather than proactive in setting and implementing an economic development agenda. In addition, the City has limited public resources and staff capacity to implement current and new programming.
- **There is a significant trust deficit, arising from problems with transparency, capacity, and accessibility.** Partly due to its capacity constraints, the City has not built an environment of engagement and trust with residents or businesses. This is compounded by challenges with the City's regulatory processes, clarity of information, and accessibility of staff. Disparities in the accessibility of City services can discourage private investment and create barriers to economic opportunity for residents and business owners.
- **Richmond's built environment hinders business growth and investment, and leads to perception challenges.** This includes issues with deferred maintenance and vacant properties, delayed building permits, and code enforcement activities.

# **STRATEGIC PLAN**



The strategic plan identifies ways for Richmond to support business development, including improved services to existing businesses of all sizes, and strengthened business attraction and retention. The recommended strategies and actions address Richmond's economic development challenges while capitalizing on strengths and emerging opportunities, informed by the guiding principles.

**Additional capacity will be needed to ensure the successful implementation of the strategic plan.** The City has financial and organizational constraints that limit its ability to deliver robust economic development programming. Where possible, the strategic plan identifies opportunities to leverage external capacity through partnerships and to use state, federal, private, and philanthropic funding to advance economic development initiatives. However, **the City must expand its economic development capacity by hiring new full-time economic development staff to oversee new programs and partnerships.**

The following section provides an overview of three strategies to advance business development and economic opportunity in Richmond as well as guidance about how these strategies can address the city's most pressing challenges, capitalize on emerging opportunities, and align with the guiding principles to support inclusive economic growth. For each strategy, the plan identifies a set of recommended actions and performance metrics to evaluate the success of implementation. The plan then provides detailed descriptions of each recommended action, including how it will advance Richmond's goals, what City department or partners will lead and support implementation, initial steps for implementation, and anticipated outcomes. Throughout, the plan illustrates best practices and successful examples of similar programs from around the country.

## STRATEGIC PLAN CONTENTS

Overview **40**

Goal and Strategies **41**

Strategy 1. City & Capacity **42**

Strategy 2. Businesses & Residents **43**

Priority Industries **44-45**

Strategy 3. Buildings & Infrastructure **46**

Recommended Actions **47-65**

Action 1A **47-48**

Action 1B **49-50**

Action 1C **51**

Action 2A **52**

Action 2B **53-54**

Action 2C **55-56**

Action 2D **57-58**

Action 2E **59**

Action 3A **60-61**

Action 3B **62**

Action 3C **63-64**

Action 3D **65**

Performance Metrics **66**

Implementation Timing **67**

**GOAL: Support business investment and attraction while enhancing equitable outcomes for Richmond residents and business owners.**

### STRATEGIES & ACTIONS:

#### 1. CITY & CAPACITY

**Create a culture of partnership** and build trust with the City's stakeholders.

- A. Develop consistent processes for **ongoing engagement** with residents and businesses.
- B. Continue working the **Economic Development Working Group** to collaborate on major initiatives.
- C. Build **regional partnerships** to support economic development.

**Strengthen the City's business environment** to attract, retain, and support a range of businesses, with a focus on priority industries.

- A. Partner to pursue **funding for workforce training and reskilling**, through partnerships with training providers and employers.
- B. Streamline the City's **regulatory processes** and provide clear guidance to applicants.
- C. Support **continued growth and diversification of Richmond's manufacturing sector**.
- D. Expand **local incentives** to reduce the cost of doing business, retain and attract priority industries, and build economic mobility.
- E. Establish a **pop-up storefront space in downtown Richmond** to provide a venue for start-up retail businesses and artists.

#### 2. BUSINESSES & RESIDENTS

Use local, federal, and private funding to **make needed investments in infrastructure and improvements to the built environment**.

#### 3. BUILDINGS & INFRA-STRUCTURE

- A. Pursue **recovery funding for capital projects** that enhance community resilience and attract private investment.
- B. Provide support for small businesses in **finding or making necessary improvements to brick-and-mortar space**.
- C. **Engage with property owners** through a range of means to encourage investment and reduce vacancy.
- D. Build relationships with **commercial and industrial property brokers** to increase marketing and leasing of available properties.

### 1. City & Capacity: Create a culture of partnership and build trust with the City's stakeholders.

**Building partnership and trust will be crucial to the successful implementation of the business development strategy and to ensuring equitable access to City services.** The City of Richmond has limited capacity to advance a comprehensive range of business and economic development programs. However, the City has a strong ecosystem of local and regional partners in the public and nonprofit sectors that can partner to jointly implement new programs and initiatives. Local partners can help Richmond expand its business development programming without overextending City staff, while regional partners can connect Richmond to new resources, tools, and opportunities for business attraction and investment.

**Richmond currently faces a deficit of trust with residents and businesses, with implications for both business development and equitable growth.** Stakeholders cite a lack of transparency and consistent communication from multiple City departments and leadership on issues including regulatory changes, planned investments, available programming, and services. Limited City capacity is a contributing factor, as staff may not have the time needed to provide consistent follow up and proactive engagement with residents, businesses, and local and regional partners. However, this results in an environment in which individuals with political ties or access to City leaders receive more timely responses than those without this access; this creates a significant barrier to equitable opportunity for businesses, residents, and property owners.

**The City must take action to expand its capacity and increase communication through partnerships with local nonprofits and business providers, and with regional economic development organizations.** This work builds on the recommendations to increase collaboration and outreach included in the Short-Term Local Business Recovery Action Plan.

#### RECOMMENDED ACTIONS

- A. Develop consistent processes for **ongoing engagement** with residents and businesses.
- B. Continue working the **Economic Development Working Group** to collaborate on major initiatives.
- C. Build **regional partnerships** to support economic development.

### 2. Businesses & Residents: Strengthen the City's business environment to attract, retain, and support a range of businesses, with a focus on priority industries.

**A healthy, growing, and equitable local economy requires a business environment that encourages investment in businesses of all sizes in a range of industries, as well as a concentration of industries that drive employment growth and attract new employers.** The City of Richmond has a growing economy with existing and emerging clusters in manufacturing and transportation. To support continued growth, the City must strengthen its business environment, with a focus on emerging areas of strength and industries that enhance economic opportunity for residents.

**Economic opportunity and mobility for residents are crucial components in moving toward an equitable economy.** Richmond should focus its business attraction and retention efforts on employers that provide living-wage jobs with benefits, and opportunities for advancement through training or work experience. Workforce training provides dual benefits by helping residents access higher-skilled jobs and by attracting and retaining employers who value a skilled local workforce. Support for entrepreneurship and locally-owned businesses by reducing start-up costs and regulatory barriers is another crucial component of economic opportunity, providing a pathway to wealth creation for business owners. The City should consider how best to align economic development investments to ensure equitable outcomes and enhance economic opportunity.

**An improved business environment will be crucial to Richmond's continued economic growth,** and requires strengthened support for workforce training, enhanced economic development services including incentives, reduced regulatory barriers, and programming to attract and retain priority industries.

#### RECOMMENDED ACTIONS

- A. Partner to pursue **funding for workforce training and reskilling**, through partnerships with training providers and employers.
- B. Streamline the City's **regulatory processes** and provide clear guidance to applicants.
- C. Support **continued growth and diversification of Richmond's manufacturing sector**.
- D. Expand **local incentives** to reduce the cost of doing business, retain and attract priority industries, and build economic mobility.
- E. Establish a **pop-up storefront space in downtown Richmond** to provide a venue for start-up retail businesses and artists.

### PRIORITY INDUSTRIES

#### Locally-Owned Businesses

Small and locally-owned businesses are an important asset in economic diversity and the vitality of neighborhood commercial districts. Access to business ownership can also be an important factor in economic mobility and asset-building for residents. However, structural and financial barriers can limit the availability of capital or access to resources for small businesses, particularly those owned by people of color or people with language or technology barriers. **An ecosystem of small and locally-owned businesses will be important to the long-term health and equity of Richmond's economy.**

#### Transportation, Warehousing, and Distribution

**The transportation, distribution, and warehousing industry has been a driver of employment growth in Richmond in recent years, and is expected to be among the fastest-growing industries nationally over the next ten years.** Jobs in this industry, which includes freight trucking, sea and coastal transportation, taxi and limousine services, and urban transit, pay median wages slightly below the citywide average, but may enhance economic mobility through advancement opportunities. In addition, Richmond's strengths in transportation and warehousing can continue to help attract and retain manufacturers and other employers that rely on transportation and logistics services.

#### Manufacturing Diversification, including Small and Medium Manufacturers

Manufacturing has long been central to Richmond's economic base, and industries like petroleum manufacturing will likely continue to provide significant employment in Richmond. However, **the growth of new manufacturing enterprises in Richmond, including food and beverage, computer and electronic product, and chemical manufacturers, indicate an opportunity to support further diversification of manufacturing,** to attract tech start-ups with prototyping or manufacturing needs, and to promote entrepreneurship in manufacturing.

#### Construction

**The construction industry provides a large number of jobs within Richmond, and supports access to good quality jobs,** particularly in partnership with the City's RichmondBUILD program. Construction is likely to continue to grow, particularly due to the significant funding for both affordable housing and infrastructure that is anticipated through the State's recovery funding programs. Richmond has an opportunity to ensure a pipeline of skilled construction workers and support local contractors in accessing work to create high-quality job opportunities for residents.

### PRIORITY INDUSTRIES (CONTINUED)

#### Green Economy

**The City has made a commitment to supporting green businesses and “green-collar jobs” to support dual goals of long-term resilience and economic opportunity for residents.** Continuing this work, the City has an opportunity to prioritize economic development tools to help existing businesses make investments in green infrastructure and to support and attract green businesses, particularly in industries such as construction, transportation, and manufacturing. Partnerships with existing employers may provide an opportunity to expand training and investments to expand Richmond’s green economy. Statewide initiatives including a proposed ban on cars that use fossil fuels by 2035 will further enhance the opportunity to pivot toward new sources of fuel and energy.

#### Cannabis

**The legalization of cannabis in California has created opportunities for new businesses in the cultivation, manufacturing, distribution, and retail of cannabis-based products, as well as support industries.** These industries are heavily regulated at both the state and local level, and the City is already evaluating its regulatory structure to identify potential changes. Depending on the outcome of this work, the City may have a particular opportunity to attract or support local small- and medium cultivators and manufacturers. In addition, the state has dedicated \$100M in recovery funding to provide grants to local jurisdictions to support growth in the cannabis industry

### 3. Buildings & Infrastructure: Use local, federal, and private funding to make needed investments in infrastructure and improvements to the built environment

**A highly-amenitized downtown or mixed-use center serves residents, supports local growth, and attracts private investment.** Effective commercial districts serve as economic and cultural centers, reflective of the community's history and unique identity. Richmond's downtown is already undergoing revitalization with the support of the City and Richmond Main Street Initiative. To build on early successes, the City should prioritize making needed infrastructure investments and addressing chronic vacancy in downtown and other priority commercial districts.

**Public-private partnership is a crucial tool to attract private investment and support development, particularly in areas with high vacancy, deferred maintenance, or other challenges** that may indicate a weaker market for real estate development. Negative perceptions, high vacancy, and unmotivated property owners have contributed to a lack of investment and new development in Richmond's commercial centers. This creates dual challenges to equitable economic growth: first, it can lead to a cycle of disinvestment and further discourage new business investment and discourage property owners from making necessary improvements; second, a lack of affordable and move-in ready commercial space creates a barrier for businesses looking to establish, grow, or relocate in Richmond. To address these challenges, the City should use all available local tools to encourage property owners to make investments or sell so that properties can be put into productive use.

**COVID-19 recovery presents a unique opportunity for Richmond to capitalize on federal recovery funding to pursue priority projects to address infrastructure needs and build community resilience.** The City should identify projects that address community-defined priorities while also attracting private investment, and pursue federal recovery funding to make priority investments.

#### RECOMMENDED ACTIONS

- A. Pursue **recovery funding for capital projects** that enhance community resilience and attract private investment
- B. Provide support for small businesses in **finding or making necessary improvements to brick-and-mortar space**
- C. **Engage with property owners** through a range of means to encourage investment and reduce vacancy
- D. Build relationships with **commercial and industrial property brokers** to increase marketing and leasing of available properties

# STRATEGIC PLAN | 1. City & Capacity

## 1A. Develop consistent processes for ongoing engagement with residents and businesses.

**A clear, consistent, and results-oriented process for engagement with residents and businesses will build trust with the community while helping the City better understand the needs and priorities of residents, property owners, and local business owners.** A strong engagement process should not be tied to a particular policy initiative or planning effort, but should rather create a constant stream of input and information between the City and its residents and business community. This will not only strengthen the City's ability to meet business needs, but also reduce inequities in access to City information and services.

**Partly due to its capacity constraints, the City has not built an environment of engagement and trust with residents or businesses.** Residents and businesses in Richmond report that it can be difficult to access assistance from the City due to unclear channels of communication. In addition, some feel that the City has not included the business community in discussion over policy changes such as the recent Measure U business license tax changes. More robust engagement is needed to build trust and enable the City to better serve its residents and businesses. Due to limited City capacity, the Short-Term Local Business Recovery Action Plan recommended that the Economic Development Commission (EDC) outreach committee lead near-term efforts to build a network of engagement with local businesses and business owners.

**The City should continue to support the EDC outreach committee in its efforts to build networks of outreach to Richmond businesses beyond the implementation of the Short-Term Local Recovery Action Plan.** In the longer term, the City's economic development staff should develop and consistently implement processes for ongoing engagement with businesses and property owners, to create consistent forums for input and listening, and to build trust in the accessibility and predictability of City services and actions. The City's community development staff should do the same with residents and community organizations to ensure transparency and trust in the City's planning and development processes. High-quality engagement requires broad outreach to a diverse range of stakeholders, including those that are frequently left out of decision-making processes; and consistent, continuous, and participatory communication to bridge the divide between community and governance.

### Partners

- **EDC Outreach Committee (Anchor)**
- City Economic Development Staff
- City Community Development Staff

### Action Steps

1. Provide a forum for the EDC Outreach Committee to share concerns and input received through outreach
2. Identify strategies to increase outreach capacity for the EDC Outreach Committee or City staff
3. Provide clear updates on actions taken as a result of input received through business outreach

### Major Outcomes

- Improved transparency and communication between the City and local businesses
- Increased trust in City actions and policies
- Collaborative and equitable involvement of businesses and residents in decision-making
- Equitable accessibility of City services

### Priority Level

- High

## Economic Development Advisory Commission | San Carlos, CA

The Economic Development Advisory Commission (EDAC) is a seven-member commission appointed by San Carlos City Council to address economic development goals including maintaining a successful business climate and diverse job base. Members include business owners, landlords, and other representatives of the business community.

The Commission meets monthly and includes Liaison Committee that is responsible for business outreach. Each month, the Liaison Committee selects a different neighborhood to target for this outreach and the Liaison Committee members make one-on-one visits to businesses in the selected area connecting with both business owners and staff (many of whom are not able to attend City meetings) to identify issues throughout the city.

With a goal to implement quarterly, EDAC also hosts roundtables for businesses and industries to come together for more targeted conversations about the needs of specific businesses, such as main street retail, bio tech, black-owned businesses, nonprofits, and particular industries.

*Source: City of San Carlos, CA*



The Economic Development Commission and Economic Development Working Group have two distinct roles to play in Richmond's economic development.

Economic Development Commission (EDC)	Economic Development Working Group (EDWG)
Public commission	Informal working group
Members are primarily business owners, with some community members and economic development professionals	Members include City staff and organizations that serve a range of businesses in Richmond including small, medium, and large businesses. The EDC has a liaison to this group.
Reports to and advises City Council on business and economic development needs Acts as a communications bridge between the business community and City Council	Meets regularly to share information, ensure efforts are not duplicated, and collaborate on the design and implementation of economic development programs and initiatives.

### 1B. Continue working with the Economic Development Working Group to collaborate on major initiatives.

#### **An Economic Development Working Group can effectively expand the City's capacity to support businesses while increasing collaboration and building trust.**

Although the City's economic development staff have limited capacity to expand programming, Richmond already has a robust ecosystem of economic development and business services providers that the City can partner with to develop a shared business development agenda and coordinate on the provision of services.

**The Short-Term Local Business Recovery Action Plan recommended the formation of an Economic Development Working Group** of local business associations and business service providers to coordinate the provision of business recovery programs. This group will include representatives from small, medium, and large businesses and a liaison to the Economic Development Commission.

**Following the implementation of the Short-Term Local Business Recovery Action Plan, the City should continue working with the Economic Development Working Group, making it a permanent collaborative partnership.** The group should share information about ongoing programming and activities, identify areas for partnership or joint programming, and to cross-advertise business services and events. In addition, the group should identify and pursue priority strategic initiatives, which might include:

- Creating a **ladder of services and financing opportunities for businesses** as they move from ideation through the start-up phase and expansion;
- Providing **comprehensive support for businesses to access brick and mortar space**, including identifying and marketing available spaces, working with property owners and brokers, and providing technical assistance and funding (through the Richmond Revolving Loan Fund and other sources) to make needed capital improvements such as façade improvements or investments in equipment; and
- **Advising the City** on initiatives to achieve its business attraction goals.

#### **Partners**

- **City Economic Development Staff (Anchor)**
- Economic Development Working Group

#### **Action Steps**

1. Formalize a regular and permanent meeting structure
2. Develop a shared agenda of priorities informed by the Business Development Strategy
3. Identify implementation needs and assign roles for priority initiatives
4. Provide regular updates on progress and identify new areas of need and opportunity

#### **Major Outcomes**

- Expanded capacity for business services, economic development programs, and strategic initiatives
- Increased transparency and access to the City by business owners and service providers
- Expanded access to wealth building through business ownership for Richmond residents

#### **Priority Level**

- High

### Prosper Waco | Waco, TX

Prosper Waco is a collective impact initiative serving the Greater Waco community and addressing core areas of education, health, and financial security. The collective impact model brings together community partners to collaborate to advance a shared vision, led by a dedicated central organization. The initiative sets goals and Prosper Waco convenes working groups of implementing partners to collaborate on strategies to achieve those goals. The model relies on each participating organization pursuing different activities within a coordinated action plan, supported by continuous communication to build trust, reinforce the shared agenda, and celebrate successes. The initiative was established as a nonprofit organization in 2014. By 2019, the initiative had supported positive improvement in key economic indicators including employment of residents age 16-24, growing household wealth, and a 10% increase in median household income.

Source: Prosper Waco



**To be effective, it will be crucial that the Economic Development Working Group provides a forum for communication, collaboration, and accountability.** The agenda should be oriented toward advancing priority initiatives, sharing new programs or concerns, and building trust and transparency between the City and its partners.

### Sample Economic Development Working Group Meeting Agenda

#### 1. City Update

- City staff to share relevant news or updates

#### 2. Updates on Current Initiatives

- Lead organization for each initiative to report on current status and confirm next steps

#### 3. Selection of Priority Initiatives

- Items for next quarter
- Items for next year

#### 4. New Business

#### 5. Delineation of Tasks

## STRATEGIC PLAN | 1. City & Capacity

### 1C. Build regional partnerships to support business and economic development.

**Regional partnerships can help expand the resources and opportunities available to Richmond residents and businesses.** Neighboring municipalities, as well as state regional organizations, are pursuing initiatives that align with Richmond's strategic priorities. Partnerships with local and regional organizations will help Richmond participate in incentive programs and economic development initiatives. A partnership-based approach will expand the City's economic development toolkit without requiring new local programming.

**Richmond has historically limited its involvement in regional economic development efforts.** It is not a member of the East Bay Economic Development Alliance (East Bay EDA), a regional organization that promotes economic development in Alameda and Contra Costa counties with members from regional businesses, nonprofits, municipalities, and other public entities. In 2019, Contra Costa County and several cities within the county collaborated on the development of a Strategic Action Plan for the Northern Waterfront Economic Development Initiative, but Richmond did not contribute to the plan's development. The City's website highlights several incentive programs operated by the state Governor's Office of Business and Economic Development (GO-Biz), but does not link to the GO-Biz website or provide clear guidance on how to access these programs.

**The City should pursue partnerships with regional and state economic development entities, including the East Bay EDA and GO-Biz.** Richmond has a particular opportunity to pursue partnerships with these and other regional entities to help residents access workforce development services, to provide expanded incentives to businesses locating in Richmond, and to support the City's marketing efforts. The City should join the East Bay EDA and establish regular contact with GO-BIZ and Contra Costa County to understand how best to bring these programs to Richmond. Participation in these partnerships, as well as the implementation of other recommendations, will require added staff capacity.

#### Partners

- **City Economic Development Staff (Anchor)**
- East Bay EDA
- Contra Costa County
- GO-Biz

#### Action Steps

1. Join the East Bay Economic Development Alliance
2. Establish regular meetings with Contra Costa County and Go-Biz to share resources and build relationships
3. Promote state and regional economic development tools in business development and retention efforts
4. Seek out other regional partnerships as appropriate and actively engage with joint planning efforts

#### Major Outcomes

- Expanded access to economic development incentives and programs
- Increased use of regional and state economic development incentives and programs in Richmond
- Improved business attraction and retention

#### Priority Level

- Medium

## STRATEGIC PLAN | 2. Businesses & Residents

### 2A. Partner to pursue funding for workforce training and reskilling, through partnerships with local and regional training providers and employers.

**Workforce development can provide benefits to both businesses and residents.** A talented labor force and access to training and hiring services are part of a strong business environment and can help encourage businesses to locate, remain, or expand in Richmond. Access to high-quality (good wages and benefits) and high-opportunity (potential for advancement) jobs can increase incomes and economic mobility.

**Richmond provides a series of successful workforce development services,** led by RichmondWORKS, the City's Workforce Development Board. RichmondWORKS provides no-cost employment services including support for on-the-job training to Richmond businesses, and helps Richmond residents in need of job placement or career services. RichmondWORKS also oversees two talent development programs: YouthWORKS, which provides employment and academic support to at-risk Richmond youth between the ages of 14 and 24, and RichmondBUILD, which provides training programs in for high-growth, high-wage jobs in construction and renewable energy. However, it can be difficult for businesses outside Richmond to understand the extent of these services as comprehensive information is not available through the City's website.

**By leveraging current strengths, regional resources, and new partnerships, Richmond can strengthen its workforce and support economic growth.** In addition to increasing the capacity and transparency of existing workforce development programs, the City can better connect residents to new and existing training programs, with an emphasis on those that provide align with priority industries and increase access to high-quality, high-opportunity jobs. This may include:

- **Partnering with Contra Costa County and others regional entities to apply for funding** for new workforce development programming aligned with State priorities;
- **Working with local philanthropies and major employers to create or expand training programs,** such as a partnership with the manufacturing sector to support training for green industry jobs; and
- **Identifying existing regional programs** that provide upskilling, retraining, and funding, and increasing participation by Richmond residents.

#### Partners

- **RichmondWorks (Anchor)**
- City Economic Development Staff
- Regional workforce development providers
- Major employers & philanthropies

#### Action Steps

1. Consolidate and expand information about available services on the City's website, with information for businesses interested in employment services as well as for job seekers.
2. Actively follow and advocate for state recovery funding from the [American Jobs Plan](#)
3. Engage with regional workforce development providers and trainers to identify opportunities for collaboration

#### Major Outcomes

- Increased incomes and increased local employment for Richmond residents
- Strong business attraction and retention

#### Priority Level

- High

### 2B. Streamline the City's regulatory processes and provide clear guidance on new processes.

**Streamlining the City's regulatory processes for items such as business licenses and building permits will improve equitable access to these services, improve the business environment, and encourage private investment by businesses and property owners.** A more accessible regulatory environment will spur economic growth and increase access to economic opportunity for Richmond residents.

**The City's regulatory processes are often unclear and unpredictable.** Property owners and business owners have reported challenges to meeting the City's requirements for building permits to make necessary improvements, and to receiving clear and timely responses from the City. New businesses may need to apply for multiple permits and approvals, and often do not know which offices to call for help on a particular step in the process. Individuals with access to City leadership may be able to access services faster, which poses a barrier to equitable economic opportunity. The Short-Term Local Business Recovery Action Plan made initial recommendations to increase transparency through an informational brochure and consistent staff office hours, but more can be done to increase the accessibility of these processes.

**Regulatory streamlining paired with improved information and accessibility will be crucial to address the current regulatory challenges.** The City should make changes to its permitting and approvals processes, particularly those most frequently required for new businesses including business licenses and building permits:

- Streamline permitting and approvals processes **to limit the number of steps, hearings, and supporting documents** required;
- Commit to **providing timely responses** to all applicants;
- Provide clear information in the form of online and printed **process guides and checklists** that clearly identify all required steps, application materials, and contact information for relevant City staff, available in multiple languages; and
- Consider designating a **small business liaison to provide case management** services for all small business owners.

#### Partners

- **City Community Development Staff (Anchor)**
- Other City Staff (Fire, Economic Development, Finance, etc.)

#### Action Steps

1. Evaluate the City's processes including typical approval times, rounds of review, and frequent issues to identify areas for improvement
2. Revise processes as needed
3. Produce checklists and process guides, with relevant City staff contact information
4. Through engagement, continue to identify areas for potential improvement of processes or information

#### Major Outcomes

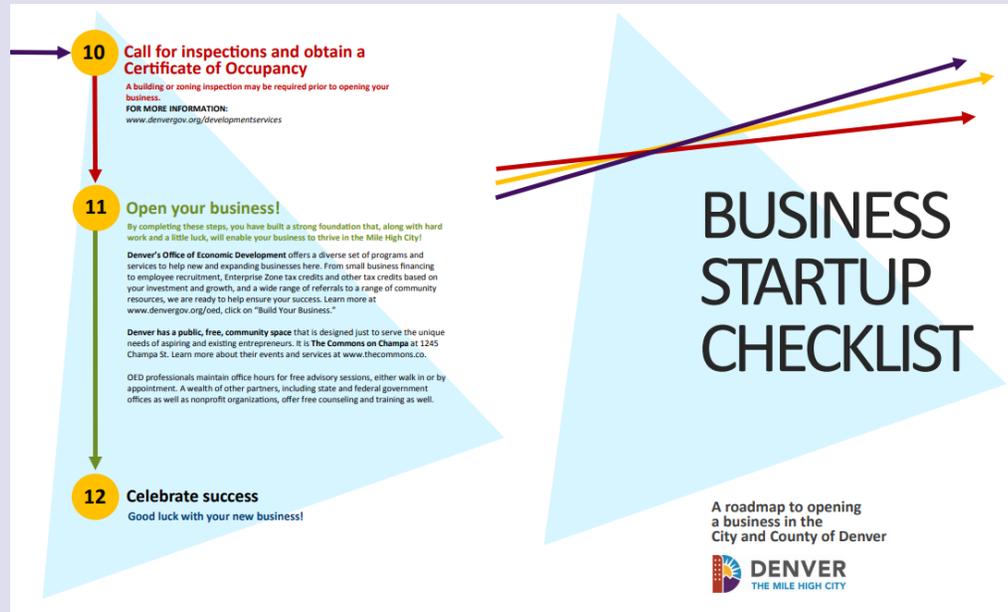
- Increased private development and investment in commercial property improvements, leading to an improved built environment and stronger property values
- Increased business investment and entrepreneurial activity, leading to wealth-building opportunities for Richmond residents

#### Priority Level

- High

# STRATEGIC PLAN | 2. Businesses & Residents

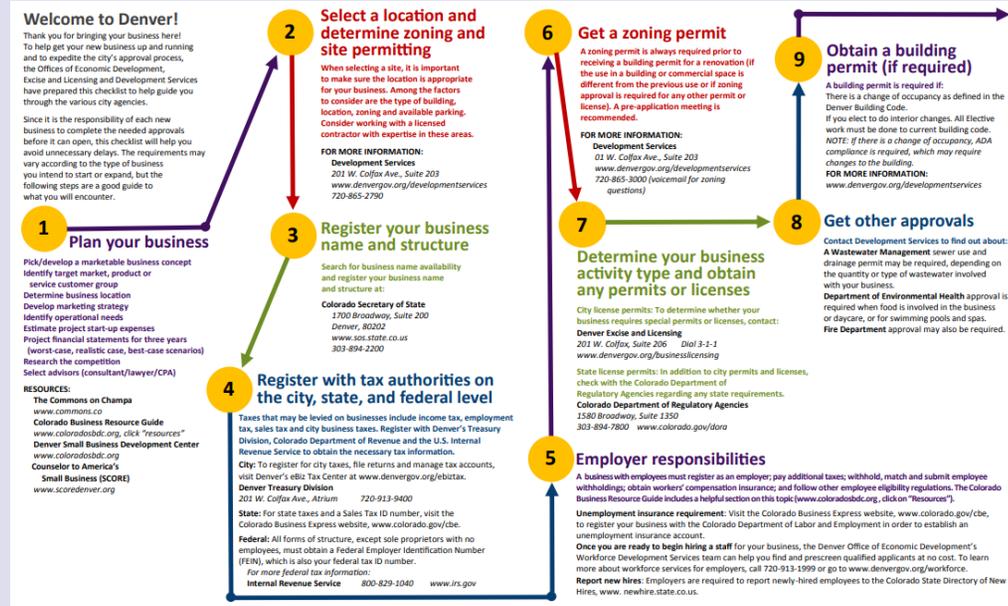
## DENVER BUSINESS STARTUP CHECKLIST



The City of Denver has produced an easy-to-follow guide for all new businesses. The **Business Startup Checklist** outlines all steps for from Planning your business through selecting a location, registering with tax authorities, and obtaining a certificate of occupancy. For each step, it provides contact information for the relevant City office and other resources.

Denver also provides a **toolbox for startups and small businesses** that identifies resources for business services, lenders, tax credit programs, workforce development, and certification for minority and women-owned businesses.

The City's website provides detailed information on how to access **building permits**, including guides by construction type with a step-by-step process, checklists, and required forms.



Source: City of Denver

### 2C. Support continued growth and diversification of Richmond's manufacturing sector.

**Manufacturing is a critical part of Richmond's economy, and will likely continue to grow and change over the next five to ten years.** Richmond has several opportunities to capitalize on this growth potential while lowering barriers to access for small manufacturers in need of affordable space and accessible business support.

**Manufacturing has been diversifying in Richmond in recent years,** with increased employment in food and beverage manufacturing, electrical equipment and component manufacturing, and chemical manufacturing among other industries.

**Richmond should take action to strengthen its manufacturing sector and become a regional hub for innovation in manufacturing.** This may include: supporting further diversification of the manufacturing sector; attracting green and advanced manufacturing employers; lowering barriers to access for small-scale manufacturers; and capitalizing on the region's strengths in tech and become a center for prototyping and testing new technologies. Actions the City can take include:

- Explore opportunities to create **shared space for small manufacturers** in partnership with CoBiz, the Council of Business & Industry, or other partners as appropriate, to support entrepreneurship, prototyping, and innovation;
- Work with **Contra Costa County and the Northern Waterfront Initiative** to identify opportunities for collaboration on industrial development strategies including a **transition to advanced manufacturing**;
- **Engage with manufacturing employers**, in coordination with strategies 1C and 2A, to understand their workforce and facilities needs and identify opportunities to support business retention and expansion; and
- In coordination with strategy 2D, **develop a package of available incentives and an inventory of available industrial facilities and land** and market it to potential employers.

#### Partners

- **City Economic Development Staff (Anchor)**
- Council of Business & Industry
- CoBiz
- Economic Development Commission (EDC)
- Economic Development Working Group
- Northern Waterfront Initiative

#### Action Steps

1. Work with the Economic Development Working Group, the EDC, or other groups as necessary to identify priority strategies and partners for implementation.
2. Work with Contra Costa County to join implementation of the Northern Waterfront Initiative Strategic Action Plan.

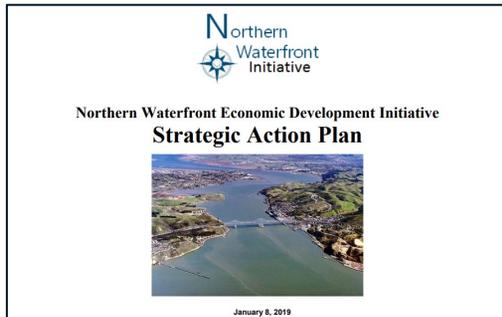
#### Major Outcomes

- Continued manufacturing growth and diversification, strengthening Richmond's economy and regional competitiveness
- Increased incomes and wealth building opportunities for Richmond residents

#### Priority Level

- Moderate

## STRATEGIC PLAN | 2. Businesses & Residents



The **Northern Waterfront Economic Development Initiative** is a collaboration between the County and seven partner cities to support a regional economic development strategy. In 2019 the Initiative released the **Northern Waterfront Economic Development Initiative Strategic Action Plan** to guide participating municipalities' work around the creation of a sustainable economy based on advanced manufacturing, innovation, and new technologies. The plan calls for expanded job opportunities including career pathways and access to green jobs, development of a pipeline of skilled workers, enhanced regional and community partnerships, and growing local tax bases. Many goals of the plan, including development of a sustainable, inclusive economy, growing workforce talent in manufacturing, and facilitating entrepreneurship, align with Richmond's economic development needs.

### **Tech Valley Center of Gravity** | Troy, NY

Tech Valley Center of Gravity is a manufacturing incubator and a 501(c)3 nonprofit which opened in Troy, NY in 2013. The incubator, which operates as a membership organization, was founded by local innovators with the goal of enhancing the local business climate and retaining young professionals. It quickly outgrew its initial 5,000 square foot facility, and received financial support from state economic development programs to open an expanded space in 2015. The Rensselaer County Industrial Development Agency and Troy Local Development Corporation also provided crucial financial support to make the project feasible.

The incubator has a Makerspace of 15,000 sf with facilities including a metal shop, welding, woodshop, laser cutting, electronics and 3D printing. The facility has a prototyping Center with higher-end equipment for those looking to scale up their products.

The space has programming for STEAM education, lectures, workshops and courses to support growth of their members, and has a Community Outreach Fund to cover membership fees of those who might otherwise not be able to participate. Additional Programming is provided through their children's Makerspace, the THINQubator.

Many products have come out of the space including an overhead lighting system that disinfects and a microbial fuel cell used to efficiently run wastewater treatment plants. One of the greatest benefits out of the incubator has been the creation of a community with opportunities for collaboration between members.



*Source: Tech Valley Center of Gravity*

### 2D. Expand local incentives to reduce the cost of doing business, retain and attract priority industries, and build economic mobility.

**Economic development incentives can help to attract and retain businesses to create local jobs**, particularly when they are structured to promote public benefits in addition to job creation. Incentives can be financial, such as tax credits for jobs created or retained, or tax abatements or exemptions to encourage new investment. Incentives can also include business services, such as assistance with site search, development, and hiring. Coordinating the provision of available state and local incentives can help support employment growth in Richmond, while the creation of an equitable incentive framework would help expand economic opportunity for Richmond residents.

**Richmond has limited local incentives.** Available programs are primarily the employment and job training services available through RichmondWORKS. The City advertises some State programs on its website, but the information is out of date.

**In the near term, Richmond should create a comprehensive package of available programs, including local and state incentives and services, and market these to businesses** interested in locating or expanding in Richmond. This would include:

- Available local workforce development support, including hiring and training;
- Site search services for businesses looking for leasable space or developable properties and technical assistance in accessing building permits, zoning changes, or other local approvals; and
- Available incentives through the Governor's Office for Business and Economic Development (GO-Biz) including available tax credits and exemptions.

The City should consolidate this information in a single location on its website and create marketing materials to highlight available support for businesses.

**In the longer term, the City can explore opportunities to create or restructure local incentives** to promote the creation of high-quality and high-opportunity jobs; the hiring, training, and advancement of Richmond residents; employment growth in target industries; and other priorities to **support economic growth for the City and economic mobility for residents.**

#### Partners

- **City Economic Development Staff (Anchor)**
- Economic Development Commission
- East Bay EDA
- GO-Biz

#### Action Steps

1. Create a comprehensive overview of available state and local incentives and assistance.
2. Market available incentives to businesses interested in locating in Richmond.
3. Evaluate the potential to develop or redeploy local incentives under an equitable framework.

#### Major Outcomes

- Increased business attraction and retention in Richmond.
- Increased local employment and resident incomes.

#### Priority Level

- Moderate

## STRATEGIC PLAN | 2. Businesses & Residents

### **Inclusive Incentives** | Indianapolis, IN

Indianapolis is a growing city with an emerging tech hub, though like many cities, its growth has not been distributed evenly. Indianapolis benefits from a substantial, albeit shrinking manufacturing base, as well as a robust healthcare sector. Despite overall low unemployment, certain segments of the population in Indy struggle with long-term unemployment and have been unable to participate in Downtown Indy's growing momentum. Within this context, the Greater Indianapolis Chamber of Commerce undertook an effort to evaluate Indianapolis's economic development incentive portfolio and ensure programs were aligned with City goals and priorities around promoting equitable growth and ensuring access to opportunity for all residents. The goal of this work was to ensure that local incentives were deployed to create positive community impacts. In 2019, Indianapolis Mayor Joe Hogsett announced changes to the city's incentive programs that prioritized a higher minimum wage, health and childcare benefits, workforce training, and positive community impacts.



### **Local Hiring Policy and Job Creation Incentives** | Durham, NC

The City of Durham, North Carolina has implemented requirements for businesses that apply for job creation incentives to increase wages and workforce development. In 2001, after a local social justice coalition Durham CAN raised concerns about low wages, the City adopted a living wage requirement to receive all incentives applied to new job creation. The incentive also applied to any businesses under government contract. The County followed the City's example and implemented similar wage standards.

In 2009, the City focused on workforce development by requiring all firms receiving incentives to sign a workforce agreement, a 'good faith' commitment to provide opportunities for Durham residents to apply for the jobs created with incentives. Durham's JobLink Career Center, which is a federally funded employment agency jointly managed by Durham City and the North Carolina Department of Commerce, gets priority in recruitment and referral postings. Participating businesses also help City officials assess industry skill gaps and evaluate the effectiveness of local training efforts.

As of 2013, six large companies have signed the agreement, including developers, Burt's Bees, Save-A-Lot and the Durham Performing Arts Center. They have added more than 375 jobs for Durham's residents. The incentive requirements have also allowed for partnerships between JobLink and local community colleges. Firms have the opportunity to obtain grants that assist with or subsidize the cost of employee training through JobLink of Durham Technical Community College. Durham is a competitive destination for business attraction, has increasing wages, more jobs available to residents and the ability to closely track hiring and skills advancements.

*Source: HR&A Advisors, Progressive Planning of Planners Network, NCGrowth at Kenan Institute of UNC Kenan-Flagler Business School*

### 2E. Establish a pop-up storefront space in downtown Richmond to provide a venue for start-up retail businesses and artists.

**Creating affordable, temporary, tenant-ready storefront space downtown would activate underutilized retail space and reduce start-up costs and time for new businesses or local artists.** This would require limited City capacity while creating real opportunities for local business owners and artists to more easily establish and grow their businesses while looking for more permanent space.

**Small businesses have reported challenges finding affordable and move-in ready space in Richmond's commercial districts.** This may be due to a combination of factors including code compliance challenges caused by long-term disinvestment, a lack of motivation by property owners to lease space, or challenges accessing building permits or funding for improvements. In addition, small retail businesses and artists may have experienced some of the biggest losses due to COVID-19.

**Richmond should partner with the Richmond Main Street Initiative (RMSI) to establish a pop-up storefront space through the downtown Business Improvement District and other support for local retail businesses and artists.** This effort would be led by RMSI, but would require City support in the form of permits, transactional assistance, and possibly funding. Critical design considerations for this program include:

- The location and design of the pop-up space should be **highly visible, accessible, and engaging while remaining flexible** enough to support a range of businesses;
- The businesses featured should **reflect a diversity of owners and business types**;
- The pop-up space should be **marketed by the City and RMSI** to promote applications and attract visitors;
- The program should be **paired with a digital platform** to support and feature the work of local retailers and artists; and
- Over time, if this program is successful the City could work with other partners to **replicate the program in other commercial districts**.

#### Partners

- **Richmond Main Street Initiative (RMSI) (Anchor)**
- City Economic Development Staff

#### Action Steps

1. Work with RMSI to establish a shared concept and agree on terms for the development and operations of the pop-up space.
2. Identify a suitable space, either through a site search or competitive bid process.
3. Make necessary improvements to selected space.
4. Begin operations and launch a paired digital platform.

#### Major Outcomes

- Stronger success rates, increased revenue, and better visibility of locally-owned small businesses, particularly retailers and artists
- Improved street-level experience in commercial districts.

#### Priority Level

- Low or Long Term

### 3A. Pursue recovery funding for capital projects that enhance community resilience and attract private investment.

**Infrastructure investments and improvements to the public realm can improve the attractiveness of the City of Richmond to businesses or investors, enhance quality of life, and increase sustainability and resilience.** Accessing COVID-19 recovery funding through the American Rescue Plan or other recovery efforts provides Richmond the opportunity to leverage significant state and federal funding to make needed investments that will support economic growth and community resilience.

**The Short-Term Local Business Recovery Action Plan makes preliminary recommendations for the City to identify potential recovery projects** that best align with community needs and support community resilience, equity, and justice.

Building on the planning work done through the implementation of the Short-Term Local Business Recovery Action Plan, **the City should identify priority projects that best align with local needs and state funding priorities**, which include active transportation investments such as streetscape improvements, and support for construction of affordable housing and accessory dwelling units. The City should also evaluate projects' potential to **attract or leverage private investment**, such as through infrastructure improvements at the Port of Richmond or in major commercial districts. Following the identification of priority projects, the City should:

- Pursue engineering or design to confirm project scope and estimate costs;
- Identify available local funding as well as any zoning changes required;
- Build support with the public, City leadership, and regional partners; and
- Submit funding applications, supported by strong narratives outlining the alignment with local and state priorities.

Given the State's priorities to expand housing development and cannabis industry investments, the City can also make investments and policy changes that support local developers, trade organizations, contractors, and other businesses in **securing funding and technical assistance to develop housing in Richmond** and growing the cannabis industry.

#### Partners

- **City Economic Development Staff (Anchor)**
- City Leadership
- City Community Development Staff
- Economic Development Commission
- Contra Costa County

#### Action Steps

1. Refine the list of priority projects and identify those best positioned to secure funding and attract private investment.
2. Conduct predevelopment and engagement to advance projects to shovel-ready status.
3. Submit funding applications.

#### Major Outcomes

- Investment in critical infrastructure and public amenities, and attraction of additional private investment in property improvements
- Improved community resilience and quality of life for residents

#### Priority Level

- High

### SUMMARY OF RECOVERY FUNDING PROGRAMS AND PRIORITIES

State and Federal recovery funding programs have been released, with new programs and rounds of funding potentially to be added over time.

California State Governor Newsom announced a budget proposal of \$267.8 billion in May 2021, which includes \$26 billion in federal relief from the American Rescue Plan. California's budget allocation will focus on housing and homelessness, including funds for construction apprenticeships and new housing development; environmental quality; transportation, communications and public works investments; disaster preparedness and community resiliency; the cannabis industry and community services including parks access. Some allocations that could support initiatives in Richmond include the following:

- \$1.75 billion in Funds available for HCD **affordable housing projects**
- \$81 million in **financing support for Accessory Dwelling Units**
- \$500 million in ARPA funds to support regional **infill developments** targeting the reduction of vehicle miles traveled and achieving state climate goals.
- \$20 million to connect job seekers to **construction apprenticeship opportunities**
- \$11 billion for state investment in transportation and zero emissions efforts, including \$500 million for **active transportation**, \$1 billion General Fund for **transit and rail projects**, and \$1.5 billion for efforts to **clean up garbage, beautify the state transportation network** and educate on the harms of litter.
- Support for the cannabis industry including \$100 million for local **jurisdictional assistance grant program for cannabis**

In addition to these state budget allocations, California also enacted a \$9.6 billion relief package in 2021 for those experiencing hardship due to the pandemic. This package included an additional stimulus check for low income Californians as well as \$2.1 billion in grants for small businesses. This provided between \$5,000 and \$25,000 grants to eligible small businesses and non profit, with \$50 million allocated for nonprofit cultural institutions and business license fee relief for qualifying businesses. These relief programs closed in early May but additional relief may be forthcoming.

### 3B. Provide support for small businesses in finding or making necessary improvements to brick-and-mortar space.

**Strong commercial districts with active street-level retail are an important part of a city's economic and civic health.** Coordinating support for small businesses to access commercial space will be an important part of Richmond's efforts to dispel perception challenges and attract private investment, while supporting economic opportunity and wealth-building for Richmond residents and business owners.

**Despite high vacancy in some of the City's commercial districts, small businesses face difficulty finding brick-and-mortar space.** This may be due to a combination of factors including high asking rents, property owners unmotivated to make needed property improvements or find tenants, and challenges accessing building permits. Some local business services providers provide technical assistance to businesses looking for space.

**The City should provide support to ensure that small businesses are able to find, afford, and improve brick-and-mortar space.** This will likely include providing funding for façade improvements and equipment purchases, and ensuring funds are accessible to business owners who rent commercial property as well as to property owners, possibly in the form of grants or forgivable loans. The City should work with the Economic Development Working Group to coordinate the provision of these funds as well as technical assistance for businesses for site search, lease negotiations, property improvements and funding applications.

#### Partners

- **City Economic Development Staff (Anchor)**
- City Community Development Staff
- Economic Development Working Group
- EDC Outreach Committee

#### Action Steps

1. With the Economic Development Working Group, identify available programs for funding and technical assistance and any gaps or unmet needs.
2. Identify lead organizations to develop or expand programming and funding.
3. Communicate available resources to business owners through outreach networks.

#### Major Outcomes

- Increased economic activity in commercial districts.
- Increased number and revenue of small businesses.
- Increased wealth for Richmond business owners.

#### Priority Level

- High

## STRATEGIC PLAN | 3. Buildings & Infrastructure

### 3C. Engage with property owners through a range of means to encourage investment and reduce vacancy.

**Richmond must create positive cycles of investment in commercial and industrial districts to address perception challenges, attract private investment, and support businesses.** A growth-oriented approach to attracting private investment requires direct engagement with property owners through a range of means, and can create benefits for property owners, businesses, the City's tax base and residents.

**Chronic vacancy, deferred maintenance, code compliance, and illegal dumping are ongoing concerns that pose a range of challenges to Richmond's commercial districts.** Property owners may be unmotivated to make property improvements or find tenants because they perceive a limited potential for financial gains, or they may be discouraged by difficulty accessing building permits. The lack of affordable and move-in ready commercial space poses a barrier to businesses and further hinders the potential to reverse trends of disinvestment.

**To improve the built environment and major commercial areas and ensure space available for new businesses, the City should engage with major property owners to encourage investment.** The City should pilot this approach downtown or along the 23<sup>rd</sup> Street corridor before expanding to other commercial and industrial districts. Possible methods include:

- **Increasing capacity for trash removal**, monitoring and enforcement of illegal dumping activities, **and code enforcement** to encourage property owners to make needed investments, and targeting these activities in commercial districts;
- Implementing **vacant property fees** for chronically-vacant commercial properties;
- **Engaging with property owners** directly and through economic development partners such as RMSI to identify and address barriers to making improvements;
- **Connecting owners to available financing** to make needed repairs and upgrades, through the Richmond Revolving Loan Fund or façade improvement grants; and
- Making needed **public infrastructure improvements** as part of public-private partnerships to support new development and major rehabilitations.

#### Partners

- **City Community Development Staff (Anchor)**
- **City Economic Development Staff (Anchor)**
- Richmond Main Street Initiative (RMSI), 23<sup>rd</sup> Street Merchants Association, and others.

#### Action Steps

1. Convene Community Development Staff to assess capacity and make a plan to increase enforcement in pilot commercial districts.
2. Consider engaging the Center for Community Progress to support implementation.
3. Partner with RMSI to engage with property owners in downtown.
4. Develop and communicate a process that connects code enforcement with funding and punitive measures.

#### Major Outcomes

- Improved built environment, leading to increased property tax revenues and incentivizing additional private investment
- More space for businesses in commercial districts.

#### Priority Level

- High

### INCENTIVIZING PROPERTY INVESTMENT

The City needs to expand its toolbox to both incentivize private investment and discourage chronic vacancy and disinvestment. These activities can be initially focused within priority commercial districts to maximize impacts.

Intervention	Encourage Private Investment	Discourage Vacancy and Code Violations
<p><b>LOW</b></p>  <p><b>HIGH</b></p>	<ul style="list-style-type: none"> <li>• Improve and expand trash removal and enforcement to prevent illegal dumping</li> <li>• Improve code enforcement by providing clear communication to noncompliant owners about available funding for repairs (such as through façade improvement programs and the Richmond Revolving Loan Fund)</li> <li>• Provide case management or technical assistance and streamlined process to improve access to building permits</li> <li>• Increase funding for façade improvements, repairs, and equipment investments through the Downtown Business Improvement District or other partners</li> <li>• Invest in streetscape improvements and other needed infrastructure, particularly as part of development agreements with private owners or developers making major property improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Improve and expand code enforcement, providing clear communication to noncompliant owners about how to make needed repairs</li> <li>• For owners who do not comply with code after repeated outreach, contract out repairs and apply fines and liens to the property</li> <li>• Create a vacant properties list with fees for chronically vacant commercial and industrial properties</li> <li>• For owners who continue to fail to pay liens or maintain properties, refer the property into receivership, so the receiver can return to market under ownership that will invest in the property</li> </ul>

### 3D. Build relationships with commercial and industrial property brokers to increase marketing and leasing of available properties.

**Increased engagement with real estate brokers provides the City an opportunity both to expand its knowledge about available properties and to promote Richmond within the regional commercial and industrial real estate markets.** Increased market awareness can result in increased investment into Richmond from private entities or an increased volume of businesses looking at Richmond as an opportunity for relocation.

**Many businesses or investors looking for opportunities overlook Richmond due to a lack of understanding of the market.** Commercial and industrial brokers have limited experience or knowledge of local development practices. In addition, many available properties in Richmond are not listed through traditional commercial listing services so information about available properties can be difficult to access.

**The City should engage more regularly with brokers in the region** to build shared knowledge about available properties and opportunities for businesses to locate in Richmond. This can be done through activities such as:

- **Relationship building with brokers** including site tours or one-on-one meetings to build awareness of Richmond among brokers and help the City understand the preferences of developers and commercial and industrial users;
- **Reports or data that provide up-to-date information** about available leasable space or developable land within Richmond that may not be listed through commercial listing services; and
- **Marketing events** that highlight current projects and available development opportunities, or **participation in existing events with the State, Contra Costa County** and cities already doing this type of work, such as East Bay Contra Costa City Broker Breakfasts and state property interest solicitations.

#### Partners

- **City Economic Development Staff (Anchor)**
- Real estate brokers
- Contra Costa County

#### Action Steps

1. Engage with Contra Costa County to understand what marketing activities are already underway and how Richmond can participate.
2. Build a network of local and regional brokers and pursue regular communications about real estate trends and opportunities.
3. Through engagement, identify tools (such as market data) best positioned to market Richmond opportunities.

#### Major Outcomes

- Improved business attraction.
- Increased development activity.

#### Priority Level

- Moderate

## STRATEGIC PLAN | Performance Metrics

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**Setting and measuring metrics to track implementation and performance of these actions** will be crucial to help the City evaluate whether implementation is successful and communicate impacts to partners and the public. Sample metrics include:

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### 1. CITY & CAPACITY

- Establish membership in the East Bay EDA; Hold one economic development meeting per quarter each with Contra Costa County and GO-Biz
  - Increase the number of businesses touched through direct engagement with the City or the EDC to 180 businesses per year
  - Successfully complete 2 to 3 initiatives per year through the Economic Development Working Group and track and report associated performance metrics
  - Demonstrate concrete policy changes or programs available as a result of local and regional partnership and resulting from engagement
  - Improve the City's ratings on communications and transparency via an annual business survey
- 

### 2. BUSINESSES & RESIDENTS

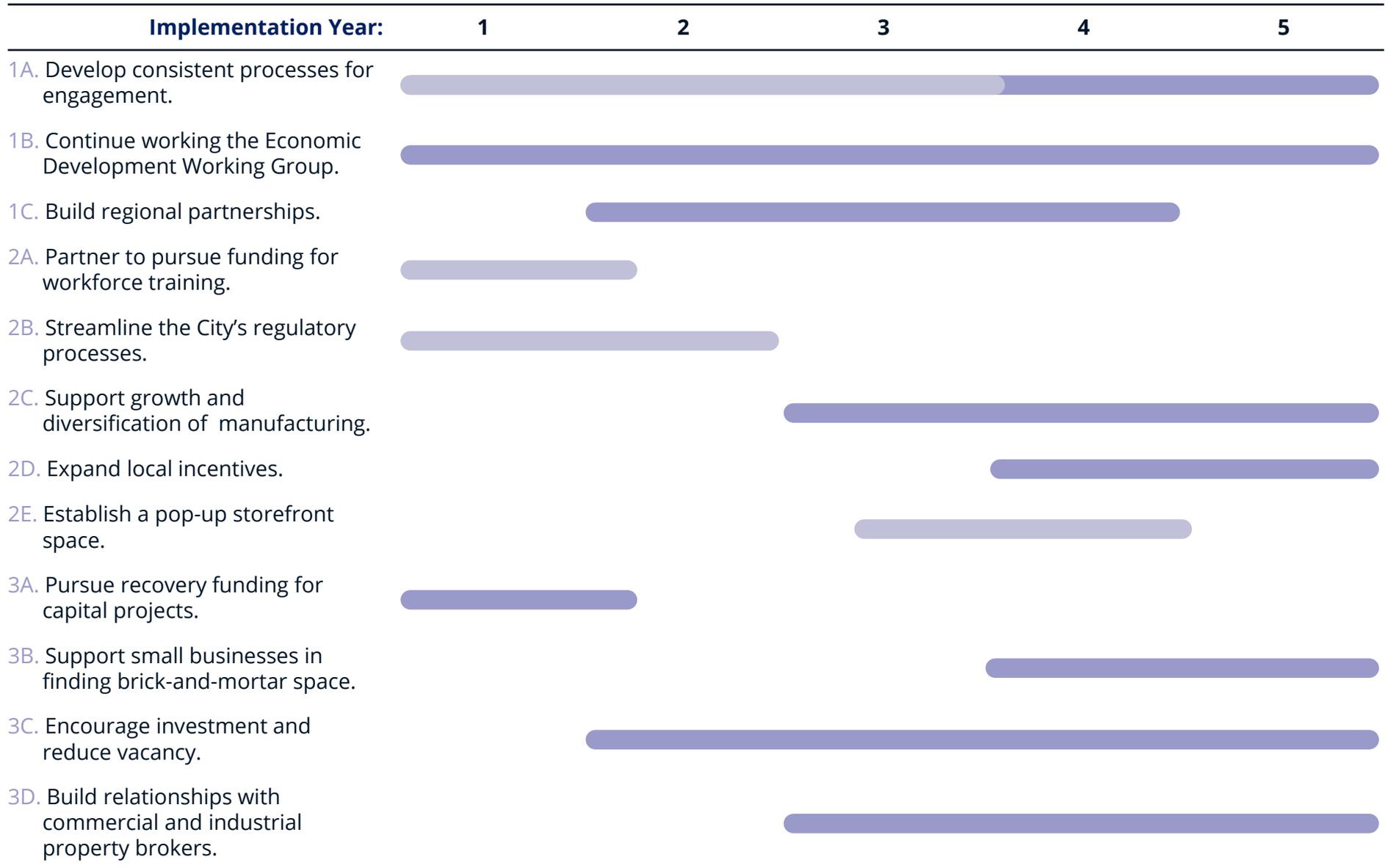
- Increase the number of residents receiving training through RichmondWORKS and regional partners
  - Reduce the average time for processing and approval of business licenses, etc. to a target of 30-45 days for business licenses and building permits
  - Increase the number of business licenses issued and number of locally-owned businesses; disaggregate data by industry and by race, ethnicity, and gender of business owner
  - Increase local employment and resident income; disaggregate data by industry, race, and ethnicity
  - Increase the number of living wage jobs created or retained, private dollars leveraged, and Richmond residents employed through local incentives
- 

### 3. BUILDINGS & INFRA-STRUCTURE

- Increase the number of commercial and industrial building permits issued and value of improvements made per year; disaggregate data by district (e.g. downtown, 23<sup>rd</sup> Street corridor)
  - Maintain vacancy rates for retail, office, and industrial space below 6%
  - Track and report the total value of capital improvements built with recovery dollars and leverage ratio of local dollars to other funding sources
  - Increase the number and dollar value of façade improvement grants or loans made
  - Provide at least 10 businesses per year with location assistance; disaggregate data by location, income, gender, and race of business owners
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## STRATEGIC PLAN | Implementation Timing

**It would be difficult for the City to advance all recommended actions at once.** In the near term, the City should focus on expanding engagement and collaboration, streamlining regulatory processes, and pursuing recovery funding. Longer term actions will require time to plan or expand the City's staff.



*Actions shown in light purple are led by organizations or departments other than the City's Economic Development staff.*

# RICHMOND BUSINESS DEVELOPMENT STRATEGY



**HR&A**  
Analyze. Advise. Act.