

**Community & Economic Development
Strategic Plan Update**

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Community & Economic Development Strategic Plan Update May 16, 2006

Purpose

The purpose of this Strategic Plan is to guide the agencies and departments comprising the Community & Economic Development Agency (CED) in accomplishing its mission within the context of the overall mission of the City of Richmond. Previously approved plans have been foundational in establishing CED's core values and mission, as well as defining core services and establishing a vision for revitalization of the City. This updated plan will repeat certain key elements and will build on previously approved plans. This plan provides an assessment of CED's current status in terms of mission, strategic intent, goals and accomplishments, as well as a preview of new initiatives that will come before the City Council, the Redevelopment Agency Board or the Housing Authority Commission for consideration in the near future.

This plan is based on foundational components expressing established City policy as well as plans and reports previously approved by the City, including:

- The Redevelopment Agency's Five-Year Implementation Plan Update (2004)
- The Redevelopment Agency Nevin 10-B Plan Amendment (2005)
- The 2005 Community & Economic Development Department Strategic Plan Update
- The 2002 U.C. Berkeley Main Street Initiative Report
- The Macdonald Avenue Economic Revitalization Plan (2004)
- The Civic Center Master Plan (2003)
- The North Richmond M.O.U. (2004)
- The current Community Development Block Grant (CDBG) Consolidated Plan
- The Approved Redevelopment Agency FY 2005-2007 Budget
- The Approved Employment & Training FY 2005-2006 Budget
- The Approved Housing Authority FY 2005-2006 Budget
- The Ahwahnee Principles adopted by the City in 1999
- The County-wide Shaping Our Future Principles adopted by the City Council (2003)

In addition to guiding CED, the above documents and this Strategic Plan provide important information that will contribute to the update of the City's General Plan, which is in progress.

Mission and Core Services

In support of the overall mission of the City, the updated mission of Community & Economic Development is to:

Initiate and facilitate the revitalization of physical, economic, and social conditions through the redevelopment of blighted areas, economic development, job training, community development, and the management of real estate assets; all of which is designed to reduce blight and crime, develop community resources and stimulate private sector investment in the City.

In support of the mission, CED has established seven core services that are essential to success. These core services are:

1. Urban revitalization planning and redevelopment of target neighborhoods
2. Industrial, commercial and retail development and rehabilitation
3. Housing development, rehabilitation and community enhancement
4. Management and maintenance of RHA-owned housing projects
5. Housing related community and family support services
6. Job training and placement services
7. Economic development and marketing

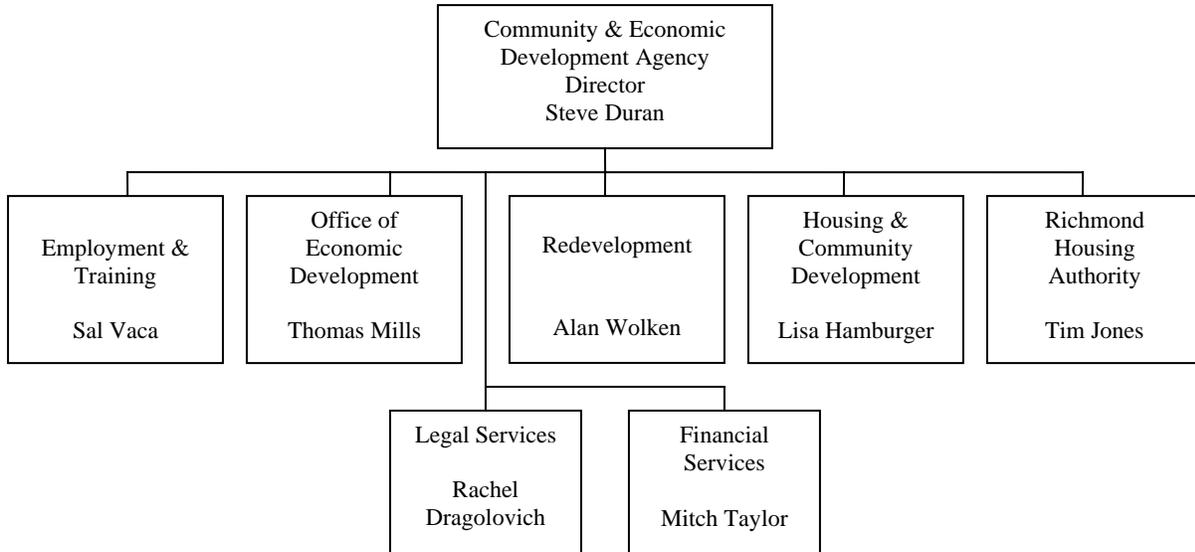
These core services represent the public face of CED and, in furtherance of the mission, are what CED provides to the people of Richmond.

In order to deliver the core services enumerated above, and to support the overall goals of the City, CED collaborates with City departments as well as groups representing neighborhoods and other stakeholders. An essential component of strategy implementation is the creation of cross-functional project teams with members from various City agencies and departments that will facilitate projects through public processes.

CED Organization

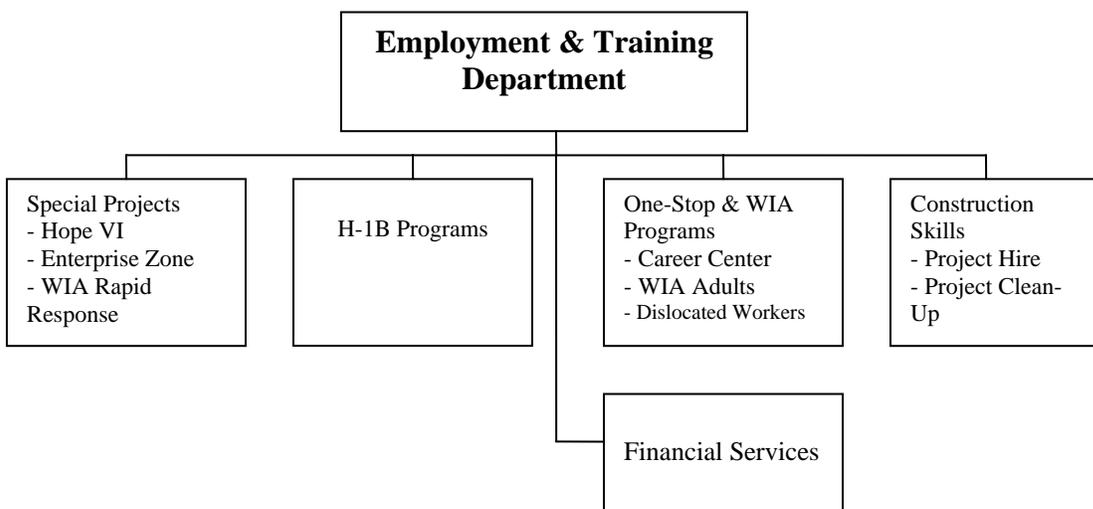
The Community & Economic Development Agency includes the Richmond Community Redevelopment Agency (RCRA), the Richmond Housing Authority (RHA), and the Employment & Training Department (E&T). RCRA functions include redevelopment, affordable housing, community development and economic development. The grant-funded programs within CED include Employment & Training programs, Community Development Block Grant Programs (CDBG) and Home Investment Partnership Programs (HOME). In terms of operations, CED is organized into seven functional units, including five core service units and two support service units. Core service units include Employment & Training, Economic Development, Redevelopment, Housing & Community Development, and the Richmond Housing Authority. Support service units include Financial Services and Legal Services. These support service divisions are dedicated to CED core service units, but interact on a daily basis and are accountable to the City's Finance Department and the City Attorney in order to ensure consistent conformance with policies and procedures on financial and legal matters.

**Community & Economic Development
Organizational Chart by Functional Unit**

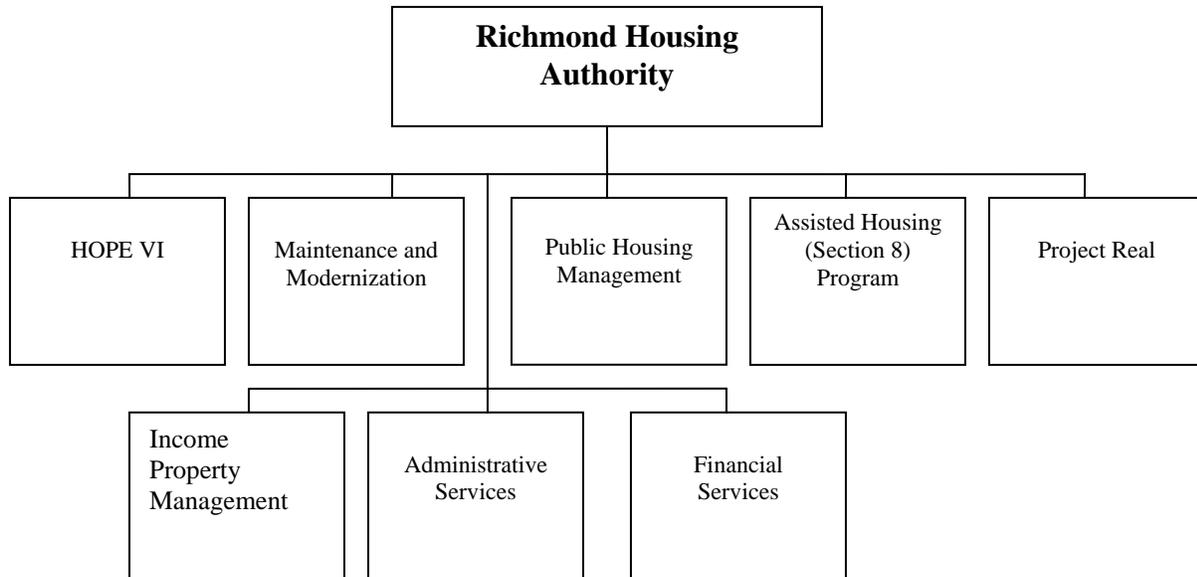


The functional organization charts for the line business units, the Employment & Training Department (E&T), the Richmond Housing Authority (RHA) and the three units within the Richmond Community Redevelopment Agency (RCRA) - Office of Economic Development (OED), Redevelopment (RDA), and Housing & Community Development (HCD) - are included on the following pages.

The Employment & Training Department Functional Organizational Chart

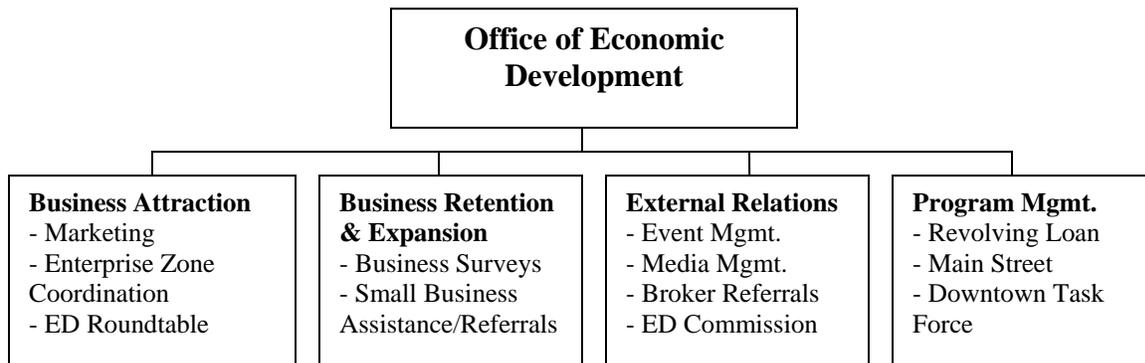


The Richmond Housing Authority Functional Organizational Chart



Richmond Community Redevelopment Agency Business Units:

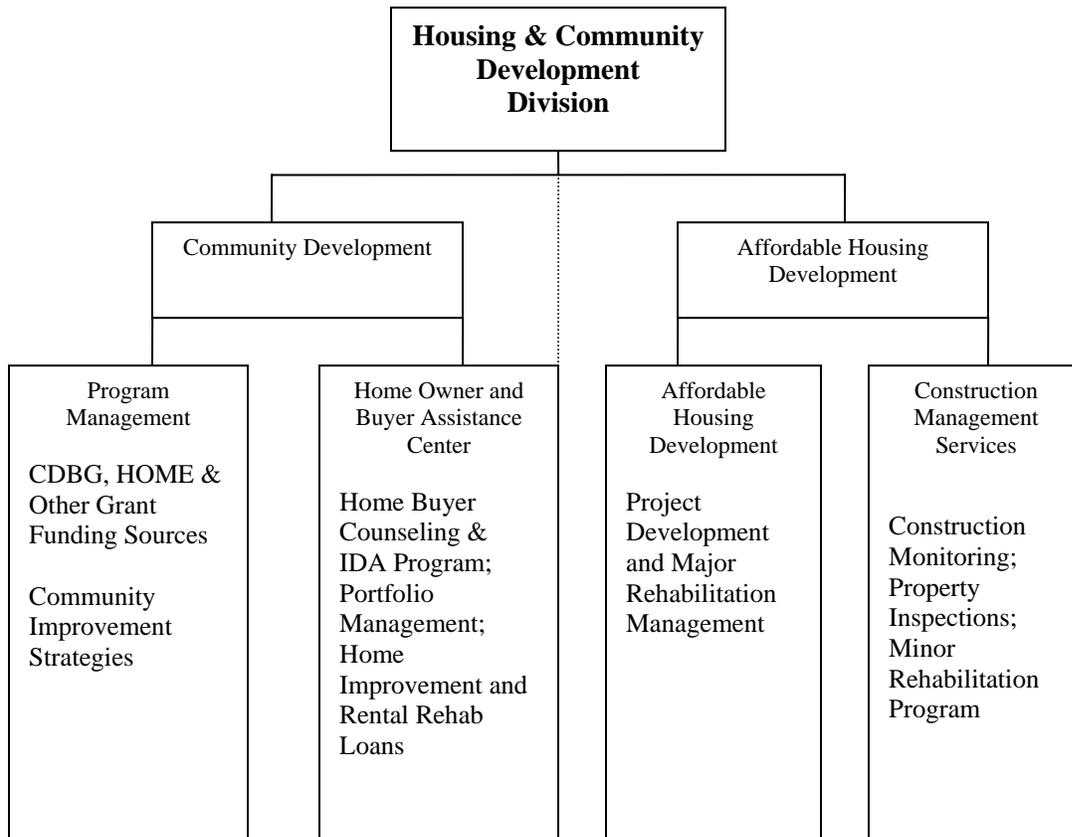
Office of Economic Development Functional Organizational Chart



Redevelopment Functional Organizational Chart



Housing & Community Development Functional Organizational Chart



Funding

Richmond Community Redevelopment Agency

Long term projections for income and expenses for the Redevelopment Agency were projected in the State mandated Redevelopment Five Year Implementation Plan for fiscal years 2004-05 through 2008-09. Those numbers are being updated for presentation at budget review and will reflect actual income for the first half of fiscal year 2005-2006, which was slightly above previous projections.

Redevelopment activities and investments are generally limited to Redevelopment Project Areas and funded by tax increment income generated in Redevelopment Project Areas. Most of the tax increment is used to secure bond funding for redevelopment projects and the balance is used for operating costs and debt service, as well as projects. Other funding sources include project specific grants and loans secured by real property.

Housing & Community Development is primarily funded by a legally defined percentage of Redevelopment tax increment income known as the Low and Moderate Income Housing Fund (LMIHF, "20% Funds" or "Housing Set-Aside"), HUD programs (Community Development Block Grant (CDBG), Home Investment Partnership (HOME)) and the In-lieu fees generated by the City's Inclusionary Zoning Ordinance. These Housing & Community Development funds may be invested in affordable housing projects and activities throughout the City. Housing Set-Aside funds and In-lieu Fees are restricted to housing activities serving families at or below 120% of county median income while HUD funds are generally restricted to housing activities serving families at or below 80% of county median income.

The Office of Economic Development (OED) benefits the City at large and Redevelopment Project Areas in particular through marketing activities, business attraction and retention programs and a variety of other business assistance programs designed to stimulate economic development, including the Enterprise Zone, Target Employment Areas, the Revolving Loan Program and the Main Street Program. The OED works closely with the Economic Development Commission to bring stakeholder perspective and resources to bear on economic development issues.

Employment & Training

Employment & Training is a City department that is partially supported by City administrative services and a \$100,000 annual allocation to supplement programs. Other than this support, Employment & Training is funded by grants and earned income that pays for its salaries, benefits, administration and programs. Major programs include RichmondWORKS, YouthWorks, Enterprise Zone (EZ) and Target Employment Area (TEA) administration, and management of the Career Center.

Richmond Housing Authority

The RHA is funded by HUD and earned income from investment properties. In addition, capital projects can be supported with funding from the City and the Redevelopment Agency. The Easter Hill HOPE VI Project is supported by funding from HUD, state tax credits, private investment, Redevelopment funds, City capital improvements funds, and in-kind contributions from the City. Staff anticipates funding cuts from HUD on a nation-wide basis, which will be reflected in upcoming budgets.

Vision, Challenges and Strategic Goals

The CED long-term vision for the City of Richmond is a community where people live, work, shop and play, and where every neighborhood is safe, healthy, walkable and livable.

The condition of City finances created by the recent recession, state take-aways and other issues resulted in a reduction of City services, particularly in Parks, Libraries and Public Works projects. Although the City is now in much better financial condition than it has been in recent years, City services have yet to reach the levels that the City government seeks to provide to the community. Due to social and environmental factors, the City has more than its share of violent crime, gang activity, drug sales and prostitution. These factors constitute the greatest obstacle to the realization of the vision for the community. Thus the reduction of crime, especially violent crime, is the number one goal for all City departments and agencies.

The charters of all CED business units relate directly to the over-arching theme of crime reduction in various ways. The mission of CED is focused on reducing blight, reinvigorating blighted and economically depressed neighborhoods, providing opportunities for housing at all income levels, providing opportunities for employment and training, and growing the Richmond economy. As part of the Central Richmond Revitalization Initiative (CRRI), CED has shifted its increasing resources to meet this challenge head on, including funding for blight abatement, redevelopment, housing, economic revitalization and job training.

The strategic goals required to achieve the mission of CED are:

1. Maintain fiscal discipline and project priorities through consistent strategic criteria.
2. Increase tax increment creation and recapture through the development of high-value real estate in Redevelopment Project Areas in order to fund inner-city redevelopment activities.
3. Maintain good stewardship of the Shoreline, Parkway and other Redevelopment Areas.
4. Create specific urban design and development strategies for the Macdonald Avenue and 23rd Street corridors, Nystrom Village and the Ford Peninsula.
5. Maximize blight abatement and redevelopment efforts, first in the Downtown and Civic Center areas.
6. Enhance the quality and supply of housing city-wide, emphasizing affordable components.
7. Maintain owned real estate assets in a highly professional manner.
8. Increase home ownership in Richmond.

9. Optimize funding for and management of community and family support services.
10. Optimize funding for and management of employment and training services.
11. Increase number of people and businesses served by employment and training programs.
12. Expand and increase economic development program efforts in order to increase private sector investment and job creation through economic development activities and incentives.

In the last year, one major strategic goal was achieved when the Redevelopment Project Plan Area was expanded to include additional areas of the City in need of blight abatement and infrastructure improvements.

In order to reduce crime and make our vision for Richmond a reality, the heart of the City must be revitalized. This means that the top priority for CED is the Central Richmond Revitalization Initiative, the centerpiece of which is the redevelopment of the Downtown and Civic Center areas. This once thriving center of the City must have the lion's share of CED attention and funding if our long-term vision is to become a reality. Component parts of this initiative include the Macdonald Avenue Economic Revitalization Plan, the Main Street Program, and the Civic Center Master Plan. A critical element of the initiative is the acquisition of key "high impact" sites of one-half block or more in the Downtown and Civic Center areas, which is intended to facilitate private investment in these areas. Also included is increased funding for blight abatement, street improvements and façade improvements on Macdonald Avenue, 23rd Street and a section of San Pablo Avenue bordering El Cerrito.

Although Downtown and Civic Center are the major strategic focus of the Community & Economic Development Department, other blighted areas of the City cannot be neglected. Housing & Community Development activities are focused on the CRRI as well as other at-risk neighborhoods. Most notably, North Richmond and the HOPE VI project will continue to be high priorities, and concept planning for the redevelopment of Nystrom Village has begun.

Redevelopment work will continue along the shoreline, Richmond Parkway and other areas of the City. It is imperative that high-value shoreline properties are developed to their highest economic potential for a number of reasons, including the City goal of bringing Ferry Service back to Richmond, and to fund inner-city redevelopment. Supported by CED economic development efforts, the Shoreline and Parkway areas will continue to improve without additional redevelopment subsidies because they have attributes that are attractive to residential and commercial development.

The Employment & Training Department continues to increase its efforts to ensure maximum employment and training opportunities for Richmond residents and plans to undertake employment-related contract compliance monitoring and reporting shortly.

The marketing and administration of the Enterprise Zone and Target Employment Area programs have been shared functions of the Office of Economic Development and Employment & Training for years. In addition, the Redevelopment Agency requires developers to use the RichmondWorks program if projects require a development agreement.

In 2005, the Richmond Housing Authority became part of CED, rounding out the business units that make up this functionally collaborative group. This will result in seamless team effort on the much needed redevelopment of Nystrom Village and other housing related endeavors.

Strategy Implementation – Current Status of Goals & Objectives

Strategy Implementation is where strategic goals become actions. Below is a summary of CED goals & objectives and their current status. These goals transcend FY 2005 – 2006 and will be the basis for the FY 2006 – 2007 budget.

Accomplished Goal – Expand Redevelopment Project Areas to provide assistance to blighted neighborhoods.

Expansion of Redevelopment Project Areas will enable the Agency to recapture investments in urban neighborhoods and reinvest in those neighborhoods on a continuing basis. Tax increment income generated will be available for bonding to fund development projects as well as public improvements where there is the most need. This goal was fully accomplished in September of 2005.

Goal One – Maintain fiscal discipline and project priorities through consistent strategic criteria.

CED began implementation of its Strategic Plan in October of 2002. Prior to that, the City and the Redevelopment Agency had been reacting to “opportunities” without any established criteria for determining if a project is worth doing and if it is a priority. This is an on-going goal, which serves as a reminder to always think and act strategically. The basic criteria established for evaluating projects from a strategic perspective is as follows:

- All subsidized projects must contribute to the goals of the CED Strategic Plan.
- Long-term strategy, not grant availability or unsolicited development proposal, should drive project selection.
- Any and all project subsidy requests must be evaluated and prioritized in accordance with the priorities set forth in the CED Strategic Plan.
- Inner-city blight remediation and economic revitalization are our major priorities.
- Development subsidies along the Shoreline and the Richmond Parkway projects should be avoided, but if deemed strategic a project should produce at least twice as much tax increment within five years as the amount of Agency funding assistance.

Status of Goal One Objectives:

- *The Community & Economic Development Strategic Management Plan, which was approved by the City Council and Redevelopment Agency Board in October 2002 and updated in October 2003 and April 2005 sets forth these principles noted above.*
- *All new Redevelopment project funding requests are considered and recommended based on the above criteria.*

- *The Fiscal Year 04-05, 05-06 and 06-07 Annual Consolidated Action Plan refocused CDBG and HOME Programs spending priorities according to the CEDA Strategic Plan.*
- *A collaborative plan for investment in North Richmond was completed and approved by the City Council and Redevelopment Agency Board in 2004.*
- *The state-required Redevelopment Agency Five-Year Implementation Plan was completed, approved and submitted to the state on schedule in 2004.*
- *The initiation of the Central Richmond Revitalization Initiative (CRRRI) was the first major step toward focusing on the elimination of blight and revitalization of the inner City as the top Redevelopment Priorities.*
- *The expansion of the merged Redevelopment Project Areas was accomplished in 2005.*

Goal Two - Increase tax increment creation and recapture through the development of high-value real estate in Redevelopment Project Areas in order to fund inner-city redevelopment activities.

Redevelopment of the inner-city neighborhoods that need help will cost in excess of \$100 million over the next eight to twelve years. In order to create that level of redevelopment funding, a number of steps have been taken or are in progress. From 2003 through 2006, certain objectives were accomplished:

- In 2003, the life of Redevelopment Project Areas was extended in order to maximize the length of tax increment funding that will accrue to the Redevelopment Agency.
- In 2004, an additional two years was added to each project area as part of SB 1045.
- In 2004, the Redevelopment Agency's bond rating was upgraded to A- by Standard & Poors, which reduces the cost of bonding tax increment.
- In 2003 and 2004, tax increment income was leveraged into bonded indebtedness in order to pay off debt to the City and procure nearly \$14 million for redevelopment and affordable housing projects.
- The expansion of the merged Redevelopment Project Areas was completed in 2005.

Status of Goal Two Objectives:

Current major project activities that will increase tax increment creation include:

- *Signature Properties' 128 unit Marina Bay Northshore residential project*
- *Toll Brother's 269 unit Marina Bay Westshore residential project*
- *Pulte Homes' 208 unit residential project*
- *Toll Brothers' 289 unit Terminal One – Point Richmond Shores residential project*
- *A.F. Evans' 237 units 12th & Macdonald residential/mixed use project*
- *KB Homes' 100 unit proposal for Miraflores*
- *Ford Assembly Building completion and tenant build-out*
- *The Canary Building renovation and tenant build-out*
- *AMB-Legacy Industrial Condominiums at Regatta*
- *Breen Industrial Condominiums at Meeker*
- *Macdonald 80 Shopping Center*
- *Privately developed in-fill homes*

Goal Three - Maintain good stewardship of Shoreline, Parkway and other Redevelopment Areas

The Redevelopment Areas along the shoreline and the Richmond Parkway represent the best opportunity to create tax increment funding for use in inner-city areas over time. The shoreline area of the City is in demand for residential and commercial development. Best practice will require intelligent and steady stewardship to strike the optimum balance between residential development, job creation, recreation and tax increment creation. It will be important to think in terms of long-term impacts of land-use decisions rather than simply build whatever the market demands at a given time, because residential and commercial markets experience upturns and downturns. Although development is preferable sooner rather than later, good judgment is required to ensure the greatest long-term benefit to the people of Richmond.

Goal Three Objectives include:

- Ford Assembly Building completion and tenant build-out
- The Cannery Building renovation and tenant build-out
- AMB-Legacy Industrial Condominiums at Regatta
- Breen Industrial Condominiums at Meeker
- Expansion of the State Department of Health Facility at Marina Bay
- Signature Properties' 128 unit Marina Bay Northshore residential project
- Toll Brothers' 269 unit Marina Bay Westshore residential project
- Pulte Homes' 208 unit residential project
- Toll Brothers' 289 unit Terminal One – Point Richmond Shores residential project
- Simeon Properties "Campus Bay" (on hold pending remediation requirements to be established by the DTSC)

Status of Goal Three Objectives:

- *The transfer of the 500,000 square foot Ford Assembly Plant (FAB) to Orton Development was completed in December 2004 and work on the building continues. The job potential is about 1,000 jobs for the whole project. The First major tenant, Wine.com plans to occupy 58,000 square feet with 30,000 of seasonal swing-space and will employ up to 200 people.*
- *The 70,000 square foot Cannery Building rehabilitation at the corner of Harbour and Hall is nearly complete, with the potential to bring 140 jobs to the City.*
- *AMB and Legacy Partners have completed 157,000 square feet of industrial condominiums, called Regatta Business Center, with the potential to bring 300 jobs to the City.*
- *Breen Development has completed 80,000 square feet of industrial condominiums on Meeker, with the potential to bring 160 jobs to the City.*
- *Expansion of the State Department of Health added 225,000 square feet of space in 2005, completing the 700,000 square foot facility, which employs 1,300 people.*

- *Signature Properties in under construction on 128 townhomes at Marina Bay Northshore, which will precede retail, commercial and restaurant space totaling about 50,000 square feet.*
- *Toll Brothers' 269 unit condominium project at Marina Bay Westshore has been approved by the Planning Commission and is pending appeal to the City Council. If approved, construction will commence this spring.*
- *Pulte Homes received approval for 208 townhomes west of Marina Bay Parkway and is ready to commence construction.*
- *Toll Brothers executed an LDA with the City and the Redevelopment Agency for the development of up to 289 condominium units on the Terminal One property (Point Richmond Shores). The Agency has completed the phase I site clean up. Toll Brothers would like to amend the LDA to build more units and is nearing completion of its EIR. Due to settlement with former site polluters and owners, this transaction should net the City \$10 million when transferred. However, a neighborhood group has threatened to sue Toll over site plan circulation issues, which may delay project approval. Staff has worked with Toll and the neighborhood group to resolve most issues, but some design issues remain.*
- *Upstream Development's proposed Point Molate project is in the planning stages, with a resort and casino as the developer's preferred use. An early transfer agreement must be negotiated with the Navy, including responsibilities for site remediation.*
- *Simeon Properties' Campus Bay project consists of an approved office/R&D campus close to I-580 and a proposed residential development near the shoreline. Leasing efforts are underway for the office/R&D component, which is 500,000 square feet and has the potential to bring 1,600 jobs to the City. The potential residential/mixed-use site is undergoing site characterization to determine appropriate clean-up and monitoring measures.*

Goal Four – Create specific urban design and development strategies for the Macdonald Avenue and 23rd Street corridors, Nystrom Village and the Ford Peninsula.

The Macdonald Avenue Economic Revitalization Plan, a community-based vision plan that was approved in 2004, is the cornerstone of the Central Richmond Revitalization Initiative (CRRI). The intersection of Macdonald Avenue and 23rd Street is the center of historical Richmond and these key commercial corridors are in need of good urban design to help ensure the development of a vibrant community. Remaining Goal Four Objectives include:

- Distribute RFQ/RFP for Urban Design Standards for Macdonald Avenue and 23rd Street.
- Distribute RFQ/RFP for the re-design of Macdonald Avenue from Garrard to BART.
- Work with Planning Department and the City Attorney to implement zoning changes needed to make the Downtown and Civic Center vision a reality.
- Continue to work with the Nystrom Urban Revitalization Effort (NURVE) on neighborhood urban planning issues and focus CEDA efforts on the redevelopment of Nystrom Village, which is owned by the Richmond Housing Authority.
- Build on the Ford Peninsula charrette and City/Agency policy objectives to create a vision for the Ford Peninsula.

Status of Goal Four Objectives:

- *An RFQ/RFP for Urban Design Standards for the City was released by the Planning Department and design standards for Macdonald Avenue and 23rd Street will be developed in concert with the general plan process.*
- *The East Macdonald Avenue street improvements, from 39th Street to San Pablo Avenue, are under construction and will be completed this Fall.*
- *A West Macdonald plan for new streetscape improvements from BART to Garrard are being planned, with two community meetings and a study session of the Design Review Board completed. Costs of this section will require a multi-phased project over a period of years.*
- *A first draft of a new Downtown Zoning Ordinance has been completed. Input from various departments and agencies are required before presentation to the Design Review Board and the Planning Commission.*
- *Nystrom neighborhood opportunity sites and Harbour Way streetscape priorities have been studied, with Nystrom Village as the highest impact development site. Specific site studies are pending for Nystrom Village.*
- *A vision for the Ford Peninsula Vision that balances charrette input with City/Agency policies is in progress and will address job creation, tax generation, housing, ferry service, commercial/retail activity and shoreline access.*

Goal Five - Maximize redevelopment efforts first in the Downtown and Civic Center areas.

Downtown Richmond presents the greatest redevelopment challenges and opportunities. Once the heart of a prosperous boomtown, Downtown declined into a severely blighted neighborhood after the end of World War II and the advent of suburban sprawl. This decline took place over three decades and began to turn around in the late eighties and early nineties with the help of redevelopment activities. Today, economic activity is increasing Downtown. However, to move forward there will have to be major investments of time and money, as well as a collaborative effort on the part of several City departments to establish Downtown as a clean, safe neighborhood where people want to live, work, shop and play. This effort will take several years to bear significant fruit. It will also require significant community outreach and strong, steady leadership on the part of City government and the RCRA. Now that the vision is set, implementation is moving forward quickly with several projects and programs. Goal Five Objectives include:

- Complete Phase I of MetroWalk (Transit Village) and the inter-modal transit station.
- Complete the Macdonald – 80 Shopping Center at Macdonald and Interstate 80.
- Complete renovation of Macdonald Avenue from 39th Street to San Pablo Avenue.
- Develop Urban Design Standards for Macdonald Avenue and 23rd Street.
- Begin renovation of Macdonald Avenue from Garrard to BART.
- Implement the two-block mixed use development on Macdonald Avenue between 11th and 13th Streets (12th & Macdonald Mixed Use Project)
- Proceed with groundwork on a mixed-use development of several sites on Macdonald Avenue between 8th Street and Harbour Way.

- Implement the Civic Center Revitalization project.
- Continue to assemble development sites.
- Implement the updated Façade Improvement Program.
- Continue to secure funding for the transit station parking garage at Marina Way and Macdonald so that the parking garage can be built and the east side of the transit village can be developed.
- Continue with implementation of projects in the cue, including the GRIP Multi-Resource Center and Transitional Housing, Lillie Mae Jones Plaza, Macdonald Place Senior Housing, and various smaller housing projects.
- Augment blight abatement efforts with additional funding and the establishment of a revolving loan fund for severe blight situations.
- Facilitate the planned expansion of Kaiser Hospital.

Status of Goal Five Objectives:

- *Phase one of Metro Walk is sold out. Construction of the retail component and public areas of “Nevin Walk” is underway. The transit station construction is also underway.*
- *Negotiation for the Macdonald 80 Shopping Center is complete, design review is complete, and entitlements are in place. The last property required for construction will be in possession in April 2006.*
- *The renovation of Macdonald Avenue from 39th Street to San Pablo Avenue is under construction.*
- *A City-wide Urban Design Standard RFQ/RFP was distributed in 2005, however, no specific actions have been taken toward establishing urban design standards for Macdonald Avenue and 23rd Street.*
- *The re-design of Macdonald Avenue from Garrard to BART is underway.*
- *A Disposition and development Agreement was executed with AF Evans for the 12th and Macdonald Mixed-Use project, and site acquisition activities are underway.*
- *Groundwork on a mixed-use development of several sites on Macdonald Avenue between 8th Street and Harbour Way is underway.*
- *A master development team has been granted a Right to Negotiate Exclusively has been executed for the revitalization of Civic Center. Space programming and initial cost estimates are nearly complete. Phase One is planned to include a renovated City Hall and Hall of Justice.*
- *Staff has identified and prioritized a number of acquisition sites for Downtown redevelopment and affordable housing. Staff is moving forward on several sites that will be brought to the Agency Board for final approval in the coming months.*
- *An updated Façade Improvement Program was approved in 2004 and is being implemented.*
- *Several sources of funds for the transit station parking garage have been secured at the local, state and federal levels. A private placement loan, with the various sources of funds and redevelopment tax increment, is in negotiations for the funding of the garage.*
- *The GRIP project is under construction.*
- *The Lillie Mae Jones and Macdonald Senior Housing projects are in negotiations.*
- *Nevin Place, a 10 unit affordable home ownership project is in design.*

- *45 First Street, which was originally proposed as a four-unit affordable housing project, is on hold.*
- *Additional funding for blight abatement and the establishment of a revolving loan fund for severe cases of blight is in the requested FY 2006 – 2007 RCRA budget.*
- *RCRA and Planning staff are working with Kaiser Hospital to help guide their expansion in a way that is compatible with the Macdonald Avenue Economic Revitalization Plan.*

Goal Six – Enhance the quality and supply of housing, with an emphasis on affordable components.

The creation and rehabilitation of housing continues to be a major focus of CED. Much activity is underway, including market rate projects, mixed-income projects and affordable projects. Major Goal Six Objectives include:

- Facilitate the aforementioned market rate housing projects.
- Complete of the Easter Hill HOPE VI project.
- Complete of the Metro-Walk transit village.
- Complete of Chesley affordable housing project.
- Acquire opportunity housing sites in Downtown and Civic Center areas.
- Perform program assessment and accelerate in-fill housing program.
- Negotiate and implement the Miraflores housing project.

Status of Goal Six Objectives:

- *Previously mentioned residential projects along the shoreline are moving forward.*
- *HOPE VI is well under construction, with new units soon to be occupied.*
- *Phase I of the Metro Walk residential component is complete. Phase II is awaiting construction of the transit station parking garage.*
- *The 30 unit Chesley housing project was completed in 2005.*
- *Downtown area acquisitions are underway with the cooperation of developers for the 12th & Macdonald Mixed-Use project, Lillie Mae Jones Plaza project and the Macdonald Senior project. The program assessment of the In-Fill Housing Program has been completed and the efforts to streamline the program implemented with the completion of a Plan Book. There are currently 45 homes (16 for-profit and 29 non-profit) either under construction or in pre-development.*
- *Negotiations for approximately 80 affordable rental units and up to 100 market-rate for-sale units are well underway and staff is working to secure various sources of funding, including EPA and HUD.*

Goal Seven – Implement the Richmond Housing Authority’s goals and objectives as outlined in the HUD-approved PHA Plan.

The Richmond Housing Authority is committed to providing direct services towards and support for the provision of stable, permanent housing for all residents. The RHA strives to provide, develop and maintain a wide variety of housing types and choices, including, promoting self-

sufficiency by providing programs to accommodate special populations such as the disabled, seniors, homeless and families with children. RHA goals & objectives include:

Expand the supply of assisted housing - objectives:

- Apply for additional rental vouchers.
- Reduce public housing vacancies.
- Leverage private or other public funds to create additional housing opportunities.
- Acquire or build units or developments.

Improve the quality of public assisted housing - objectives:

- Improve public housing management (PHAS).
- Improve voucher management (SEMAP).
- Increase customer satisfaction.
- Concentrate on efforts to improve specific management functions. (list; e.g., public housing finance; voucher unit inspections).
- Renovate or modernize public housing units.
- Provide replacement public housing.
- Provide replacement vouchers.

Increase assisted housing choices - objectives:

- Provide voucher mobility counseling.
- Conduct outreach efforts to potential voucher landlords.
- Increase voucher payment standards.
- Implement public housing or other homeownership programs.

Provide an improved living environment – objectives:

- Implement measures to de-concentrate poverty by bringing higher income public housing households into lower income developments.
- Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments.
- Implement public housing security improvements.

Promote self-sufficiency and asset development of assisted households – objectives:

- Increase the number and percentage of employed persons in assisted families.
- Provide or attract supportive services to improve assistance recipients' employability.
- Provide or attract supportive services to increase independence for the elderly or families with disabilities.

Ensure equal opportunity and affirmatively further fair housing – objectives:

- Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, and disability.
- Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion, national origin, sex, familial status, and disability.

- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

Status of Goal Seven Objectives:

- *In its effort to expand the supply of assisted housing, the Housing Authority continues to move forward with the Easter Hill HOPE VI project. Other RHA projects are being assessed to find ways to increase affordable housing opportunities.*
- *The Housing Authority continues to enhance internal operations to more efficiently turn vacant units. The wait list for Senior and Disabled households has been open to ensure that an adequate supply of public housing applicants is readily available.*
- *The Housing Authority is pursuing other public/ private partnerships to leverage funds for the purpose of creating additional public housing opportunities.*
- *The Housing Authority has created a Modernization Taskforce to more efficiently administer HUD's Capital Fund Program, which is a funding source specific for the renovation or modernization of public housing units.*
- *The Housing Authority continues to issue Housing Choice Vouchers as resources become available. The Housing Authority also publishes the "Housing Choice Voucher News Letter" as needed and conducts landlord summits annually as a means to keep current voucher landlords abreast of program changes and updates, and to outreach to potential voucher landlords.*
- *The Housing Authority has continued to aggressively market the "Police-in-Properties" program to enhance security measures at the Public Housing sites. As a result, a Sergeant with the Richmond City PD moved into a unit at Nevin Plaza in November, 2005. We will continue to market this program for other sites.*
- *To further strengthen the lines of communication and to brief HUD on the Housing Authority's short- term and long-term goals, RHA staff is increasing its outreach to HUD staff, including Stephen Schneller, Director of Public Housing San Francisco Regional Office, and members of his staff.*
- *The Housing Authority will also be submitting another "Project Real" grant application. The current grant will expire in February /2006. The LBP Hazard Control activities funded under this grant are still needed with much more work to be done in the targeted areas.*

Goal Eight – Increase home ownership in Richmond

This goal was established in October 2003 and will be an ongoing effort. Goal Eight Objectives include:

- Create more home ownership opportunities, emphasizing affordable for-sale housing on a city-wide basis.
- Increase the percentage of home ownership Downtown and in North Richmond.
- Increase home ownership among existing Richmond residents.
- Assess the feasibility of redeveloping Nystrom Village to add market rate and affordable units.

Status of Goal Eight Objectives:

- *Ensured that Richmond residents who have completed home buying counseling received priority for affordable for-sale housing units at Metro-Walk.*
- *Funded and facilitated CalHome grant application to provide down-payment assistance for CHDC's Infill Housing Program Units in Redevelopment Agency project Areas.*
- *Conducted First-Time Home-Buyer Information Workshop in Iron Triangle; participated in Home-Buyer Fair at Richmond Auditorium.*
- *Expanding 1st Time Homebuyer Counseling Services to include Spanish speaking and other monolingual families.*
- *Financially supported and helped implement Contra Costa County Individual Development Accounts (IDA) Collaborative training.*
- *Nystrom Village will be assessed to determine feasibility of redevelopment to add housing units.*

Goal Nine – Optimize funding for and management of community support and family support grant process.

This goal was established in October 2003. Optimization of grant funding will be an ongoing goal. Goal Nine Objectives include:

- Align CDBG, HOME and City grant process in order to evaluate all requests at the same time on an annual basis.
- Assess efficiency of current housing loan programs, establish base line criteria for performance and make recommendations for program and process improvements.
- Continue implementation of the CDBG/HOME 2006 – 2007 Consolidated Plan and create the 2007 – 2008 Consolidated Plan by December 31, 2006 for consideration by the City Council in January 2007.

Status of Goal Nine Objectives:

- *Plan for alignment of CDBG, HOME and City grant process was completed, approved and implemented in 2005.*
- *Assessment of current housing loan programs is in progress and specific recommendations will be presented to executive management in Fall, 2006.*
- *Preliminary recommendations include expanding the use of external resources for loan compliance monitoring.*

- *FY 2004-2005 Consolidated Plan (CDBG/HOME) funding recommendations were approved in December 2005 and the preliminary Consolidated Plan Budget was approved in February 2006.*
- *HUD has reduced all CDBG/HOME funding, so the final budget is being revised for final approval.*

Goal Ten – Optimize funding for and management of employment and training services.

The Employment & Training Department is a City department that works closely with other CEDA business units and City departments to maximize employment and training opportunities for Richmond residents. E&T programs are funded by specific grant funds, income from certain operations and specific contracts for services provided to City departments and agencies.

Employment & Training has historically provided, and continues to provide, much needed services to the community. These services include job training, employment placement services through programs like YouthWorks and RichmondWorks, administration of Enterprise Zone and Target Employment Area vouchers, and assisting in economic development efforts. Goal Ten Objectives include:

- Maximize funding levels through continued aggressive grant research and solicitation, active involvement and visibility in grantor events and meetings, and meeting of grants' performance expectations.
- Ensure effective employment and training programs through the efficient and effective use of financial and human resources.
- Increase and enhance corporate and community partnerships, via the Richmond Workforce Investment Board (WIB) through carrying out plans and meeting objectives of the WIB subcommittees: Youth Council; SYEP Ad Hoc; and Marketing
- Maintain enhanced corporate partnerships and visibility of the Richmond WIB.
- Develop and implement a contract compliance function to ensure that developers, contractors and vendors comply with their obligations under contracts and applicable ordinances.

Status of Goal Ten Objectives:

- *E & T was awarded two new competitive grants that will increase funding by \$462,500. The first grant in the amount of \$62,500 will serve foster care youth to transition to mainstream and the second grant in the amount of \$400,000 will support a YouthBuild program over a two year period.*
- *E & T has effectively implemented new programs and services without increasing staff, thereby operating programs more efficiently.*
- *The Summer Youth Employment Program (SYEP) was a huge success, placing nearly 200 youth in summer employment and by raising \$250,000 in commitments. This year's goal will be increased to employing 250 Richmond youth.*

- *A monitoring component has been designed to oversee adherence to the various City ordinances to complete required reporting on State and Federal projects on Davis-Bacon and business enterprise requirements. We expect to roll out the model on a city-wide basis.*

Goal Eleven – Increase number of businesses served by employment and training programs.

This goal is focused on ensuring that local employers have access to local employees through E&T’s RichmondWorks program. Goal Eleven Objectives include:

- Increase community-wide services of RichmondWorks via expanded services to and partnerships with community and faith-based organizations.
- Maintain current RichmondWorks Career Center service levels of 25,000 per year, provide 2500 Enterprise Zone Hiring Credit vouchers to local employers, and place 1000 Richmond adult and youth residents into jobs.
- Successful implementation and service delivery to RHA via the HOPE VI Community Services Plan.
- Increase and enhance interdepartmental collaboration with the rest of the CED group as well as with other City departments.

Status of Goal Eleven Objectives:

- *E & T has expanded and strengthened relationships with community-based organizations in efforts to better coordinate service delivery and to leverage existing resources. Staff is working in close collaboration with the pre-apprenticeship program at Kennedy H.S. to leverage resources and opportunities with our YouthBuild project.*
- *RichmondWorks recently opened a satellite office on MacDonald Ave. and 11th Street in order to reach out to and to better serve the down neighborhoods surrounding Downtown. Service levels overall are consistent with the objectives for this year.*
- *Service delivery on the HOPE VI CSS program is good. Staff continues to devise new strategies and programs for expediting the preparation and employment of the former Easter Hill families.*

Goal Twelve – Expand and increase economic development program efforts in order to increase private sector investment and job creation through economic development activities and incentives.

Economic development activity must expand in order to compete for business in the Bay Area and at large. The key position of Economic Development Administrator was filled in March of 2006. The new ED Administrator will work with Redevelopment, Employment & Training, and other City departments to attract additional developers, builders, and commercial activity to all areas of the City. The effort will include an increased marketing effort focused on the City’s strongest growth sectors, which are: high-tech; bio-tech and health sciences; retail and restaurant; and food production, importation and distribution. This effort has included and will continue to

include an increased presence at International Council of Shopping Centers (ICSC) and CoreNet events. New marketing materials and additional outside resources will increase staff outreach and effectiveness. Goal Twelve Objectives include:

- Re-deploy staff to increase economic development activity.
- Create and implement a new marketing plan with new marketing materials.
- Increase marketing efforts at appropriate trade venues.
- Re-institute systematic business development and retention efforts.
- Increase efforts to attract national retailers, hotel operators and restaurants.
- Increase efforts to attract bio-tech, high-tech, office and light industrial uses.
- Improve oversight of the Main Street Program to ensure that it is setting and achieving appropriate goals.
- Increase small business awareness of and participation in Enterprise Zone benefits.
- Increase small business awareness of and participation in the Revolving Loan Program.
- Extend the life of Richmond's "Enterprise Zone" program through 2012.

Status of Goal Twelve Objectives:

- *The position of Economic Development Administrator has been filled. This person will lead the overall marketing effort, test several focused marketing strategies and manage the development of new marketing materials.*
- *New marketing materials are nearly complete and will be finished by this summer.*
- *Marketing efforts at trade shows did not increase last year due to key staffing shortages, but will increase in the coming year.*
- *Economic Development efforts have been increased to attract national retailers and restaurants, with an emphasis on grocery stores. Wal-Mart is under construction at Hilltop Mall and Target is moving forward on the Macdonald 80 Shopping Center project. Ground Round opened its first California restaurant in the Hilltop area last year.*
- *Economic Development efforts have been increased to attract Bio-tech, high-tech, office and light industrial uses, Kaiser Permanente has opened 110,000 square feet of medical and optical lab space in Richmond in 2004 is also expanding the hospital Downtown.*
- *Main Street has developed and submitted goals as part of the CED budget process.*
- *The food sector is very strong and getting stronger. Importation, production, and distribution of food are growth areas, with Wine.com and Casa Chicas recently joining last year's newcomers, Bay Area Beverages and Galaxy Deserts. Staff is helping other food producers find homes in Richmond.*
- *The Revolving Loan Program closed five loans in fiscal year 2004-2005 and four so far this fiscal year.*
- *Richmond's "Enterprise Zone" for state tax credits to employers is scheduled to expire in 2007. Richmond and other cities that were originally designated as "EZ" cities are working together to secure five-year extensions of their respective designations to 2012.*

Conclusion

The last year has seen many accomplishments for Community & Economic Development, including a reorganization to closer align the Housing Authority, the Redevelopment Agency and the Employment & Training Department. At this point, with clear direction provided by the City's elected officials and a solid strategic plan in place, CED is moving forward on all strategic goals, which are the basis for agency and departmental budgets.

Looking forward, Redevelopment tax increment is projected to increase significantly over the next several years due to projects moving forward in Redevelopment Project Areas, most notably on and near the shoreline, as well as the expansion of Project Areas. This funding, which can be bonded for redevelopment uses in blighted neighborhoods, combined with a stable economy and increased economic development efforts, will enable CED to accomplish most of its goals. However, federal and state funding has become more difficult to obtain, which has an impact on Employment & Training programs, Richmond Housing Authority programs and Redevelopment Agency administered programs funded by HUD, such as CDBG and HOME. These program funding issues will be reflected in the FY 2006-2007 budgets and well as subsequent budgets.

With an expanded mission linking CED core services to crime reduction, CED will increase efforts directly related to blight abatement and the improvement of social conditions, including the provision of housing for all income levels, increased employment and training services and economic development that will produce the funding necessary to revitalize the City and increase the City's level of services provided to the community.