



Economic Development, Placemaking and Branding/ Marketing Committee

City of Arts & Innovation

TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE **DATE: AUGUST 19, 2021**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARDS: All**

SUBJECT: RECEIVE AND FILE AN UPDATE AND PROVIDE FURTHER FEEDBACK AND DIRECTION ON LOCAL HIRING GOALS AND SKILLED WORKFORCE / APPRENTICESHIP REQUIREMENTS FOR THE SALE AND DEVELOPMENT OF CITY-OWNED, SUCCESSOR AGENCY-OWNED, HOUSING AUTHORITY-OWNED AND PARKING AUTHORITY-OWNED SURPLUS OR EXEMPT SURPLUS REAL PROPERTY

ISSUE:

Receive and file an update and provide further feedback and direction on local hiring goals and skilled workforce/apprenticeship requirements for the sale and development of City, Successor Agency, Housing Authority and Parking Authority-owned surplus or exempt surplus real property.

RECOMMENDATION:

That the Economic Development, Placemaking and Branding/Marketing Committee receive and file an update and provide further feedback and direction on local hiring goals and skilled workforce/apprenticeship requirements for the sale and development of City, Successor Agency, Housing Authority and Parking Authority-owned surplus or exempt surplus real property.

BACKGROUND:

On November 19, 2020, the City Manager's Office presented the Local Preference and Disadvantaged Business Enterprise Procurement Policies and potential new policy implementation overview to the Economic Development, Placemaking, and Branding/Marketing Committee (Committee), resulting in the receiving and filing of the overview and requested staff to prepare an organizational plan that incorporates stakeholders and topics and information on the request for proposals of City-owned surplus land.

On January 21, 2021, the Finance Department presented to the Committee an organizational plan for local preference procurement and Disadvantaged Business Enterprise (DBE) policies incorporating stakeholders' topics and information on the request for proposals of City-owned surplus land. The committee unanimously and without formal motion received and ordered filed the organizational plan.

On February 18, 2021, Chair Fierro presented to the Committee a clarification of policy objectives, stakeholder engagement process options and a revised expedited timeline for local preference policy revisions for Request for Proposals (RFP's) on Surplus Land. The Committee requested the Finance Department to bring an informal task update to the Committee on March 18, 2021. The Committee voted unanimously with revisions to the schedule to combine the March 18, 2021, preliminary research report and presentation with a workshop on April 15, 2021.

On March 18, 2021, the Finance Department presented the Committee with updates on the Procurement Local Preference 10 tasks and objectives. The Purchasing Division formulated data requirements to meet four goals to review Vendor Data, Contract Award Date, Vendor Opinions on Local Preference Programs, and Stakeholder Involvement.

On April 15, 2021, the Economic Development, Placemaking and Branding/Marketing Committee reviewed, discussed and provided input on the potential expansion of local preference procurement policy and directed staff to incorporate stakeholder and public feedback and return to the Committee with expansion options to include in the local preference procurement policy for future Request for Proposals for the disposition of City-owned surplus land.

On May 20, 2021, the Economic Development, Placemaking and Branding/Marketing Committee reviewed and considered expansion options to include in the local preference policy for future Request for Proposals for the disposition of City-owned surplus land. Following discussion, the Committee unanimously directed staff to draft a resolution for City Council consideration that includes the following: (1) a 30% good faith effort language for local hiring; (2) a 20-mile radius for local hire; (3) disregard the prevailing wage language; and (4) include a developer commitment to work with area State certified apprenticeship programs to utilize a skilled and trained workforce as provided in California Public Contract Code Section 2600.

On August 2, 2021, at the request of Chair Fierro, this topic was pulled from the August 3, 2021, City Council calendar and referred back to the Economic Development Economic Development, Placemaking and Branding/Marketing Committee for further review, discussion, and direction.

DISCUSSION:

Based on the previous direction provided by the Economic Development, Placemaking and Branding/Marketing Committee, staff from the Community & Economic Development Department and City Attorney's Office drafted resolutions, which establish local hiring goals and skilled workforce/apprenticeship requirements for the sale and development of City-owned, Successor Agency-owned, Housing Authority-owned and Parking Authority-owned surplus or exempt surplus real property.

Specifically, the draft resolutions encompass the following:

- 1. Application:** The draft resolutions are anticipated to be applied to all City-owned, Successor Agency-owned, Housing Authority-owned and Parking Authority-owned (collectively "City") real property declared to be surplus or exempt surplus and which the City seeks to sell on the open market (after complying with the Surplus Land Act) subject to future development of buildings, facilities or other improvements on the real property. Also, the draft resolutions are anticipated to be applied whether the City seeks to dispose of the property through a Request for Proposal ("RFP") process or through direct negotiations (via an unsolicited

purchase offer). However, this will not be applied to City-owned, Successor Agency-owned, Housing Authority-owned, and Parking Authority-owned property where no development project is proposed or feasible for construction of buildings, facilities, or improvements on the real property. The provisions will apply during the private construction of proposed development projects on the former public real property that has been sold.

2. Local Hire Goals: Unless such a requirement conflicts with State or Federal law or regulation applicable to a particular sale of real property, all prospective buyers of City-owned, Successor Agency-owned, Housing Authority-owned and Parking Authority-owned surplus real property shall commit to the following:

- Make good faith efforts to employ qualified local individuals so that no less than thirty (30) percent of the workforce, measured in labor hours, is comprised of local individuals, defined as someone with a permanent residence within a 20-mile radius of the center of Riverside, for the construction of the proposed development, buildings, facilities or other improvements on the real property (it should be noted, for information purposes, that there are currently 2,717,371 individuals living within a 20-mile radius of the center of Riverside, but only 1,068,555 are currently employed within that same radius, and 101,981 of those are employed in the Construction Industry); and
- Provide a report every month during construction showing either that thirty (30) percent local individuals hiring goal has been met or that the buyer made good faith efforts to reach that goal, which shall be subject to a \$5,000 liquidated damages fee for lack of compliance for each monthly violation.
- “Good faith efforts” include, but are not limited to: (1) Contacting local recruitment sources to identify qualified local individuals; (2) Advertising available jobs in trade papers and newspapers of general circulation within the City of Riverside; (3) Providing ongoing assistance to local individuals in completing job application forms; (4) Conducting or participating in a job application workshop within the City of Riverside to assist the community in applying and interviewing for jobs in the contracting industry; (5) Conducting job interviews within 20 miles of the real property; and (6) Any other means of obtaining employees who are local individuals that are reasonably calculated to comply with the goals of this section.

3. Skilled and Trained Workforce / Apprenticeship Program Participation: Unless such requirement would conflict with a State or Federal law or regulation applicable to a particular sale of real property, all prospective buyers of City-owned, Successor Agency-owned, Housing Authority-owned and Parking Authority-owned real property will also:

- In accordance with Public Contract Code sections 2600 et seq., make an enforceable commitment to work with area State certified apprenticeship programs to use a skilled and trained workforce during the construction of any proposed development, buildings, facilities or other improvements on the real property (this shall only apply to occupations involved in the proposed construction for which there are state-certified apprenticeship programs); and
- Provide a monthly report during construction demonstrating that the developer has complied with Public Contract Code Section 2600, which is summarized as: at a minimum, sixty (60) percent of the skilled journeypersons employed to perform work on

the contract or project by every contractor and each of its subcontractors at every tier shall be graduates of an apprenticeship program for the applicable occupation, except that at least thirty (30) percent of the skilled journeymen employed shall be graduates of an apprenticeship program for the following occupations: acoustical installer, bricklayer, carpenter, cement mason, drywall installer or lather, marble mason, finisher, or setter, modular furniture or systems installer, operating engineer, pile driver, plasterer, roofer or waterproofer, stonemason, surveyor, teamster, terrazzo worker or finisher, and tile layer, setter, or finisher, which shall be subject to a \$5,000 liquidated damages fee for lack of compliance for each monthly violation.

Moreover, as proposed, buyers of City-owned, Successor Agency-owned, Housing Authority-owned and Parking Authority-owned surplus or exempt surplus real property, or the buyer's representative, shall have the right to determine the competency of all individuals hired, the number of employees required, the duties of such employees within their occupation, and shall have the right to reject an applicant for any reason; however, buyers of City-owned, Successor Agency-owned, Housing Authority-owned, and Parking Authority-owned land shall exercise this right in good faith and not for the purpose of avoiding the provisions of the draft resolutions.

The provisions of the draft resolutions are anticipated to be incorporated into applicable Purchase and Sale Agreements. It is anticipated that staff will monitor compliance with through monthly reports and will have the ability to enforce through liquidated damages provisions. Sales of property will otherwise have to comply with applicable laws and procedures. For example, the Successor Agency is required to sell real property in a manner that maximizes value to the taxing entities receiving proceeds and must comply with its Long Range Property Management Plan approved by the State Department of Finance in 2014. Successor Agency real property sales are also reviewed by the Countywide Oversight Board and the State Department of Finance.

With the aforementioned in mind, staff recommends that the Economic Development, Placemaking and Branding/Marketing Committee receive and file an update and provide further feedback and direction on local hiring goals and skilled workforce/apprenticeship requirements for the sale and development of City, Successor Agency, Housing Authority and Parking Authority-owned surplus or exempt surplus real property.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council Strategic Priority 3 – Economic Opportunity and, specifically, Goal 3.2: Work with key partners in implementing workforce development programs and initiatives that connect local workers with high-quality employment opportunities and provide access to education and training in Riverside.

This item also aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust:** Connecting local workers with high-quality construction employment opportunities is in the public interest, benefits the City's diverse populations, and results in the greater public good.
2. **Equity:** Connecting local workers with high-quality construction employment opportunities provides an equitable distribution of services to ensure every member of the community has equal access to share the benefits of community progress.

3. **Fiscal Responsibility:** There is no fiscal impact associated with this item, which maintains that Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all. However, connecting local workers with high-quality construction employment opportunities will benefit all residents in the City.
4. **Innovation:** Connecting local workers with high-quality construction employment opportunities demonstrates that Riverside is creative in meeting the community's employment needs and prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency:** Connecting local workers with high-quality construction employment opportunities demonstrates that Riverside is committed to meeting the employment needs of the present without compromising the needs of the future. It also demonstrates the City's capacity to persevere, adapt, and grow during good and difficult times alike.

FISCAL IMPACT:

There is no fiscal impact associated with the recommendation included in this report.

Prepared by: David Welch, Community & Economic Development Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment:
1. Presentation